

**Exploring the environmental causes of stress and coping mechanisms amongst township entrepreneurs: The case of Tembisa**

Thulani, C. Mpangane

212503709

Dissertation submitted in fulfilment of the degree  
Masters of Social Science (Research)

School of Applied Human Sciences

Discipline Psychology

College of Humanities

University of KwaZulu-Natal

Supervisor: Prof Anna Meyer-Weitz

22 March 2020



## DECLARATION

I, Thulani, C. Mpangane declare that *exploring the environmental causes of stress and coping mechanisms amongst township entrepreneurs: The case of Tembisa* is my original work and that it has not been previously submitted for any degree at any university and that all the sources that I have cited have been acknowledged

---

Thulani, C. Mpangane

Date:

Student number: 212503709

## ACKNOWLEDGEMENTS

I would like to express my sincere gratitude and humble appreciation to the following people who contributed significantly towards the completion of this dissertation:

- First things first I would like to thank God for remaining faithful as well as for listening and responding to my prayers. None of this would have been possible without the spiritual guidance of the Lord. All praises to the most high.
- My mother, Esther Mpangane for always being my pillar of strength, I am nothing without you. May you be blessed with many more years so you can witness my success. In the wise words of urban poet Jermaine Cole “Mama I am not done yet, sit back and watch your son rise, kick back and know your son set”. A very special thanks to my father, Vusi Mpangane for always providing support and guidance. I wish God can grant me half the wisdom that you have. I would also like to thank my family at large as well as my friends for their patience and companionship throughout the difficult journey. Mr Slepe for always motivating me to live up to my potential.
- My supervisor, Professor Anna-Meyer Weitz for believing in me even when there were times when it wasn't favourable to do so. Thank you for making this research journey more enjoyable and inspiring me to develop a passion for academics, working with you has been my academic journey's biggest honour. I would also like to thank my former supervisor Dr Chris Le Roux for the significant contributions which he made towards the research dissertation. Lastly, I would like to thank Mrs Ayanda Ntuli and the School of Applied Human Sciences administration staff for their professionalism in handling academic matters.
- I would also like to thank my former employers and mentors, Mr Muhammad Cajee and Mr Ebrahim Fakir for making provision for the necessary resources required for me to complete my research in terms of the books, internet access, photocopying as well as the intellectual guidance. I am truly thankful for the role that you have played in my career I would also like to thank Mr Nthembeko Nqaphela, as well as my former colleagues Tamsyn Hudson, Waleed Bata and Salma Abdool.
- Lastly, I would like to thank my research participants in the form of Tembisa's township entrepreneurs for offering their valuable time to make significant contributions towards this research project. Your willingness to participate in my study is not taken lightly as it has indeed given me an enlightened perspective at an academic level and at a social level.

## **DEDICATION**

I especially dedicate this thesis to God almighty, the creator, my fortress, my source of strength and guidance. I also dedicate it to my parents Mr Vusi Mpangane and Esther Mpangane who have supported me consistently in everything that I do, may God grant them many more years. Last but not least, this dissertation is a posthumous and special dedication to my late best friend Bandile Ndumiso Mavuso who was a victim of township gun violence in Daveyton Township which is located in the east side of Gauteng. This one is for you  
“Ntwana yam”.

## TABLE OF CONTENTS

Declaration	ii
Acknowledgements	iii
Dedication	iv
Abstract	x
Key words	xi
Table of contents	v
CHAPTER 1: INTRODUCTION AND BACKGROUND	1
1.1 Introduction	1
1.2 Background of research problem	3
1.3 Rationale and significance of the study	6
1.4 Research aims and research questions	7
1.5 Ethical clearance for the study	7
1.6 Outline of the study	7
CHAPTER 2: LITERATURE REVIEW AND THEORETICAL FRAMEWORK	
2.1 Introduction	9
2.1 Entrepreneurship	9
2.2.1 The concept of entrepreneurship	9
2.2.2 Entrepreneurship globally	11
2.2.3 Entrepreneurship in South Africa	14
2.2.4 Informal enterprises in South Africa	15
2.2.5 Informal entrepreneurship globally	17
2.3 Stress	19
2.3.1 The concept of stress	19

2.3.2 Stress and burnout	20
2.3.3 Stress and depression	20
2.3.4 Stress among entrepreneurs	21
2.3.5 Stress among township entrepreneurs	23
2.4 Transactional model of stress and coping	24
2.4.1 History of transactional model of stress and coping	24
2.4.2 Coping and appraisal	25
2.4.3 Emotion based and problem based coping	27
2.4.4 Coping and personality	29
2.4.5 Proximity seeking, mastery and accommodation	30
2.4.6 Psychological resources, social resources and specific coping responses	30
2.4.7 Engagement versus Disengagement coping	32
2.4.8 Meaning as a form of coping	34
2.4.9 Conclusion	36

## CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction	37
3.2 Research design	37
3.2.1 Qualitative research design	37
3.3 Sampling method and procedure	38
3.4 Data collection and ethical considerations	39
3.5 Instrument	40
3.6 Data Analysis	40

## CHAPTER 4: RESEARCH FINDINGS

4.1 Introduction	42
4.2 Bio-demographic characteristics of the sample	42

4.3 Main reasons for starting business	42
4.4 Micro-environmental causes of stress	45
4.4.1 Finances (Poor access to finance, running costs, poor financial management)	45
4.4.4 Employee relations	48
4.4.5 Management of stock	50
4.4.6 Lack of equipment	52
4.4.7 Environmental causes of stress	53
4.5.1 Competition	53
4.5.2 Insufficient operating space	55
4.5.3 Crime, drugs and violence	56
4.5.4 Lack of infrastructure	59
4.6 Psycho-social causes of stress	60
4.6.1 Role overload	60
4.6.2 Work-life balance	61
4.6.3 Various customer dynamics	63
4.7 Causes of stress amongst foreign nationals	65
4.7.1 Xenophobia	65
4.7.2 Bureaucratic limitations of being illegal immigrant	67
4.7.3 Police harassment and misconduct	68
4.8 Coping strategies used by township entrepreneurs	70
4.8.1 Cognitive/ Emotion based coping	70
4.8.2 Problem based coping	72
4.8.3 Maladaptive coping mechanisms	74
4.8.4 Spiritual coping	75
4.9 Conclusion	82
CHAPTER FIVE: DISCUSSION	84

5.3 Main reasons for starting business	85
5.4 Micro-environmental causes of stress	88
5.4.1 Poor access to finance	88
5.4.2 Running costs	90
5.4.3 Poor financial management skills	91
5.4.4 Employee relations	92
5.4.5 Management of stock	94
5.4.6 Lack of equipment	99
5.4.7 Environmental causes of stress	100
5.5.1 Customer dynamics	100
5.5.2 Competition	101
5.5.3 Insufficient operating space	105
5.5.4 Crime, drugs and violence	107
5.5.5 Lack of infrastructure	110
5.6 Psycho-social causes of stress	111
5.6.1 Role overload	111
5.6.2 Work-life balance	112
5.7 Causes of stress amongst foreign nationals	116
5.7.1 Xenophobia	116
5.7.2 Bureaucratic limitations of being illegal immigrant	118
5.7.3 Police harassment and misconduct	121
5.8 Coping strategies used by township entrepreneurs	122
5.8.1 Constructive coping mechanisms	123
5.8.2 Destructive/negative coping	128
5.9 Recommendations for entrepreneurs	130
5.8.4 Recommendations for government and stakeholders	131
CONCLUSIONS, LIMITATIONS AND RECOMMENDATIONS	134

6.1 Introduction	134
6.2 Conclusions of the study	134
6.3 Limitations of the study	135
6.4 Recommendations	137
LIST OF REFERENCES	140
APPENDIXES	165
<b>Appendix 1 Letter to Gatekeeper</b>	<b>165</b>
<b>Appendix 2 Cover letter for participants</b>	<b>167</b>
<b>Appendix 3 Informed Consent</b>	<b>169</b>
<b>Appendix 4 Research Questionnaire</b>	<b>170</b>
<b>Appendix 5 Letter from Gatekeeper</b>	<b>171</b>
<b>Appendix 6 Ethical clearance</b>	<b>172</b>

## ABSTRACT

The significance and impact of township enterprises has proven to be undeniable both on a global scale and on a local scale. However, very little research has been conducted regarding the psycho-social background of the township entrepreneurs. This is because most research has chosen to place primary focus on the urban and formalized enterprises. Therefore, the aim of the current study was to explore the socio-cultural experiences of township entrepreneurs, the environmental factors that cause stress among entrepreneurs, as well as the adaptive and maladaptive coping mechanisms implemented by township entrepreneurs when they are confronted with stress. The study was conducted among entrepreneurs located in Tembisa South, Ivory Park, and Hospital View. The theoretical framework which guided the study is the transactional model of stress and coping theory. The study was conducted using a sample of 20 township entrepreneurs using a semi-structured interview schedule. The findings of the study indicate that there is a difference regarding the causes of stress among South African entrepreneurs when compared to foreign township entrepreneurs. The causes of stress among foreign entrepreneurs included factors such as xenophobia, being disliked by community members, business restrictions caused by the fact that they do not have legal citizenship, as well as police harassment and bribery owing to lack of South African citizenship. In contrast, the causes of stress among South African township entrepreneurs included factors such as delayed grant payments by South African Social Security Agency(SASSA), high interest rates on loans, as well as the high influx of Somali national's businesses which results in increased competition. The common causes of stress among South African township entrepreneurs and foreign township entrepreneurs included factors such as poor access to finance; customer dynamics; management of stock; lack of equipment and infrastructure; role overload;work-life balance;high levels of competition; employee challenges;crime;violence and drug abuse;having insufficient operating space, as well as various other factors which have been highlighted in the study. The study also highlighted the various coping mechanisms used by entrepreneurs in order to deal with stress, these include emotion based coping strategies, problem-based coping strategies, maladaptive coping strategies as well as spiritual forms of coping.

The study also explored some of the recommendations made by the township entrepreneurs to other entrepreneurs and township economy stakeholders. In addition, based on the findings of the current study, recommendations were made to government and other relevant stakeholders that are involved in the agenda to uplift and develop the township economy.

## KEY WORDS

Stress, Coping, Entrepreneurship, Township Entrepreneurship, Informal Enterprises, SME's (Small and Medium Enterprises). In the current study, the words informal entrepreneurship and township entrepreneurship are used interchangeably.

### *Stress*

The general definition of stress is an overwhelming feeling of unease caused by a difficult circumstance.(Gillard, 2003)

### *Coping*

Coping refers to the attempts made by an individual in order to address the circumstances which cause the person stress (Gillard, 2003).

### *Entrepreneurship*

Entrepreneurship refers to the act of starting one's own business while being conscious of the potential risks and opportunities (Gillard, 2003).

### *Township Entrepreneurship*

Township entrepreneurship refers to the act of starting one's own business in the townships while being conscious of the potential risks and opportunities (Gillard, 2003).

### *Informal Entrepreneurship*

Informal entrepreneurship refers to the act of starting a business outside the realms of business registration thus leading to a situation whereby the business does not pay taxes nor conform to labour laws (Gillard, 2003).

### *SME (Small and Medium Enterprises)*

These are small and medium scale businesses that serve local markets (Gillard, 2003)

## CHAPTER ONE

### INTRODUCTION AND BACKGROUND

#### 1.1 Introduction

Entrepreneurship refers to the process opening a business with the hopes of generating more resources than those that one has invested in the business (Atsan, 2016). Wills (2009) suggests that entrepreneurs in general are exposed to many stressful factors within the macro and micro environment of the business, especially because of the many hours that they spend alone which may lead to loneliness and over thinking. Wills (2009) further states that employees respect the entrepreneur as a figure of authority. Therefore, if the entrepreneur is stressed, their stress will get passed on to employees. However, Grant & Ferris (2009) found that entrepreneurs are more stressed by their day-to-day challenges whereby they do not have enough time or resources to meet certain demands. Essentially, Cordon and Patel (2015) accentuates that an entrepreneur's average work day can take away the time that was allocated for family leisure. Moreover, Rauch, Unger and Rosenbach (2007) found that family stress has the ability to cause disruptions in one's occupation because major family catastrophes such as death or imprisonment can be sources of stress which in turn affects one's performance.

In its simplest form, Wills (2006) defines township entrepreneurship as enterprises and markets that are based in the township. According to Braude (2005), some of the defining characteristics of township entrepreneurs include diversity as well as a high rate of informality. There are two types of township entrepreneurs, namely, survivalist entrepreneurs and opportunity entrepreneurs (Wills, 2006). Charman (2017) asserts that survivalist township entrepreneurs include those entrepreneurs who have been forced into entrepreneurship by their poor financial circumstances or because of a lack of employment in the mainstream formal economy. On the contrary, Charman (2017) characterises opportunity township entrepreneurs as those entrepreneurs who see a gap in the township economy and then use their business as a tool to fill this gap. Bond (2000) states that the main difference between survivalist and opportunity entrepreneurs is that survivalist entrepreneurs are content with making profits that enable them to live on a hand to mouth basis, whereas opportunity entrepreneurs continually seek opportunities for the growth and

development of their businesses. Various findings (Braude, 2005; Bond, 2002; Carr & Chen, 2002) suggest that township enterprises form a multi-billion rand industry which includes various types of businesses such as spaza shops, street vendors, hair salons, taxi businesses, burial societies, and stokvels.

Stress can be defined as the interaction that a person has with their environment in terms of whether the individual appraises a situation or event as having an effect on his or her wellbeing whereby the person's resources are tested (Folkman & Lazarus, 1985). Stress can also be viewed as any situation that poses a threat to someone's happiness or personal growth, ultimately forcing a reaction from the person by testing their coping skills (Soran, 2014). Additionally, occupational stress refers to a situation whereby the stress of the individual is a result of their working conditions. Cordon and Patel (2015) also found that occupational stress is mostly evident among new entrepreneurs (Cordon & Patel, 2015; Fernet, 2016; Folkman & Lazarus, 1985; Soran, 2014 ;).

According to Sathasivan and Kamaraswamy (2014), coping strategies are implemented in response to stress. Folkman (2010) defines coping as cognitive and behavioural efforts that are geared towards managing and reducing stress that is caused by an imbalance in the person-environment relationship. Coping strategies in psychology have been categorised into two concepts, namely, problem based coping as well as emotion based coping (Lazarus, 1993). According to Lazarus (1993), problem-based coping occurs when the individual implements strategies to find direct solutions to the problem, whereas emotion-based coping occurs when the individual has no control over the situation and they are forced to change their attitude towards the situation (Folkman, 1986; Lazarus, 1993; Sathasivan & Kamaraswamy, 2014).

Karl, Swain and Pillay's (2017) studies have found that psychological health in the African perspective is a result of equilibrium between the physical, spiritual and historical dimensions of the individual. However, the modern day dynamics of studying and managing stress are largely westernized (Karl et al., 2017). According to Juma (2011), the study of stress in South Africa appears to lack an integration of socio-cultural and spiritual belief systems of Africans. Contrary to western counselling techniques that emphasise individual survival, Juma (2011) found that

black South Africans embrace healing processes that relate to the 'Ubuntu' worldview which places primary emphasis on collective existence. In addition, Marks (2006) found that the use of specific concepts and meanings is a challenge in research situations because there are some psychological terms, such as stress, which do not exist in African culture. Based on the findings of Marks (2006), Mashuwa is the general term used to describe any disorder which has cognitive origins. According to Karl et al., (2017), African ways of coping with stress and other illnesses include consultation with traditional healers who provide herbs, interpret dreams, perform cleansing rituals, and offer sacrifices to ancestors who are responsible for looking after their descendants (Juma, 2011; Karl et al., 2017; Marks, 2006).

The current body of stress literature pertaining to entrepreneurs has predominantly placed primary focus on mainstream and formal entrepreneurs, while neglecting the informal entrepreneurs that exist in the township. A study among township entrepreneurs is important because the environmental factors are likely to differ from those of the mainstream economy. According to Sparks and Barnett (2010), the socio-cultural experiences of township entrepreneurs are vital in determining the growth of township enterprises in terms of the types providing interventions that are specific and relevant to the context (Wills, 2009). The socio-cultural experiences of township entrepreneurs are largely shaped by relationships with family, friends, customers, competitors, and landlords as well as the broader community within which these enterprises operate (Sparks, 2010). Moreover the socio-cultural experiences of township entrepreneurs include their traditional customs, ideologies, spiritual and religious beliefs as well as sacred knowledge systems that have been passed down from generation to generation. Therefore, Sparks and Barnett (2010) contend that the causes of stress among urban entrepreneurs may not be the same as the causes of stress among township entrepreneurs owing to the difference between the two environments. Therefore, the qualitative nature of my study filled this gap in knowledge by providing a better understanding of the experiences of township entrepreneurs, their stressors and ways of coping.

## **1.2 Background of Research**

The term township economy, according to Nqaphela (2016), is largely characterised by dormitory confined and over populated property developments, exclusion from core economic activity, being located at the poor end of South Africa's dualist economy, high levels of informality, lack of infrastructure and road networks, as well as a high prevalence of violent crimes. Nqaphela (2016) argues that the above-mentioned factors serve to lead to the economic paralysis of the South African township economy. This section aims to briefly highlight the need for research and attention from various stakeholders on the township economy.

About 40% of enterprises interviewed in a study funded by the World Bank found that the most cited challenges faced by modern day township entrepreneurs include the high costs of capital, fear of failure and jealousy, as well as high levels of crime (Wills, 2009). However, according to Wills (2009), small businesses are less affected by crime whereas big businesses are most likely to be victims of armed robbery related crimes. Moreover, Charman (2016) posits that businesses have poor access to finance mean while they operate in an environment that requires them to give out credit to consumers. Charman's (2016) findings state that township enterprises are unable to apply for loans at banks because they are perceived to be a high credit risk. It is for this reason that most township enterprises have found refuge in making use of loan sharks who keep their customer's identity documents as surety that the customers will pay back the money (Charman, 2016).

In addition, Charman (2016) asserts that the lack of infrastructure within the business premises also serves as an obstacle towards the development of the township economy. Some of the businesses have an unreliable source of electricity and poor water supply to an extent whereby they have resorted to implementing the bucket system. Furthermore, the issue of land use zoning is very prominent in the township economy because there is an insufficient space to develop and expand their businesses to operate at a large scale (Charman, 2016). The situation is so dire that the entrepreneurs convert their homes into business locations, while those who rent business space sleep inside their stores. Alo and Castelner (2017) conducted a study in which they found that land is cited as the most valuable resource for informal entrepreneurs. The biggest outcry when it comes to land is that government stakeholders have dedicated too many hectares of land in townships towards

building retail malls that represent mainstream economy businesses, instead of preserving the land for local manufacturers (Alo & Castelier, 2017).

Charman (2017) conducted a study on the ownership patterns and demographic information of township entrepreneurs and found that more than 70% of township enterprises are owned by foreigners. Foreign nationals are generally better organised and they are more competitive than local entrepreneurs. Their competitive advantage stems from their bulk buying power which ultimately leads them to offering goods and services at a lower price. However, in addition to the general challenges faced by township entrepreneurs, there are specific challenges that are exclusive to foreign township entrepreneurs (Charman, 2017). These challenges include their inability to get bank accounts or to register their businesses because most of them are undocumented. Moreover, foreign township entrepreneurs face the challenge of police harassment because they do not have legal citizenship in South Africa. In addition, foreign township entrepreneurs face the risk of xenophobic attacks from local people who have been frustrated by government and use foreigners as scapegoats (Charman, 2017).

Township enterprises provide a wide variety of goods and services to consumers. According to Ranyane (2015), these enterprises include spaza shops, street vendors, hair salons, taxi businesses, mechanical services, manufacturing companies, burial societies, stokvels and child care centres, loan sharks and shebeens. However, most shebeens operate under extremely private conditions due to the legal limitations and implications.

In addition, Ranyane (2015) found that the taxi industry is a very significant aspect of the township economy as well as the mainstream economy. This is because the minibus taxis, which are mostly owned by township entrepreneurs, play an important role in ensuring the safe travelling of millions of township citizens who travel within the township or outside of the township for work and shopping purposes. The taxi industry employs over 70 000 people in Gauteng alone (Ranyane, 2015). Wills (2009) found that the spaza shop industry is worth more than seven billion Rand because of the significant role that it plays as an easily accessible mini grocery store that provides basic household products. The township economy is also made up of many burial societies which serve as a cheaper and more reliable form of

informal funeral insurance. The burial society industry boasts a membership of more than 12.5 million people which makes the industry to be worth more than 25 billion Rand. Lastly, there are stokvels which are defined as money rotating schemes which are responsible for funding the education of local children (Wills, 2009).

Alo and Castelier (2017) assert that township entrepreneurs and entrepreneurs in general are constantly under stress and pressure to ensure smooth operation of their businesses. Evidence of this can be found in the case study of Mohamed Bouazizi who set himself on fire in protest against police harassment during the Arab Spring in Egypt (Alo & Castelier, 2017). Although this did not happen in South Africa, it does serve as an indication of the stressors suffered by informal entrepreneurs, at a continental level, who suffer from police harassment. Cases similar to the above stated case can be regarded as a signal of the urgency that is required for us to implement research as a tool to accelerate and deepen our understanding of informal enterprises within the South African context.

The above discussion serves as evidence that township entrepreneurs face high levels of stress. Therefore, my study was undertaken based on this background.

### **1.3 Rationale of the study**

There are a very limited number of studies that have been done in South Africa pertaining to the high stress levels experienced by township entrepreneurs and entrepreneurs in general. This is ironic because stress and the inability to cope with stress have been found to be one of the leading causes of business failures, especially within the spectrum of Small and Medium enterprises (SME's) (Rauch et al., 2007). Most of the studies about stress among entrepreneurs are performed at an international level among formalised enterprises thus they do not place specific focus on South African township entrepreneurs. Existing studies about stress among entrepreneurs are mostly quantitative in nature, as they have been geared towards measuring the levels of stress amongst entrepreneurs, as opposed to exploring the causes of the stress among entrepreneurs. The current body of knowledge pertaining to township entrepreneurs is embedded in quantitative research studies; for example, Charman's (2017) study merely give statistical information about the number of township enterprises that exist as well as the township enterprise's ownership demographics. It does not provide qualitative data about the psycho-social wellbeing

of the entrepreneurs. In terms of coping with stress, existing studies emphasise the significance of social support as a means of deal with stress. However, they neither specify the kind of social support that township entrepreneurs receive nor indicate where this social support comes from. Contrary to existing studies about stress and coping among entrepreneurs, the current study sought to use qualitative research in order to explore in-depth information about what it is like to be an entrepreneur from the township entrepreneur's perspective. Moreover, the current study sought to explore the stressors and coping mechanisms that are experienced and cited by entrepreneurs. The findings of this research can be used to assist officials to improve their understanding of the experiences of entrepreneurs in townships and the stressors that they experience. In addition, the study findings provide various ways of coping so that they are able to support entrepreneurs and help them to manage their stressors thus equipping them with better skills to run a business, access resources and strategies to cope with stressors.

#### **1.4 Research aims and objectives**

The aim of this study was to maximise the understanding of stress and coping among township entrepreneurs by exploring the stressors and coping strategies of township entrepreneurs in Tembisa. The aims of this study was achieved by answering the following research questions:

- a) What are the socio-cultural experiences of township entrepreneurs located in Tembisa South, Ivory Park and Hospital View?
- b) What are the psycho-social factors that cause stress amongst township entrepreneurs located in Tembisa South, Ivory Park and Hospital View?
- c) What are the coping mechanisms used to cope with stress by township entrepreneurs located in Tembisa South, Ivory Park and Hospital view?

#### **1.5 Ethical clearance for the study**

Ethical clearance for the study was applied for and granted by the University of Kwa-Zulu Natal Human Social Sciences Research Ethics Committee. Permission to conduct this study was sought and granted by the Small Enterprise Development Agency (Seda).

## **1.6 Outline of the dissertation**

**Chapter 1** of this dissertation is made up of background information regarding entrepreneurship as well as stress and coping. Chapter 1 also includes the problem statement, the rationale for my study, the aims and research questions, as well as the ethical considerations of my research.

**Chapter 2** is the review of literature that relates to the township entrepreneurship, stress and coping strategies. The transactional model of stress (Folkman & Lazarus, 1988) is the theoretical framework which guided my study and it will also be discussed in this section.

**Chapter 3** is the section for the research methodology in terms of the research design, research instrument, sampling method, data collection procedure, as well as data analysis. This chapter will also discuss the role that will be played by the researcher during data collection procedures. Moreover, this section will cover the advantages and disadvantages of the methodology that will be implemented by my study

**Chapter 4** represents the final findings and results of the study. The findings of the study will be made up of my interviews.

**Chapter 5** consists of the discussion of the findings of the study in comparison to the available literature.

**Chapter 6** presents the conclusions, challenges and recommendations provided by my study.

## CHAPTER TWO

### LITERATURE REVIEW AND THEORETICAL FRAMEWORK

#### 2.1 Introduction

As previously stated in Chapter 1, the township economy as well as the informal economy at large plays a significant role in terms of shaping the economic landscape of the South African economy and the global economy at large. The aim of this chapter is to review the pre-existing literature pertaining to the township economy, the informal economy as well as the current state of Small and Medium Enterprises (SME's) in South Africa and globally. The chapter will commence by reflecting on the concept of entrepreneurship in terms of its definitions and the various forms in which it manifests. Thereafter, the chapter will explore and highlight literature about entrepreneurship in various contexts including the global context, the South African context in general, as well as the South African township economy in particular. Next, the chapter will explore one of the cornerstone constructs of the study which is stress. The concept of stress will be explored, along with the causes of stress among South African and global entrepreneurs. Thereafter, the section will probe into the concept of coping. The coping construct will be explored in terms of the conceptual meaning and the coping strategies used by entrepreneurs in general. Moreover, the section will explore coping in relation to substance abuse, music and ancestral worship. Lastly, the section will also highlight and breakdown the transactional model of stress, which is the theoretical framework which will be implemented to guide the study.

#### 2.2 Entrepreneurship

The following section seeks to review literature pertaining to entrepreneurship in terms of the concept of entrepreneurship, entrepreneurship in South Africa, Informal entrepreneurship in South Africa.

##### *2.2.1 The concept of entrepreneurship*

Entrepreneurship is a very multidimensional construct. AS a result, there are various definitions used to give meaning to the concept of entrepreneurship. It is important to note that the definitions of entrepreneurship are largely dependent on the context and the field of study which one chooses to approach entrepreneurship. Amiri and Marimael (2012) asserts that from a sociological perspective, entrepreneurship can be defined as the social and

economic procedures of recognising gaps in certain markets, therefore mobilising human resources and organisations as tools to fill up the gaps with the motive of making a profit. From a management studies point of view, Mokaya, Namusange and Skilach (2012) view entrepreneurship as an individual's ability and strength to take calculated risks in order to start, grow and manage a business in order to make profit from it. On the contrary, in psychology, entrepreneurship is defined as a motivational process of discovering new opportunities and then using creative and innovative business methods to pursue opportunities with the intention of making a profit (Mokaya et al., 2012). The common factor among these definitions of entrepreneurship is opportunity and profit. For the purpose of the current study, all the above definitions of entrepreneurship will be considered.

Common disagreements about entrepreneurship definitions are based on two arguments. Firstly, according to Hoppe (2016), it is argued that entrepreneurship can be viewed as an innovative process which introduces fresh products and services that are exclusive to certain organisations. On the contrary, Kruger (2004) argues that entrepreneurship can also be based on the improvement of existing products. The current study endorses both arguments by viewing entrepreneurship as both the process of creating and improving existing products and services.

Other researchers such as Hoppe (2016) draw distinctions between opportunity entrepreneurs and survivalist entrepreneurs. Opportunity entrepreneurs are viewed as those entrepreneurs who engage in entrepreneurship in order to exploit an opportunity in the market, whereas survivalist entrepreneurs are viewed as those entrepreneurs who start their businesses out of desperation to put food on the table with no real hunger for growth and development of their enterprises. Moreover, Liu (2008) asserts that there is a difference between entrepreneurship and SME ownership. He argues that the difference between entrepreneurship and SME ownership is based on the fact that entrepreneurship is characterised by opportunities accompanied by prospects of growth, whereas SME ownership is seen as containing all the characteristics of entrepreneurship except for the fact that the growth and development of SME's is limited. These views can be contrasted with the findings of Mokaya et al., (2012) who argued that the concept of entrepreneurship is characterised by the pursuit of economic opportunities through business, regardless of the economic scale of the business.

Herrington, Kew and Mwanga (2017) conducted a study consisting of 157 students in Romania in order to check the influence of locus of control on entrepreneurship. The results

of their study indicate that there is no relationship between locus of control and the decision to become an entrepreneur. However, the current study argues that the findings of the GEM (2017) are questionable because the research sample was university students as opposed to established entrepreneurs.

### ***2.2.2 Entrepreneurship globally***

Antonie (2017) conducted a global study in an attempt to detect the impact of entrepreneurship as well as the challenges faced by SME owners in different countries (as cited in Neneh & Van Zyl, 2017). The findings of his study show that Uganda has recently overtaken the United States of America (USA) in terms of having the highest number of start-up enterprises. He further found that low-income countries such as Zambia and Nigeria had the highest number of SMEs because the citizens resorted to entrepreneurship as a form of self-employment because of the high unemployment rates in their countries. This serves to inform the current study of the influence of unemployment on the decision to form SMEs. However, although Antonie's study reflects that SME start-up is very high in Zambia and Nigeria, it does not highlight whether or not the income generated by SMEs has a significant impact on the economies of their countries as much as SMEs in the USA and in Europe (as cited in Neneh and Van Zyl, 2017) .

In addition, Charles et al., (2017) found that in America, 90% of employment is created by SMEs. On the contrary, in middle class countries such as Malaysia, Brazil and India, SMEs were also found to play critical role in the development of their economies because more than 60% of businesses in these countries are regarded as SMEs who provide employment for many citizens in their respective countries (Charles et al., 2017). This serves to inform the current study about the global economic significance of SMEs and the township economy in general.

Alange (1988) conducted a study in Helsinki with the aim of exploring the reasons that lead people to establish their own businesses and become entrepreneurs. His findings reflect that people start their own businesses in order to exercise greater control of their time schedule because of the view that entrepreneurs are their own bosses and therefore do everything at their own time (Alange, 1988). These findings can be contrasted with the views of American business women.

Stucke (2013) conducted a study in the USA whereby he explored the social effects of high levels of competition on American businesses. His study concluded that the high levels of competition have negative effects on the relationships that competitors have with one another which can ultimately cause factions in the community therefore threatening the social cohesion of community members (Stucke, 2013). These findings are supported by the findings of Listra (2015) who conducted a study in Estonia whereby the objective was to probe the various dynamics of competition in business. His study concluded that high levels of competition can have toxic effects on the growth and development of businesses because it serves to reduce the amount of customers that an enterprise receives because they have to split customers with competitors (Listra, 2015). These findings can be contrasted with the findings of Yan (2010) who conducted a study in China in order to explore the various strategies used by businesses in order to gain competitive advantage. Yan (2010) found that competition was a useful tool for the growth and development of enterprises because it kept businesses on their toes. He further asserts that competition also benefits customers who are given more variety of options in terms of how and where they can spend their money. Therefore, this serves to inform the current study that high levels of competition have both positive and negative effects on businesses on a global level.

Obokah and Goldman (2010) conducted a study in Nigeria with the aim of measuring the relationship between the states of entrepreneurial infrastructure in relation to the productivity of Nigerian enterprises. The outcome of his study reflects that one of the biggest challenges for Nigerian enterprises was the lack of electricity (Obokah & Goldman, 2010). A similar conclusion was reached by Suleiman and Aruwa (ND) who conducted a study in the Kaduna State of Nigeria. His study was also concerned with business productivity in relation to infrastructure development. His findings reflect that the growth and development of Nigerian enterprises was hindered by the lack of infrastructure (Suleiman & Aruwa, ND). This serves to inform the current study that infrastructure plays a fundamental role in the growth and development of businesses and that without infrastructure businesses cannot reach their full potential.

Rostamy (2009) conducted a study in Iran in an attempt to understand how consumer expectations affect enterprises. He concluded that the inability to meet customer expectations has the potential to cause stress because it may result in the loss of income in future (Rostamy, 2009). These findings can be compared to the findings of Dolland and Christian

(2003) who conducted a study to find out how call centre agents and customer service agents handle customer stress in Australia. He concluded that the failure to meet customer demands was a huge source of customer dissatisfaction and it decreases the likelihood that the customer will return (Dolland & Christian, 2003). He asserts that good communication skills were a key component which could be used to ease customer dissatisfaction (Dolland & Christian, 2003). This serves to inform the current study that customers have the potential to be a source of stress for township entrepreneurs.

Globalisation has proven to have significant effects on the entrepreneurial landscapes of different countries all over the world. This is evidenced by the study conducted by Rusu (2014) who conducted a global study which sought to explore the links between migration, tourism and entrepreneurship. The findings of his study reflect that globalisation can have both negative and positive effects on local businesses. The positive effects of globalisation include the fact that it gives local entrepreneurs access to new and international markets (Rusu, 2014). On the contrary, the negative effects of globalisation can be found in Mwika's (2018) study who stated that the negative effects of globalisation include the fact that it leads to an influx of foreign entrepreneurs from one country to another, who then set up businesses in their countries of destination, therefore increasing competition for the local entrepreneurs. Essentially, business competition from foreign nationals was found to be a global concern (Rusu, 2014).

Charles, Mathews and Mark (2012) conducted a global study regarding the role played by family members in business. He collected from 48 countries and found that being raised in an entrepreneurial family increases the likelihood that an individual may be involved in entrepreneurship either through inheriting the family business or through drawing inspiration and expertise to form one's own business. In addition, he found that a large number of entrepreneurs in the USA are regarded as family members to an extent whereby eight out of ten businesses are family-oriented (Charles et al., 2012). These findings are aligned to the findings of Hadebe (2010) who conducted an exploratory study of home based township enterprises located in Soweto. His findings suggest that a vast majority of township entrepreneurs had borrowed money to start their businesses from family members or relatives. Furthermore, he found that family members were very instrumental in the day-to-day running of home-based enterprises owing to the proximity that they had to the business (Hadebe, 2010). This serves to inform the current study that family members have a significant influence on the success or demise of an enterprise.

It has further been argued that on a global scale, the key driver for efficiency and growth of entrepreneurship is technological developments (Bille & Yufary, 2013). In her international study of start-up businesses located in China, Lebanon and Sweden, Bille and Yufary (2013) found that the high speed of technological advancement in China put them at a competitive advantage against other countries in terms of entrepreneurial growth in the country. This serves to inform the current study that in order for township enterprises to be more globally competitive, there needs to a sense of urgency with regards to the rate of the apparent fourth industrial revolution. Other factors which determine the success or demise of businesses include political policy developments because of their influence on property rights (Bille & Yufary 2013).

### ***2.2.3 Entrepreneurship in South Africa***

The entrepreneurial sphere of South Africa is largely governed Broad Based Black Economic Empowerment (BBBEE) policies which aim to redress and balance the unequal distribution of wealth amongst black South Africans who were predominantly oppressed by the former apartheid regime through colonisation and exclusion of Africans therefore promoting myths of white superiority and black inferiority (Cassim, 2014). Mathekga (2010) conducted a study in South Africa in order to explore the advantages and disadvantages of entrepreneurial development. She argued that BBBEE was a careful and effective tool in creating and empowering black people to break into the elite economic class. In contrast, Cassim (2014) conducted a study regarding the effects of policy development on entrepreneurial activity in South Africa and found that BBBEE policies only serve to benefit a handful of elite black people. In addition, it has opened the floodgates of corruption whereby businesses no longer receive contracts and tenders based on merit, but rather they receive them based on relationships and personal connections. This serves to inform the current study of the critical role played by BBBEE in the entrepreneurial context of South Africa.

South Africa is acclaimed to be the economic hub of Africa (Mathekga, 2010). A GEM (2009) report indicated that the racial dynamics of business ownership reflect that only 4.5 % of black people living in South Africa are business owners, whereas 8.3% of coloured people own their own businesses and 10% of white people and Indian people have their own businesses (as cited in Cassim, 2014). However, a loophole in these findings is that they do not account for undocumented foreign nationals who do not have South African citizenship. In addition, the above findings appear to only account for formalized and registered

enterprises thereby excluding the large number of informal township enterprises and SMEs owned by black people. Therefore the GEM (2009) report may not be an accurate reflection of the entrepreneurship racial demographics of South Africa.

Notwithstanding that the entrepreneurial activities are relatively low among South Africans in comparison to other developing countries, it should be noted that the reasons for poor entrepreneurial participation can be found in research done by Goldberg (2015). In Goldberg's (2015) study to assess the economic impact of load shedding it was found that a key hindrance to the growth and development of the South African entrepreneurship community is the power cuts due to which cause a disruption in business activities leading to the closure of some start-up enterprises also resulting in the loss of foreign investments on a national scale. In addition, the GEM (2009) report found that South Africa has one of the most difficult business environments because company registration is an expensive, complex lengthy and time consuming process which takes an average of 36 days which is too much when compared to other developing countries which take lesser days. Lastly, South Africa's political instability has been found to be a negative mechanism which frightens investors from investing in South Africa (Goldberg, 2015).

#### ***2.2.4 Informal enterprises in South Africa***

The informal economy of South Africa is a multi-billion rand industry which provides livelihood and employment to millions of South Africans (GEM, 2017). The history of the development of South Africa's informal economy is embedded in the segregation policies which resulted in white people dominating the formalized economy, while black people resorted to formulating their own informal economy which is mostly found in townships in the form of SMEs (Leboea, 2017). Therefore, it is for this reason that the South African informal economy is viewed as a dual economy made up the formal and informal economy (Mbeki, 2003).

Hadebe (2010) conducted a study in Soweto wherein he sought to explore the various dynamics of the township economy. His findings reveal that informal enterprises are generally located in remote areas characterized by poor development, slums and lack of basic infrastructure such as tar roads and electricity. Hadebe (2010) further asserts that the main reasons people start their own informal businesses are because they are unable to find employment in the formal economy. He maintains that some of the reasons for

unemployment included lack of basic education. These findings are supported by the findings of Leboea (2017) who conducted a study with the intent of exploring the causes of failure amongst South African informal businesses. His findings reveal that the informal economy is fragile and unsustainable because once the entrepreneurs obtain employment in the formal economy, they abandon their informal businesses (Leboea, 2017).

Wills (2009) found that obtaining starting capital is a huge challenge for informal enterprises located in townships, especially for women and youth entrepreneurs. These findings are supported by Hadebe (2010) who found that banks were reluctant to lend money to informal businesses because they are not registered, they have low credit score and they do not have any credit collateral. This serves to inform the current study that access to finance is a challenge for informal enterprises and it could potentially be a source of stress.

The informal economy of townships is characterised by clusters that are overpopulated resulting in fierce competition in areas where too many businesses sell similar products (Leboea, 2017). These findings are in agreement with the earlier findings of Gillies (2014) who wrote an article regarding Township businesses in relation to South Africa's growth. His study argued that the high levels of unemployment and informal employment (2.4 million) is likely to lead to a saturation and increase in the number of informal businesses which may cause a rise in competition. This may therefore result in a decrease in the market share of businesses while also reducing the number of customers for each business in the township economy (Gillies, 2014). The blame for the high levels of competition in the township economy can be attributed to the high influx of Somali nationals (Gastrow, 2013). Zaheera (2010) conducted study on the impact of Somali migration in the business environment. He found that Somalian nationals were blamed and discriminated against because of the high levels of competition that they cause through offering low prices in order to attract more customers than locally owned businesses who are viewed as being more expensive than Somali nationals. Gastrow (2013) argues that the reason for the low prices offered by Somali nationals is because they manufacture their own counterfeit goods. In contrast, Graham (2013) found that the reason Somali entrepreneurs are prosperous and offer low prices is because they buy their stock in bulk, share transportation costs and they are very good at negotiating for low prices with suppliers. This serves to inform the current study that competition is rife in the township economy and it contains an element of identity politics.

The township economy contains enterprises that are largely owned by foreign nationals (Landau, 2004). As a result, the competition between foreign-owned businesses and South African-owned businesses has intensified into business rivalry which occasionally escalates to violence and xenophobia (Kalilanyi, 2010). Solomon (2013) conducted a study in order to explore the various discourses surrounding xenophobia. He found that the underlying cause of xenophobia is business rivalry whereby local entrepreneurs view foreign entrepreneurs as enemies of localised progress because they are perceived to milk South Africa's customer base at the expense of local entrepreneurs. Furthermore, Hagensen (2014) conducted a study with the aim of exploring the rationality of xenophobia theorized that xenophobia was used as a scapegoat whereby local South African entrepreneurs were frustrated with the government's lack of assistance to the township economy in terms of infrastructure and financial assistance. The South African's frustrations then translate into anger which is misdirected at defenceless and vulnerable foreign entrepreneurs instead of government officials owing to the fear of confronting the government.

### ***2.2.5 Informal Entrepreneurship Globally***

The informal economy refers to business practices which occur outside the jurisdiction of formalised enterprises whereby unlike the formalised businesses, they are neither monitored nor taxed by the state, but render, manufacture and sell similar products and services as formalised enterprises subsequently exercising relevance to a large segment of society (Colin, 2012).

Hallom (2017) conducted a study to explore the different dynamics of township and village enterprises in developing countries. He found that 70% of the gross domestic product (GDP) in developing economies is generated through informal economies which are largely found in townships and villages. Essentially, his findings reflect that informal enterprises sustain the livelihoods of billions of people around the world through the fact that SMEs make a significant contribution towards decreasing the social ills of unemployment in developing economies. Consequentially, the biggest and most ongoing debate regarding the impact and influence of SMEs and informal enterprises is with regards to whether informal enterprises cause damage and counter productivity towards the economic development of countries, or whether it can be used as an effective tool towards combating poverty in emerging economies (Hallom, 2017).

Colin (2002) used the modernization theory as a point of departure to argue against the high presence of informal enterprises which are mostly found in townships and villages. They argue that informal enterprises are primitive and pre-modern structures that are slowly fading away as modernisation begins to be introduced on a global scale. Colin (2012) further argues that the informal enterprises, which are mostly found in townships and villages, serve a negative purpose of causing unfair competition for the formal enterprises because, unlike the formal enterprises, the informal enterprises do not file for taxes or pay registration costs.

In contrast, Gupta and Fernandez (2009) conducted a cross-sectional study in order to research the dynamics of entrepreneurship in Turkey, India, and America whereby the findings of his study provide some counter arguments for informal enterprises (as cited in Neneh & Van Zyl, 2017). The most fundamental backbone of the counter argument is that informal enterprises are a sustainable method for sustaining livelihoods of millions of people around the world through the profits that come with enterprise ownership and provision for employment (Neneh & Van Zyl, 2017).

The above findings resonate with the findings of Williams (2015) who used the neoliberal approach in order to shed a positive light on the impact of informal entrepreneurship. Williams (2015) conducted a study in Brazil in order to investigate informal economies in developing countries. He concluded that informal entrepreneurs should be viewed as agents of positive change against the highly regulated formal economy. Therefore, informal entrepreneurs are viewed as merely braking free of an extremely enclosed system. It is thus believed that informal entrepreneurship is a logical approach implemented by township entrepreneurs who are unleashing themselves from the chains imposed by the capitalist system (Williams, 2015). Moreover, Williams (2015) argues that the significance of informal enterprises such as those largely found in townships is also embedded in the fact that out of 3.8 billion employees in the world, 1.8 billion of those people are employed in the informal economy. This means that more than 40% of the global workforce can be accounted for by the informal economy. These findings are aligned with the findings of Liu (2008) who conducted a study about township and village enterprises in China who found that township and village enterprises account for 79% of employment in China wherein 90% of businesses are regarded as SMEs. This serves to inform the current study about the huge impact of SMEs in eliminating poverty and providing employment.

The two contradictory arguments serve to inform the current study that the dominant presence of informal entrepreneurs consists of both positive and negative effects on the economic prosperity of developing countries, such as South Africa. Therefore, the current study supports the presence of informal enterprises such as those found in townships and villages.

## **2.3 Stress**

The following section will explore the various dynamics of stress including the concept of stress, stress in relation to burnout, stress in relation to depression, stress amongst entrepreneurs as well as stress among township entrepreneurs.

### ***2.3.1 The concept of stress***

While there are various definitions for the term “stress”, this study is guided by the definition given by Folkman and Lazarus (1985) which suggests that stress is a transactional process which results because of a perceived mismatch between one’s resources and the demands of a situation. Essentially, stress is the feeling of tension felt by a person who is facing an overwhelming situation (Folkman and Lazarus, 1985). In addition, Shnall (2012) conducted a research with regards to how stress is conceptualised in the current era. He defines stress as “the involuntary reaction of the body towards stressors exerted by one’s external environment (pp.2). While the current study views stress as a transactional process, some researchers view stress as an interactive process between a person’s environment and how the person responds to the circumstances found in the environment (Shnall, 2012).

There are various symptoms of stress which manifest themselves as involuntary body reactions. These symptoms include experiencing headaches, fatigue, body tensions as well as irregular sleeping patterns (Shnall, 2012). Chiles (1957) conducted a study with the intention of finding ways to theorize about stress. He found that stress can occur as a result of various factors including family issues, financial issues as well as organisational issues (Chiles, 1957). He further asserts that the perception and point of view that a person uses to view a stressor plays an important role in determining whether or not a person experiences stress (Chiles, 1957).

Keller (2013) conducted a study in order to discover the various dynamics associated with stress. The symptoms of stress can be evident in a person’s cognition, physical being as well

as their behaviour. He also highlights that stress is associated with other medical diseases such as high blood pressure, migraines, obesity, and asthma (Keller, 2013)

### ***2.3.2 Stress and burnout***

Burnout can be defined as a state of psychological and physical exhaustion which occurs as a result of stress, whereby the symptoms include fatigue, anxiety, loneliness, and moodiness (Khamisa, 2017). Khamisa (2017) conducted a study aimed at determining the relationship between stresses, burnout and job satisfaction among South Africans. It was found that stress has negative effects on individuals to an extent whereby it can lead to burnout among South African nurses (Khamisa, 2017). Evidently, heightened levels of stress have the potential to harm the wellbeing of individuals.

These findings are aligned to the findings of Lacovides (2003) who conducted a study in order to determine the relationship between stress, burnout and clinical depression. His findings suggest that although burnout and depression are two separate concepts, they both occur because of uncontrollable levels of stress. This serves to inform the current study that stress is correlated to various other mental disorders such as burnout and depression.

Furthermore, in a cross sectional study conducted by Luo (2016) in China whereby the aim was to measure the relationship between stress and burnout among rural and urban workers. It was found that occupational stress has a positive correlation with burnout. This serves to inform the current study that the relationship between stress and burnout is globally applicable among rural urban employees.

Bakusic (2017) conducted a study with the aim of determining the relationship between stress, burnout and depression. The findings of the study reveal that there is a correlation between chronic stress, burnout and depression. This serves to inform the current study that the above findings concur with the findings of Lacovides (2013) who found that a relationship exists between stress and burnout.

Rothman (2008) conducted a study in which he sought to determine the relationship between occupational stress, job satisfaction, burnout and work engagement. It was found that occupational stress has a significant impact on burnout. Therefore, occupational stress causes burnout regardless of the organisational context.

### ***2.3.3 Stress and depression***

Depression can be defined as the feeling of chronic sadness and unhappiness over long periods of time whereby the symptoms include inconsistent sleeping patterns, weight loss/gain, insomnia, irritability as well as bad eating habits (Cheving, 2015). Furthermore, Cheving (2015) conducted a study on the relationship between depression, anxiety and stress among nursing students. It was found that stressors such as academic stress and financial stress can place individuals at risk of depression but they do not directly cause depression. This clearly indicates that a relationship exists between stress and depression, although the direction of the relationship has not been outlined.

Tafet (2015) conducted a study on the links between depression and stress revealed that stress has a significant impact on the individual's experience of depression. This serves to further reinforce the belief that stress and depression are related concepts as evidenced by statistical measurements. He further stated that whether a stress elevates to become depression is highly determined by the individual's psychological vulnerability.

Hammen (2015) conducted a study with the aim of measuring the relationship between stress and depression. The conclusions of the study found that although stress is not the only factor which causes depression, it is at the forefront of the leading causes of depression (Hammen, 2015). This serves to inform the current study that stress is very instrumental in giving birth to depression through its indirect impact. These findings are also parallel to the findings of Seo (2017) who studied the influence of cellular and molecular dynamics on stress-induced depression. His findings reveal that the influence of stress on depression is so big that researchers should consider stress-induced depression and plain depression as two separate concepts. In addition, Anisman (2002) who conducted a study regarding stress and depression illness shared similar sentiments because he found a significant correlation between stress and depression.

#### ***2.3.4 Stress amongst entrepreneurs***

Entrepreneurs are constantly under pressure to perform at their optimal best. This pressure can serve as a potential source of stress (Fernet, 2016). In a study conducted with the intention of determining the relationship between stress, loneliness and burnout amongst entrepreneurs, Fernet (2016) found that the presence of stress among entrepreneurs in general. It can negatively affect their decision-making abilities that have the potential to weaken their businesses. In addition, he found that the fact that entrepreneurs put in more

weakly hours than employees places them at risk of experiencing burnout which can also be caused by stress. ‘

These findings are aligned to the findings of Rauch et al., (2007) who implemented a quantitative study in Germany in order to find out if there is a correlation between entrepreneurial stress and the long-term survival of businesses. Rauch et al., (2007) found that the high levels of competition and daily task requirements were a major source of stress for entrepreneurs. It is for this reason that the inability to handle pressure and stress was rated as one of the leading reasons for the downfall of German entrepreneurs (Rauch et al., 2007). Therefore, finance and pressure are potential sources of stress for township entrepreneurs.

Ahmad (2009) conducted a study using entrepreneurs as a sample in Malaysia in order to find out some the causes of stress as well as the coping mechanisms used to deal with stress by entrepreneurs in Malaysia. He reports that the high workload that is required from entrepreneurs in their businesses, as well as the perceived risks involved in running a business are the leading causes of stress among entrepreneurs in Malaysia (Ahmad, 2009). Additional sources of stress for Malaysian entrepreneurs also included the stress of not attaining one's goals, along with the stress of hiring and firing employees. Lastly, the entrepreneurs were found to be stressed by factors such as recession and inflation (Ahmad, 2009).

Buttner (2012) conducted a study in North Carolina, America, whereby the aim of his study was to measure the impact of entrepreneurial stress on the health of American entrepreneurs. Over and above other findings, Buttner's (2012) findings reflect that stress has a positive correlation with medical illnesses such as ulcers and hypertension. He added that the fundamental causes of stress among American entrepreneurs are role conflict, role overload and role ambiguity (Buttner, 2012). Role ambiguity occurs when one is unsure of their allocated tasks in an organisation and they therefore do anything that they perceive needs to be done without having a standardisation procedure against which to measure their performance (Buttner, 2012). Role conflict occurs when one is forced to take on two contradictory roles which both require the individual's time and effort simultaneously (Rauch et al., 2012). On the contrary, role overload occurs when the demands of a single role exceed the capabilities and the resources that a person has (Rauch et al., 2007). Therefore, the causes of stress among entrepreneurs are not only materialistic needs, but they are also caused by psychological constructs which manifest through behaviour.

Kokila (2006) conducted a study among female entrepreneurs that are based in India with the intention of finding out factors related to stress faced by female entrepreneurs. He concluded that women in the entrepreneurial environment were more vulnerable to stress than men because of the additional roles that they need to play at home, along with the patriarchal nature of the business environment (Kokila, 2006).

### ***2.3.5 Stress among township entrepreneurs***

While many studies have looked at the causes of stress among entrepreneurs in general, very few have revealed the causes of stress among township entrepreneurs specifically. Based on the available literature, there are differences with regards to the sources of stress for township entrepreneurs in comparison to mainstream entrepreneurs. The most common cause of stress among township entrepreneurs includes having poor access to finance, lack of infrastructure and equipment, having insufficient operating space, high competition, and influx of Somali nationals, as well as crime and violence.

Turner (2008) conducted a study in South Africa in order to explore the dynamics related to the obstacles experienced by South African SMEs with regards to obtaining finance. His findings reflect that South African SMEs were unable to obtain finance from banks because they were mostly owned by foreign nationals who did not have valid South African citizenship of which is a prerequisite for loan application (Turner, 2008). These findings are aligned to the findings of Hadebe (2010) who conducted a study with the aim of exploring the various dynamics of township enterprises located in Soweto. He found that gaining access to finance was a challenge for South African entrepreneurs because some of their businesses were unregistered which contravenes the bank requirements for loans. In addition, he found that township entrepreneurs have resorted to using informal sources of capital such as borrowing from family and friends (Hadebe, 2010). As a result, township entrepreneurs are susceptible to experiencing financial stress.

Chimucheka (2015) conducted a study in South Africa in order to explore some of the obstacles encountered by SMEs in South Africa. His findings reflect that the growth and development of most South African township enterprises is limited because of the fact that they have outdated equipment and insufficient infrastructure. Outdated equipment includes lack of modern day technology whereas lack of infrastructure includes not having electricity, water and tar road (Chimucheka, 2015). These findings serve to inform the current study

that the infrastructural development of townships is parallel to the development of township enterprises. Therefore, the poor development of township infrastructure is also responsible for the poor development of township enterprises.

Fakir (2018) advocates for the inclusion of SMEs in debates about land. He asserts that one of the biggest obstacles towards the growth and development of township enterprises is having insufficient operating space. As a result, township entrepreneurs have resorted to using their homes as manufacturing spaces, therefore creating an unsafe environment for children and also causing depreciation in the value of their properties (Fakir, 2018). These findings are aligned to the findings of Alo and Castelier (2017) who conducted a study aimed at exploring the various demographics of township and village enterprises located in the Eastern Cape of South Africa. The findings reflect that access to land was listed as one of the most fundamental requirements for the prosperity of township and village enterprises (Alo & Castelier, 2017). The findings further reflect that township manufacturers were unable to accept big tenders because they did not have enough spatial capacity to manufacture large quantities of products. Against this background, land is a very significant commodity for ensuring the success of the township economy.

Mahofa (2016) conducted a study in South Africa with the intention of exploring “the impact of firm entry”. His findings reflect that the most common forms of crime among township entrepreneurs include theft and armed robberies (Mahofa, 2016). In addition, Cant (2013) who led a study with the intention of exploring the obstacles faced by SMEs found that crime had both social and economic consequences on their businesses. The social impacts include the fact that it induces fear among entrepreneurs and customers whereas the economic impact is evident in the money and the goods that are lost during thefts and robberies (Cant, 2013). Lastly, Monyakane (2018) conducted a study in order to develop a rehabilitative policy for drug addiction in South Africa found that crime can mostly be attributed to drug users who consume nyaope (a common South African drug). Therefore, the crime rate in townships is a significant factor to consider when studying the causes of stress among township entrepreneurs.

## **2.4 Theoretical framework: Transactional model of stress and coping**

### **2.4.1 History of transactional model of stress**

According to Endler and Parker (1990), studies regarding the role of cognitive processes in the stress process were pioneered from research studies that were performed during the era of the world wars, natural disasters, and life threatening illnesses, although they were not stated explicitly, the concepts of primary and secondary appraisal were always suggested in a subtle manner. Grinker and Spieyard (1945) conducted a study wherein they found that the manner in which a subject reacted to violent stimuli was largely based on the meaning attached to the stimuli with regards to whether or not the individual views them as a threat or if they feel that they have enough capacity to neutralize the threat (as cited in Endler and Parker, 1990). Additionally, in the 1960's, Lazarus and his colleagues engaged in a scientific endeavour with the purpose of studying cognitive mediation through the movies in order to create an artificial way of generating stress. Such studies have predominantly served as a fundamental gateway for studies regarding stress and coping. Cognitive approaches to stress became widely accepted in 1966 when Lazarus published a book regarding psychological stress and the coping process (Endler and Parker, 1990).

Lazarus's (as cited in Endler and Parker, 1990) findings with regards to his study on psychological stress and coping suggested that varying levels of positivism were the key element in term of mediating the relationship between stress and coping. Thereafter, a lot of researchers implemented the use of appraisal in an unsystematic and informal manner, sometimes by implication. Arnold (as cited in Endler and Parker, 1990) was amongst the first to use and apply the concept of appraisal in a systematic and formal study wherein he defined appraisal as the cognitive determinant of emotion, thus describing it as a rapid, intuitive process which occurs in an involuntary manner

#### **2.4.2 Coping and Appraisal**

As a result of developing research, the concept of cognitive appraisal became a crucial aspect in research and theory that focuses on the transactional model of stress and coping. The aim of primary appraisal is to find out if the demands of a certain stressor are extreme, taxing or strenuous. A situation is appraised as being emotionally taxing when it poses a threat to one's wellbeing or the wellbeing of a loved one (Folkman and Lazarus, 1960, as cited in Endler and Parker, 1990). Folkman and Lazarus (1984) also supported this notion of cognitive appraisal wherein they proposed that the methods individuals use to appraise an encounter has a significant impact on the person's choice of coping as well as their emotional reaction. Thus, as research has developed, the proposal that cognitive appraisal began plays a central role in

mediating subsequent thought, feeling the actions, proceeded to gain momentum, thus cognitive appraisal began to engrave its place in as a fundamental aspect to bridging our understanding of the relationship between stress and coping (Folkman and Lazarus, 1985).

Other studies which have further developed and shaped our understanding of the relationship between coping and appraisal include Neolfields (as cited in Folkman and Lazarus, 1984) who implemented signal detection as a method of analysis in order to find out if the impact of appraisal was geared towards merely changing the rate in which one reports stress or if it also alters the actual stressor. Neolfieds (as cited in Folkman and Lazarus, 1984) concluded that cognitive appraisal played a significant role in the decision of lowering a stress response. Essentially, the various studies proposed that appraisal occurred in two stages namely primary and secondary appraisal. Primary appraisal includes assessing the meaning that is carried by a stressor as to whether it is significant enough to be considered a stressor (Folkman and Lazarus, 1984). Whereas, secondary appraisal was found to be based on the decision of which strategy would be most relevant in coping with the stressor, whether the relevant strategy would be emotion focused coping or whether it would be problem focused coping (Folkman and Lazarus, 1984).

In contrast, Dobson (as cited in Folkman and Lazarus, 1984) made findings which served to question the relevance of separating primary and secondary appraisal as a way of numbing the threatening nature of a stressor. It was argued that primary and secondary appraisal should not be considered as separate processes, but rather should be viewed as elements that exercise an influence on each other. Other arguments which contradicted Folkman and Lazarus (1984) were made by Bernet and Holmes (as cited in Endler and Parker, 1990) who concluded that redefinition was useful in lowering stress levels in a threatening situation if it occurred prior to the threat, as opposed to implementing appraisal mechanisms after the stressor has occurred. Additional counter arguments include the findings made by Bloom (as cited in Endler & Parker, 1990) whereby it was found that when a shock has not been encountered, that is when the stressor becomes ambiguous because the individual does not know what to expect, thus redefinition was found to be easier to achieve after the threatening situation has occurred. Essentially, they argued that appraisal is only relevant prior to the incident because allowing subjects to experience stress, mellows down its effects and makes it less threatening than when it has not occurred, thus ambiguity can be viewed as one of the core concepts leading to appraisal (as cited in Endler & Parker, 1990). While various

researchers used the term redefinition in non-scientific ways, these researchers include Folkman and Lazarus (1984).

Folkman and Lazarus (1984) defined re-appraisal as a change in appraisal on the basis of newly discovered knowledge which may ease or reinforce pressures on the individual. For example, when an individual has a negative reaction towards a situation, it may cause them to later feel guilty or remorseful, or it can make them feel good or anxious (Folkman & Lazarus, 1984). Thus, a threatening situation can be appraised as unjustified, alternatively, a situation that was previously viewed as none threatening may be re-appraised to recognize its threatening nature which leads to a series of altering feelings and appraisals about a single situation (Folkman & Lazarus, 1984). One of the cornerstones of re-appraisal is defensive appraisal whereby the individual interprets past events in a more positive manner or viewing the threats as being less harmful and less threatening. Defensive appraisal can be distinguished from other forms of appraisal through the fact that it arises as a result of intrinsic needs as opposed to extrinsic forces that emanate from external factors (Folkman & Lazarus, 1984)

#### **2.4.3 Emotion based and Problem based coping**

Folkman and Lazarus (1984) met each other in the 1970's during a time when Lazarus was planning a research study concerning meditation as a mediator in the biology of stress arousal, needless to mention that Lazarus was amongst the pioneers of studying stress during that era. Lazarus and Folkman (1984) joined forces ten years after the publication of Lazarus's book concerning stress and coping processes which opened the door for cognitive approaches to stress to gain acceptance. Prior to such studies

Folkman and Lazarus (1984) conducted some field studies which further solidified the relationship between coping and appraisal. The study was conducted by means of obtaining a lot of coping scenarios characterized by stressful encounters whereby the participants were asked to indicate the coping mechanisms that they prefer from a long list of coping mechanisms, additionally, they were asked to state the appraisals which defined the issues for them. The appraisals were defined in terms of whether they felt that they could do something to alter the situation or if they had to come to terms with the situation through acceptance. Essentially, it was found that appraisal has a significant impact in terms of determining whether the implemented strategies would involve emotion focused coping or problem focused coping.

In agreement with Folkman and Lazarus (1980), Endler and Parker (1990) also realized that many scales that test coping contain a lot of psychometric disadvantages with regards to factors such as reliability and validity. A particular outcry was that a lot of research had predominantly focused on coping as an unconscious process. The original instrument was known as the ways of coping checklist and ways of coping questionnaire which was pioneered by Lazarus and Folkman (1984). This instrument was the first to suggest that coping has two major elements namely problem focused coping and emotion focused coping. Other authors such as Maicra and Becker (as cited in Endler & Parker, 1990) conducted a research in order to analyse the WCC and conclude that coping can be divided along the scales of problem based coping, seeking social support, blamed self, wishful thinking and avoidance

According to Lazarus (1993), emotion based coping can be defined as the efforts geared towards alleviating stress levels based on the standpoint of a person who feels that they are unable to change the circumstances of a certain stressor, thus, they resort to changing their perceptions towards the stressful encounter through the various cognitive methods. The fundamental basis of emotion based coping involves bringing down the emotional distress created by a certain stressor (Lazarus, 1993). Emotion focused coping strategies includes social support, avoidance, being optimistic and maintaining a positive outlook (Lazarus, 1993).

Problem based coping can be defined as the mobilisation of one's resources and gearing them towards coming up with practical solutions that are aimed at solving a problem appraised as stressful (Lazarus, 1993). Folkman and Lazarus (1988) viewed problem based coping as the effort intended to change a situation by making changes in the way in which a person approaches the environment. Some examples of problem based coping include getting credible lawyers when one is faced with a difficult law suit (as cited in Lazarus, 1993).

However, as coping theory and research have evolved, other suggested overarching domains have included the relationship between coping and personality, proximity seeking, mastery and accommodation, psychological resources, social resources and specific coping responses, engagement versus disengagement techniques, as well as the role of meaning in coping (Amirkhan, 1990, Folkman & Lazarus, 1980, Skinner & Edge, 2003, Pearlin & Schooler, 1978, Billings & Moss, 1981, Lazarus, 1974, Park & Folkman, 1997).

#### **2.4.4 Coping and personality**

Other significant contributions to the studying of stress include a study done by Amirkhan (1990) who conducted a quantitative study regarding analytically generated measures of coping. His study's findings advocate for the consideration of the individual's personality as a considerable factor when choosing a coping strategy. Amirkhan (1990) suggested that an individual's personality has the capacity to determine whether the individual chooses to bravely approach the situation or whether the individual opts to emotionally avoid the situation. In other words, personality plays a huge role in the individual's decision making processes as to whether they employ problem based coping or emotion based coping (Amirkhan, 1990; Folkman & Lazarus, 1980).

Amirkhan's (1990) study found that personality factors can be used to predict coping strategies even before the stressful encounter occurs. Personality as a determinant of coping is evident in the fact that a person's personality has a significant influence on the frequency of troubles that an individual encounters, the types of stressful situations that one encounters, as well as the appraisal process which occurs after the person has been exposed to stress. Essentially, different personality categories have the capacity to predict various coping characteristics. For example, neuroticism plays a role in determining an individual's vulnerability to social stress and they are more likely to appraise situations as placing them at risk, and they are also likely to undermine the quality of their coping resources. Furthermore, conscientiousness is associated with a low risk of experiencing stress because individuals who are conscientious make calculated decisions and thus they are most likely to foresee stressors and come up with some solutions to prevent the stressor from occurring. They are likely to avoid making reckless moves which can jeopardize them financially, socially, and medically (Amirkhan, 1990).

Amirkhan (1990) proposes that personality influences coping strategies in various ways, such as the fact that extraversion, conscientiousness, and openness are all relative to viewing potential stressors as mere obstacles, rather than viewing them as hazardous threats. Moreover, individuals who belong to the above mentioned personality categories are more inclined to appraise situations as being positive (Amirkhan, 1990).

These findings are further supported by Chiong (2008) who conducted a study regarding the influence of peer pressure on the use of substances as coping methods among youth and teenagers. Chiong's (2008) findings reflect that people who have personality disorders are more vulnerable in terms of resorting to substance abuse as a coping mechanism than people who do not have personality disorders. This finding serves to demonstrate the influence that personality exercises on the individual's choice of coping.

#### **2.4.5 Proximity seeking, mastery and accommodation**

Skinner and Edge (2003) critically evaluated a large number of coping instruments and they concluded that coping theories need to do away with the predominantly popular categories of coping such as problem based coping and emotion based coping, approach versus avoidance, and cognitive versus behavioural. They argued against the above mentioned categories because of the possibility that one coping action may fall into more than one coping category. The fundamental basis of their argument was that coping is multi-dimensional and that any attempt to cause typological decisions is likely to fail. In contrast, it has been asserted that action types of coping including proximity seeking, mastery and accommodation are the most relevant higher order categories (Skinner & Edge, 2003). According to Skinner and Edge (2003), proximity seeking involves seeking closure and pure understanding of the situation in terms of the consequences it will have on one's life and how its meaning can be adjusted to favour the individual. Mastery is defined as the degree to which one perceives them as having enough capacity to control a situation and direct it towards a favourable outcome for themselves. Lastly, accommodation refers to how new information can cause one to alter the manner in which they approach the situation (Skinner & Edge, 2003).

#### **2.4.6 Psychological resources, Social resources and specific coping responses**

Pearlin and Schooler (1978) used scientific mechanisms to distinguish between social resources, psychological resources and specific coping mechanisms. Social resources are defined as an individual's external networks of individuals who form as part of an individual's support structure. Social resources include, but are not limited to, blood related companions, work mates, as well as community groups such as societies and religious affiliations (Billings & Moos, 1981). The decision to draw upon social resources as a form of coping is largely dependent on the context of the stressor, whether or not the individuals were in the person's good books at that point in time, as well as the extent to which the networks are easily accessible (Billings & Moos, 1981).

Psychological resources represent the individual's intrinsic dynamics such as their personality, reasoning ability, emotions and attitudes. Psychological resources can be classified into self-esteem, self-derogation and mastery (Hobfoll, 2002). Self-esteem refers to the level of confidence that one has in themselves and their ability. Self-derogation refers to the extent to which an individual views themselves as in a non-positive and degrading manner. Whereas, mastery is concerned with the degree to which one perceives their circumstances as being within the jurisdiction of control (Rabenu & Yaniv, 2017). However, these were found to be the main categories, other manifestations of psychological resources include denial, avoidance and isolation during times of trouble.

Billings and Moos (1981) further developed our understanding of the concept of coping through their study regarding the role of coping responses and social resources in dealing with stress. In their study, they strongly emphasized the importance of social resources with regards to dealing with stress. They argued that research on social resources as a form of coping has been widely neglected because most research has opted to focus on internal psychological processes of coping such as denial. In addition, a large segment of the research community has directed research efforts towards studying ego defence mechanisms as well as trait definitions which Billings and Moos (1981) views to be an inappropriate contributor towards traditional coping mechanisms. It was therefore argued that the presence or absence of social resources has the potential to increase or decrease stress in a sense that low levels of social resources are correlated to high levels of stress. Additionally, the quality of the support that one receives from their network was also viewed to be a significant factor in determining how well one copes with life's situations (Rabenu & Yaniv, 2017).

In terms of gender demographics, it was found that females were more inclined to implement social resources as a form of coping more than their male counterparts. Essentially, it was argued that people who use psychological resources, such as avoidance, as part of their coping mechanisms did so on the basis of having limited social resources (Billings and Moos, 1981). Lastly, the findings revealed that avoidance coping can potentially lead to psychological impairment (Billings and Moos, 1981).

Lastly, over and above psychological and social resources as forms of coping, Pearlin and Schooler (1978) further proposed the existence of specific coping responses which include the actions, mental processes, and various points of view that people take when they are confronted with their problems. Specific coping responses can be distinguished from

psychological responses in that the psychological element of coping generally depicts people the way they are naturally, whereby specific coping responses reflect the people's behaviours and what they do in specific situations (Taylor & Starlon, 2007). However, it is important to note that although psychological resources and specific coping responses were viewed as separate concepts, psychological resources exercise a significant influence on specific coping mechanisms (Taylor and Starlon, 2007).

One of the main reasons which led to the introduction of the concept of specific coping responses can be found in Lazarus's (1974) research whereby he significantly noted that most research had predominantly placed more emphasis on psychological resources, as opposed to specific coping responses (as cited in Pearlin and Schooler, 1978). Thus, literature on coping evolved based on the perception of knowing that coping is not about rating coping strategies in numerical order, but rather it is based on the quality of coping mechanisms in different contexts (Taylor, 2007).

Admittedly, it has been significantly noted that there remains no consistent agreement on higher order coping strategies, it is for this reason that the current study has opted to align itself with Pearlin and Scholer's (1978) coping framework which emphasizes and categorizes coping in terms of psychological resources, social resources, as well as specific coping responses. This framework will guide the study to an extent whereby, in fulfilling the objectives of the study, the coping strategies implemented by the township entrepreneurs will be categorized based on the framework provided by Pearlin and Scholer (1978). This is because this theory accommodates psychological and social elements of coping as well as specific categories which may not fall in neither psychological nor social forms of coping.

#### **2.4.7 Engagement versus Disengagement coping**

Modern modifications to the concepts of coping have been produced by studies from Charles and Smith (2010) who proposed the introduction of a general coping category known as engagement coping versus disengagement coping (as cited in Dijkstra, 2016).

Disengagement coping includes factors such as finding different ways to regulate one's emotions, as well as acceptance and cognitive restructuring. Moreover, disengagement coping is closely linked to what was predominantly known as maladaptive coping. Folkman and Lazarus (1993) define maladaptive coping as the use of temporary coping mechanisms which may have negative effects on a person's physical, social or psychological wellbeing.

An example of maladaptive coping is avoidance. Disengagement coping and maladaptive coping find common ground in the fact that they are both strongly associated to avoidance behaviours that encompass the attempt to escape from stressful circumstances

Avoidance involves ignoring the stressor in order to avoid having to confront the stressor (Charles and Smith, 2010). It can also occur in the form of wishful thinking, fantasizing and denial and any efforts made towards temporarily escaping reality such as substance abuse. Substance abuse can be defined as the high dependence on stimulants and depressants without any medical prescription (where necessary) (Chiong, 2008). Yousef (2015) conducted a study in Iran in order to compare the attitudes and coping mechanisms of people who depend on substances. His study concluded that people who use substances as a coping mechanism do so in order to alter the state of their consciousness, avoid a stressor and to temporarily escape reality which causes stress (Yousef, 2015).

The above findings are in line with the findings of Capella (2017) who conducted a study in Spain with the aim of exploring the relationship between coping strategies in relation to substance abuse. The study concluded that the most common reason for substance abuse and substance dependence is stress. Therefore, substance users partake stimulants and depressants as a method of coping with stress and repressing stressful thoughts (Capella, 2017). As a result, substance abuse, despite its side effects can be considered as a coping mechanism to combat stress, although its effects are temporary. It is also important to note that there is a thin line between substance use and substance abuse. Substance abuse is generally considered to be a health hazard because although it can temporarily assist a person in coping with stress, its health implications are dire.

Engagement coping is viewed as being inclusive of the categories which were predominantly known as problem focused coping, as well as some positive elements of emotion focused coping (Dijkstra, 2016). Engagement coping can also be used interchangeably with the concept of adaptive coping which includes coping strategies such as exercise, spiritual coping and social support (Folkman and Lazarus, 1993). Engagement coping is spread across two main dimensions which include efforts directed towards managing the stressor as well as attempts to adjust to the demands of the stressor through accommodative/secondary control coping (Taft, Resick and Mechanic, 2007). In this regard, accommodation can be defined as behaviours such as acceptance, psychological readjustment and scaling one's goals in the face of innumerable interference.

Based on accommodation, Folkman coined the term meaning in the context of coping. Essentially, the concept of meaning in coping is associated with how individuals implement their value systems in order to see the silver lining in the dark cloud of stressful experiences (Taft, Resick and Mechanic, 2007).

#### **2.4.8 Meaning as a form of coping**

Park and Folkman (1997) made a significant correlation to coping through their research whereby they added the dimension of meaning. They began to introduce meaning as a form of coping whereby it was viewed as a sacred form of personal significance, as well as a formality for assessing the reasons a specific event has occurred. While some studies have argued for the relevance of meaning when studying coping, other researchers have argued that the attempt to create meaning out of an event may have negative effects on coping and adjustment to circumstances (Park and Folkman, 1997). However, it should be noted that the studying of coping predominantly consisted of contradictive conclusions amongst different studies. It is for this reason that to date, there has not been any formal and scientific framework for meaning and coping.

Park and Folkman (1997) were amongst the first authors to include meaning as part of the framework of the transactional model of stress. Meaning focused coping is clearly related to re-appraisal and it often occurs when the stressful situations are beyond one's control. Moreover, they placed primary focus on systems of hope and faith. They also outlined the need for gaining synchronization and equilibrium between components of global meaning as well as components of appraisal meaning (Park and Folkman, 1997). Global meaning can be viewed as an individual's long lasting personal values, emotions, as well as finding meaning and reason behind one's existence. It has a lot to do with endeavours and attempts towards achieving one's personal aims and aspirations in order to achieve a certain level of satisfaction (Park and Folkman, 1997).

Global meaning is an intangible and general level of meaning which includes things such as individual's underlying ambitions as well as their predictions of the future, their values and desires about the environment (Folkman, 2010). Global meaning has been found to have an influence on an individual's history, current situations as well as their aspirations for the future, and it also has a significant impact on various facets of situational meaning (Folkman, 2010). Global meaning can be divided into two components which include the individual's perception of existing norms, as well as their perspective towards good and bad situations.

The second perspective on global meaning is with regards to one's dreams and personal reflections of their reasons for existence (Folkman, 2010).

A classic example of global meaning is religion because it assists people with regards to the comprehension of loss and undesired situations. Religion is a fundamental element in determining our perspective and comprehension of the world and thus contributing towards making bad situations to be viewed in a more positive manner and perspective (Park and Folkman, 1997). Religion's power as a form of coping lies in its ability to make provision for meaning in the context of personal values and interests as well as coping.

Religion embodies global meaning in a sense that many people centre the meaning of their lives on religion (Halama, 2014). Religion is also significant to coping in a number of ways including the manner in which it creates an understanding of events that usually lie beyond human rationale. Religion also makes way for coping strategies when individuals are overcome with stress. Lastly, religion has been found to provide fortress and solace for many victims who suffer from post-traumatic stress (Halama, 2014). Moreover, according to Halama (2014) religion has the ability to motivate people in a positive way whereby religion's power is embedded in the fact that it affects values about the individual, their environment, and it can also mediate the individual's relationship with their environment. When confronted with stressful situations, religious people are likely to engage in cognitive dissonance in a sense that they may alter the perceptions that they have towards the situation in order to accommodate their religious beliefs, as opposed to compromising their religious beliefs in order to overcome the situation (Halama, 2014). In addition, Halama (2014) also proposed that religious affiliation also serves to provide social support through the vast number of fellow religious members.

Situational meaning, on the other hand, is viewed as a meaning that develops as a result of the relationship between the individual's global meaning as well as the conditions that surround the relationship between a person and their environment. Situational meaning can be defined as the connection and relationship between a person's global meaning, ambitions, as well as the relationship that they have with their environment (Parker and Folkman, 2007). Situational meaning can be viewed as an appraisal process which includes an analysis of the individual's relationship with the world in a manner that influences the way people cope with different circumstances (Folkman, 2010). According to Parker and Folkman (2007), situational meaning can be divided into three main categories which include the appraisal of

meaning, finding meaning, as well as the meaning that individuals applies after an event has occurred.

#### **2.4.9 Conclusion**

The chapter commenced through an introduction which highlighted the significance of the township economy as well as the aims and objectives of the chapter. The aim of this chapter was to explore the various literatures relating to the research topic of the current study as well as some of the constructs embedded in the current study. The section explored literature pertaining to entrepreneurship in terms of the concept of entrepreneurship wherein the various definitions of entrepreneurship were explored. Entrepreneurship was explored in various contexts including the global context, the South African context, as well as the informal context. Thereafter, literature pertaining to stress was explored in terms of the concept of stress, stress and burnout, stress and depression, stress among entrepreneurs as well as stress amongst township entrepreneurs specifically. Moreover, the chapter also explored literature about coping which includes the concept of coping, coping among entrepreneurs, coping and substance abuse, coping and music, as well as coping and religion. Lastly, the chapter looked at the theoretical framework of the study which is the transactional model of stress and coping designed by Lazarus and Folkman.

## CHAPTER THREE

### RESEARCH METHODOLOGY

#### 3.1 Introduction

The aim of this chapter is to outline the current study's research methodology and research design. Research methodology is defined as a scientific framework consisting of instruments and protocols which serve to guide a certain research project (Neuman 2011). Conversely, research design is a strategic plan consisting of the steps which will be taken in order to achieve the aims and objectives of the study (Johnson & Onweaugbazie, 2004). Essentially, the contents of this chapter include the research design, the sampling procedure as well as the data collection process. The chapter will also briefly highlight the background information about the instrument which was used as well as the data collection method which was implemented.

#### 3.2 Research Design

##### 3.2.1 *Qualitative research design*

The current study used the qualitative research design within the interpretive paradigm. Qualitative research is advantageous because it provides in-depth and detailed information about a specific aspect (Johnson & Onweaygbazie, 2004). Carr (1994) suggests that different from quantitative research, qualitative research does not use numbers to describe human beings, but relies on the subjective perceptions and experiences of people to describe them. Moreover, the research questions are more aligned to qualitative research Carr (1994) for suggests as mentioned before a qualitative study will allow for rich information that contribute to a better and deeper understanding of the research topic.

Exploratory and descriptive research was implemented as part of the qualitative inquiry which sought to explore the experiences, stressful factors and coping strategies of the entrepreneurs. Interpretivism was found to be the most relevant paradigm when conducting exploratory and descriptive studies such as the current study. Than (as cited in Neuman, 2011) defines interpretivism as viewing reality through a subjective lens that is based on the perceptions and experiences of the participants. Thomas (2010) argues that interpretivism is made up of two fundamental concepts, namely, observation and interpretation. Larkin and Eatough (2011) suggests that observation is concerned with collecting information whereas interpretation is about giving substantial meaning to the raw data that has been collected.

According to Neuman (2011), the interpretive view of reality holds firm to the notion that the experiences and perceptions of each individual have a significant role to play in constructing an inter-related and shared reality.

It is the view of Manerikar (2014) that the main aim of an exploratory study is to address research issues that have very limited academic literature and research prospects. Therefore, exploratory was found to be a relevant paradigm to the current study because stress and coping mechanism among township entrepreneurs is a very under researched topic within the academic community. Therefore, the study used exploratory research to uncover information that did not exist before. The study implemented descriptive research, which according to Dulock (1993), is a good tool to study stress and coping among my research participants in a manner that is systematic, thorough and accurate. Salaria (2012) states that ‘descriptive research is made up of a series of steps which involve careful analysis, interpretation, comparisons, as well as identification of trends and relationships’ (p.3).

### **3.3 Sampling method and procedure**

Snowball sampling was implemented to access research participants. Miculeac (2013) suggests that snowball sampling is a non-probability sampling procedure which commences with a small number of participants. However, the number of participants is expected to increase based on the networks of the initial small number of participants. According to Miculeac (2013), advantages of this method is the fact that the process is time and cost efficient. Furthermore that the snowball sampling process allows the researcher to reach populations that are difficult to sample when other sampling methods are applied. Moreover, this sampling technique needs little planning and fewer workforce compared to other sampling techniques. Lastly, due to the fact that study participants would likely know other people in the same situation as themselves, they are able to inform others about the benefits of the study and reassure them of confidentiality, thus increasing the trust that the participants have in the researcher (Miculeac, 2013) and make participation thus more likely.

Snowball sampling was implemented by means of sending a gatekeeper’s letter (appendix 1) to the Ekurhuleni District Municipality whereby the researcher humbly requested permission to conduct the study in Tembisa. After obtaining permission to conduct the study, the researcher travelled to Tembisa in order to visit different sections of Tembisa including Tembisa South, Ivory Park and Hospital view. During the travel to Tembisa, the researcher approached different township entrepreneurs who were asked to participate in the study in

order to get five potential entrepreneurs who agreed to become participants of the current study. Then the five potential participants were asked if they knew any other entrepreneurs who would be interested in participating in my study. Thereafter, the five original participants were asked to provide the researcher with the contact details of the recommended participants, whom I will also contact and ask to participate in my study.

About 20 township entrepreneurs participated in the study. These township entrepreneurs included hardware business owners, petrol and chicken franchise owners, furnishing business owners, street vendors, motor electricians, women's clinic owners, hair salon owners, food manufacturers, clothing and fashion designers, as well as steel works specialists. However, there were no specifications and restrictions on the number of entrepreneurs that were included from each sector. This was determined by the number of participants that were available from each business category. The study did not discriminate against anyone as it was inclusive of entrepreneurs of all ages as well as both genders. In addition, my study did not exclude people based on race, culture, ethnicity, religion, class, or disability.

### **3.4 Data Collection & Ethical considerations**

After obtaining the permission to conduct the study from the ethics committee of UKZN, the researcher began to take the necessary steps towards collecting the research data. The data collection process commenced through the use of snow ball sampling in order to access the research participants. After accessing the research participants, the researcher informed them about the aims and objectives of the study as well as the ethical principles that guide the study. The ethical principles of the study included obtaining permission for participation through an informed consent whereby the researcher informed participants that their participation would be voluntary and their rights to withdraw from the study at any given point without any consequences. The participant's identity was anonymous and the information that they provided will be kept confidential in the hands of the university. After familiarising themselves with the purpose and ethical principles of the study, the entrepreneurs were asked to participate in the study under conditions whereby they were recorded.

After agreeing to participate in the study, the participants and the researcher organised and set a time and date for the interviews which were held at the business premises of the township entrepreneurs. During the interviews with entrepreneurs, the researcher began by re-introducing himself as the researcher and his academic background was disclosed in the

process. Other topics that were discussed before the interview commenced included the aims, objectives and ethics of the research. Prior to the commencement of every interview, the participants were provided with information about the informed consent which is outlined in the cover letter (appendix 2) which explains the details of the research project and the ethical rules of the research. Other ethical rules which guided the research included the fact that participants were not required to do anything that would later have a negative impact on their self-respect. Lastly, the participants were not deceived in anyway. After the researcher provided the entrepreneurs with information relating to the study through a cover letter (appendix 2), they were asked to sign an informed consent form (appendix 3) to confirm their participation in the interview.

After the entrepreneurs signed the informed consent form (appendix 3), data were collected through the interview guide (appendix 4). Face-to-face interviews were conducted with the entrepreneurs as the interviewees through an interview guide instrument (appendix 4).

The interview guide was semi-structured as it contained some open-ended questions as well as some close-ended questions. An android smart phone was used to record the interviews while keeping a notebook whereby the researcher jotted down some field notes. Recording was done as a way of ensuring reliability in the study (Neuman, 2011). The recordings of the interviews were later transcribed. Based on the interview guide and the answers provided by participants, the researcher jotted down follow-up questions/probing questions that were asked after the questions from the scheduled interviews were complete.

### **3.5 Instrument**

Appendix 4 is a semi-structured interview guide that is in synchronisation with the objectives and research questions of my study. Appendix 4 consists of open-ended which were used to obtain detailed qualitative information about the socio-cultural experiences, environmental stressful factors as well as the productive and non-productive coping strategies of the entrepreneurs. The stability reliability aspect of this instrument is difficult to achieve because in this context, the study is based on enterprises that are likely to change over time. Furthermore, it is important to note that that the enterprises and the relationship that the research has with the enterprises is an evolving process thus the results will not be stagnant or fixed as suggested by the test re-test aspect of reliability. It is also important to further note that, in terms of reliability, Hancock (2007) suggests that the concept of reliability may sometimes be misleading in qualitative studies because unlike quantitative studies where

reliability looks at measuring understanding, in qualitative studies the priority lies in generating understanding. Thus Hancock (2007) has suggested that reliability be replaced with credibility, neutrality, dependability and transferability, of which are all concepts that manifest themselves in the study. The credibility of the study is linked to the rigour of the method e.g. asking the same question in different ways to verify the honesty of the answers that were given by the entrepreneur. The neutrality of the study is embedded in the fact that it did not express any form of bias and did not manipulate the research environment in anyway. The dependability of the study refer to the ability of duplication of the study in different contexts by other researchers without having to change any aspect. Lastly, transferability exists in the study in relation to other studies and other entrepreneurs in township contexts.

Based on Neuman's (2011) findings, a synonym for validity is truthfulness, thus the qualitative nature of the current study focus on achieving legitimacy rather than a one-dimensional version of the "truth". Therefore the validity of this instrument is ensured by the diverse questions to gain a fair, honest, and a full picture of the socio-economic information and personal views and experiences that was obtained from the entrepreneurs. This process is coined by Neuman (2011) as ecological validity which emphasise the need to describe a genuine insider's view. Thus, the qualitative dimension of this instrument ensures some level of validity as it seek to gain truthful information and to avoid false or contaminated information. In addition, truthfulness was ensured by means of calling some of the suppliers and the customers of the enterprise (after obtaining permission) to verify that the information given by the entrepreneurs is indeed true.

### **3.6 Data analysis**

The data was transcribed by means of listening to the audio recordings of the interviews that were conducted with the township entrepreneurs, and then writing down the content of the audio recordings, thus transferring the oral content into a written format. Thereafter, thematic analysis was used to analyse the data. Golafshani (2003) defines thematic analysis as the process of accounting for themes in a way that concisely describes a wide range of data by comparing and categorising information. According to Braun (2006), there are six steps involved in thematic analysis these steps include: building familiarity with collected data; developing codes; looking for the themes; reviewing the themes; give meaning and titles to the themes; and lastly generating a report based on the themes. Essentially, thematic analysis

involves thoroughly looking at each transcribed interview in order to capture some of the most common factors that appeared in the different interviews and then considering these factors to formulate the themes that emerged from this study. The researcher carefully followed the six steps of thematic analysis and thus came up with five main themes along with some sub-themes. The themes of the current study included the causes of stress among foreign township entrepreneurs; the causes of stress among South African township; the causes of stress among both South African and foreign township entrepreneurs; the coping mechanisms used by township entrepreneurs, as well as the recommendations that were suggested by the township entrepreneurs in terms of the ways of what needs to be done to reduce the stress levels of township entrepreneurs. It is the view of Golafshani (2003) that thematic analysis is advantageous because it is rigorous in that categories are defined in a precise manner. Moreover, Alhojailan (2012) asserts that thematic analysis is relevant because it is useful in analysing my findings in order for me to draw the correct conclusions and make the appropriate recommendations.

## **CHAPTER FOUR**

### **RESEARCH FINDINGS**

#### **4.1 Introduction**

This chapter outlines the major findings from the interviews that were conducted. As previously mentioned, the purpose and aim of this study was embedded in finding key answers to the following issues among township entrepreneurs located in Tembisa South, Ivory Part and Hospital View. These include socio-cultural experiences of the entrepreneurs (relations with family and friends as well as their cultural practices), the environmental factors that cause stress amongst township entrepreneurs and the coping mechanisms used to deal with stress. These aspects served as guidelines for the interview schedule of the research.

The themes will be explored as part of this chapter in the following order. The chapter will begin by providing the bio-demographic background data of the participants. Thereafter, the chapter will explore the main reasons people start businesses, followed by the organisational causes of stress, the environmental causes of stress, as well as the psycho-social causes of stress among township entrepreneurs. The chapter will conclude with some of the coping strategies implemented by township entrepreneurs in times of stress as well as the recommendations that have been suggested by the entrepreneurs in terms of making township entrepreneurship less stressful.

#### **4.2 Bio-demographic characteristics of the sample**

In table 1 below, the socio-demographic characteristics of the participants are presented. A total of 20 entrepreneurs from the township were interviewed for the study. Every participant that was interviewed was the founder of his or her enterprise. The majority of participants were male whereas the remaining minority were females. Their age ranged from 37 to 58 years old for females whereas for males their age ranged from 28 years to 58 years old. It seems that they were either in young or middle adulthood. This corroborates with the findings of the GEM Report (GEM, 2017). All 20 the participants who were involved in the current study recognised themselves as being black when asked about their ethnicity. This demographic is in full agreement with the findings of Statistics South Africa (Stats SA) (2016) which states that black people make up 79.5 % of the total South African population.

In addition, Stats SA (2016) found that black people make up 95% of the township population across South Africa.

The entrepreneurs owned different kinds of businesses whereby most of them were street vendors selling different products. Some of the entrepreneurs offered different services including hair salons, family planning services for females (offered by professional nurse), electronic repairs, steel work and welding as well as fashion design and tailoring. The businesses owned by females tended to be in line with their traditional roles, namely, food and caring.

With regards to the participants' level of education, most of the township entrepreneurs had not furthered their studies beyond Grade 9, notwithstanding the fact that the foreign participants went to school in their respective home countries. On the contrary, other entrepreneurs had completed their schooling up to Grade 10. One of the male participants stated that he has a matric certificate. The rest of the township entrepreneurs had obtained their diplomas in various fields.

Most of the participants in the study were foreign nationals whereas a minority of the participants were South Africans. The foreign entrepreneurs included citizens from various African countries. While a few of the foreign nationals have South African residence permits, most of the foreign nationals asserted that they are undocumented immigrants. In the next session, the causes of stressors and the entrepreneurs experience will be explored.

**Table 1: Bio-demographic characteristics of the sample (N=20)**

Participants	GENDER	AGE	NATIONALITY	PRODUCTS/SERVICES RENDERED	Status	EDUCATION
1	Male	32	Mozambique	Hardware equipment	Illegal	Grade 10
2	Male	34	Mozambique	Hair salon services	Legal	Less than grade 9
3	Male	30	South Africa	House appliances	Legal	Diploma
4	Male	24	South Africa	Snacks and fruits	Illegal	Grade 10
5	Male	55	South Africa	Beauty products	Legal	Less than grade 9
6	Male	34	Mozambique	Beauty products	Unknown	Less than grade 9
7	Male	36	Ghana	Pharmaceutical products, beverages and snacks	Legal	Diploma
8	Female	56	Swaziland	Fat cakes	Legal	Grade 10
9	Male	42	Mozambique	Peanuts, biscuits, snacks and cigarettes	Illegal	Grade 10
10	Female	37	Mozambique	Snacks, sweets, cigarettes, washing products	Illegal	Grade 10
11	Female	42	Mozambique	Cooked dishes	Illegal	Less than grade 9
12	Female	58	South Africa	Women's clinic, family planning and pregnancy services	Legal	Degree
13	Male	35	Mozambique	Steel works and welding	Illegal	Grade 10
14	Male	53	South Africa	Jewellery and toys	Legal	Grade 10
15	Male	59	South Africa	Bath tubs and buckets	Legal	Matric
16	Male	25	South Africa	Petrol and chicken franchise owner	Legal	Diploma
17	Male	26	Mozambique	Snacks and cigarettes	Unknown	Less than grade 9
18	Male	30	Mozambique	House appliances and tissues	Illegal	Less than grade 9
19	Male	52	Mozambique	Car electrician	Illegal	Less than grade 9
20	Male	28	Malawi	Fashion designer	Unknown	Diploma

### 4.3 Main reasons for starting business

Two of the South African participants insinuated that they had been previously employed, but after their employment was terminated, they found refuge in starting their own businesses. When questioned about the reasons they started their businesses, these were some of the responses:

*“I was working and then I lost my job I thought let me open up a business... I thought to myself I am not going back to my employer because the money that the employer is giving me is not enough and when you protest for wage increase you get fired”* (Male, South Africa)

*“I got my early retirement in 2007”* (Male, South Africa)

Other reasons for unemployment, that were stated by two Mozambican township entrepreneurs, included the lack of documentation (among foreign nationals), poor working conditions as well as the likely exploitation of desperate foreign nationals.

*“I have no ID (identity document) and I am unable to find a job”* (Male, Mozambique)

*“When I finally got a job as a contractor they used to rob me, I realized that working for a person will not work out”* (Male, Mozambique)

The main theme that emerged from the study’s findings regarding the reasons for entrepreneurship by the participants was found to be unemployment and poverty. Some became unemployed owing to factors such as retrenchment, retirement, quitting due to poor working conditions, as well as poverty which are all factors that forced the entrepreneurs to start their own businesses.

A young male South African entrepreneur who was predominantly located in Kwa-Zulu-Natal moved to Gauteng in order to escape poverty and avoid relying on family members for financial support. Whereas a Mozambican entrepreneur admittedly received assistance from his brother when he first arrived in South Africa

*“Just that at home I was suffering right? My mother could not keep buying me shoes, imagine now my mom had to buy me underwear”* (Male, South Africa)

*“My brother was paying for everything”* (Male, Mozambique)

## **Themes**

THEMES	SUB-THEMES
Micro-environmental causes of stress	<ul style="list-style-type: none"> <li>• Finances (poor access to finance, poor financial management and running costs)</li> <li>• Employee relations</li> <li>• Management of stock</li> <li>• Lack of equipment</li> </ul>
Environmental causes of stress	<ul style="list-style-type: none"> <li>• Competition</li> <li>• Insufficient operating space</li> <li>• Crime, drugs and violence</li> <li>• Lack of infrastructure</li> </ul>
Psycho-social causes of stress	<ul style="list-style-type: none"> <li>• Role overload</li> <li>• Work-life balance</li> </ul>

	<ul style="list-style-type: none"> <li>• Various customer dynamics</li> </ul>
Causes of stress among foreign nationals	<ul style="list-style-type: none"> <li>• Xenophobia</li> <li>• Bureaucratic limitations of being illegal immigrant</li> <li>• Police harassment and misconduct</li> </ul>
Coping strategies used by foreign nationals	<ul style="list-style-type: none"> <li>• Cognitive/Emotion based coping</li> <li>• Problem based coping</li> <li>• Maladaptive coping mechanisms</li> <li>• Spiritual coping</li> </ul>

#### **4.4 Theme 1: Micro-environmental causes of stress**

The Micro-environmental causes of stress among township entrepreneurs includes stressors which emerge from the internal environment of the organization as opposed to challenges emerging from the external aspects of the organization. The factors will be explored in the following section.

##### **4.4.1 Finances**

Poor access to finance

It has been found that access to capital is a major issue and when it is not obtained because of requirements or relevant documentation, people resort to informal and private capital. Two participants complained that the loan application process was very complex because there were too many administrative requirements such as business registration, collateral as well as a good credit history.

*“I once tried to get a loan and they told me that the business must be registered”* (Female, South Africa)

*“You know banks can’t just lend you money, it’s just a long process...Because if we go to the bank then they need a profile, many things and then also they want guarantee, when in case they give you a loan you must have a suitable guarantee and then if you don’t have a house or something then bad luck you won’t get, that’s why we don’t get finance from the bank”* (Male, South Africa)

The current study found that only a limited number of South African township entrepreneurs qualified for loans from the bank as start-up capital whereas three entrepreneurs have resorted to using various other informal forms of finance for start-up capital. The informal sources of capital include personal savings, financial assistance from family and friends, as well as other diversified sources of capital.

*“I was working and saving some of it at home”* (Male, Mozambique)

*“I thought it would be good for me to save money and start a business”* (Male, South Africa)

*“The money to start the business I saved up”* (Male, Mozambique)

The results of the current study further indicate that three of the township entrepreneurs obtained start-up capital from close relatives. These relatives include siblings as well as spouses.

*“My brother took out R100 and said you will see what you do with this my boy”* (Male, Mozambique)

*“I got it from my parents, actually I got it from my sister, I was staying in the same house as my sister and she said to me ‘my boy since you don’t work take this, go to Joburg (Johannesburg) and buy stock”* (Male, South Africa)

*“There is a man that I live with he is the one that gave me money”* (Female, Mozambique)

The current study also discovered that there were various other alternative forms of funding that were used by the township entrepreneurs who could not gain financial access from formal institutions. The alternative forms of finance include the use of profits from other business ventures in order to fund their current business ventures. Other methods of obtaining start-up capital include the sale of personal valuables such as speakers, cell phones and gadgets. There were also reports of participants who stated that they used their monthly government grant money, which was meant for their children, as a form of start-up capital.

*“I started this business using a product called phytometh”* (Female, South Africa)

*“I ended up selling my own property”* (Male, Mozambique)

The township economy appears to not only use the government grant money as venture capital, but that grant money also keeps the township economy alive. One of the South African female participants mentioned that she had used the grant money that she receives for

her children as her starting capital. Another participant stated that township citizens use their grant money as collateral against which they take credit from the township entrepreneurs. When there is a debacle which causes delays in South African Social Services Agency (SASSA) payments, the township economy feels it, as expressed by some of the participants:

*“I ended up using the money that I got for my children from SASSA because I do not work”*  
(Female, South Africa)

*“So when the granny comes they will tell you that their SASSA card has declined”* (Female, South Africa)

*“This month is worse because many people have not paid us especially grannies, they did not get paid because of the SASSA debacle”* (Female, South Africa)

In contrast, three of the South African participants reported the use of formal institutions such as banks as a resort for obtaining starting capital. Notably, two of the entrepreneurs who obtained starting capital in the form of bank loans were more formalized, professional and appeared to possess more business etiquette than the other participants.

*“And then I ended up making a loan”* (Female, South Africa)

*“...And then some is the money that we got from the bank basically”* (Male, South Africa)

*“I only went to the loan shark once at African bank”* (Male, South Africa)

The qualifying South African entrepreneurs obtained loans from banks in order to be able to start their businesses. When asked about the nature of the interest rates from the loans that they had taken, two of the South Africans complained that the interest rates were too high.

*“They, they are ridiculous”* (Male, South Africa)

*“Yoh they are extremely high”* (Female, South Africa)

### Running Costs

The results of the study also indicated that township entrepreneurs found the day-to-day running costs of the business difficult. These costs include rent and electricity. Rent is a monthly expenditure which the entrepreneur is obligated to pay regardless of whether or not they have made a profit. The inability to pay rent increases the risk of being evicted from their business premises.

*“I stress about rent”* (Male, Mozambique)

*“On top of that I pay rent so I might get evicted any time”* (Male, Malawi)

On the contrary, other entrepreneurs pay rent separately from electricity.

*“I pay rent and electricity”* (Male, South Africa)

Poor financial management skills

The participants showed vulnerability as one of them acknowledge the reason they could not expand and grow their businesses was a result of their own doing owing to insufficient skills in managing their finances in terms of budgeting.

*“I struggle when I receive lots of money because I am unable to budget so even when I make lots of money it does not show”* (Male, Mozambique)

Furthermore, the entrepreneur’s inability to budget was also found to be a result of the fact that they did not have enough money for them to be able to budget.

*“When it is time to eat you can’t even budget”* (Male, Mozambique)

#### **4.4.2 Employee Relations**

The current study found that the salaries of the employees are a monthly expense which the entrepreneurs felt morally obligated to pay. Proof of this lies in the statements made by two of the entrepreneurs who said:

*“Come pay day no disputes, I make sure that they get their money”* (Female, Mozambique)

*“Well they differ, one of them gets paid R500 per week...Drivers get R700 a week”* (Male, Mozambique)

The current study found that another common stressor amongst township entrepreneurs was incompetent and unreliable employees. The main findings which emerged from this theme include poor job performance by employees, unethical labour practice, as well as alcohol abuse by employees. Some of these negative employee characteristics also led to the dismissal of employees.

Incompetent employees were found to exist in the form of employees who do not follow instructions as well as poor job performance by employees.

*“Basically difficult employees that don’t listen when you speak and give orders”* (Male, South Africa)

*“The only challenge is that sometimes he makes rookie mistakes”* (Male, Mozambique)

The study also found that the entrepreneurs did not have any written contractual agreements with their employees:

*“No we did not sign anywhere”* (Female, Mozambique)

*“We agreed verbally and did not sign anywhere”* (Male, South Africa)

*“So far we just have a verbal contract”* (Male, Mozambique)

The entrepreneurs also complained that their employees were stealing from their businesses.

*“They used to steal and they used to take a lot of days off”* (Female, South Africa)

*“If you as the manager are not around, you won’t get that money...and then I’m going to ask, where is that money”* (Male, Mozambique)

It was also mentioned that some of the people employed by the township entrepreneurs had bad alcoholic habits which then affected their productivity at work. The employee’s alcoholic habits affected their productivity in terms of the fact that they end up going to work hung over. Therefore, they are too tired to focus on their jobs. In two cases, the employees reportedly came to work drunk, therefore they were sloppy with regards to their work.

*“They come here with hangovers you see, sometimes a person comes here tired and you won’t know their personal problems”* (Male, Mozambique)

*“The guy he liked drinking too much you see, yeah he drank too much so far, sometimes in time of work you can find him that he’s drinking, you see that are some of the challenges that they give me”* (Male, Malawi)

Four of the entrepreneurs reported that owing to the level of stress caused by their employees they ended up firing them. Some of the reasons for the departure of employees included absenteeism, insufficient funds to pay employee salaries. In some cases, the employees left the enterprises in order to start their own businesses based on the experience that they had gathered during their tenure and ended up heightening competition for their former employers.

*“I had to fire one of them whereas the other one ended up stopping because they were taking too many days off”* (Female, South Africa)

*“Here I had two people but now I have stopped them because there is no work for them to do at the moment”* (Male, Mozambique)

*“The people with whom I started this business with they came and learnt and gathered experience and then went on to open their own business”* (Male, Mozambique)

*“This guy that is working for me now he doesn’t have an ID so he can get deported at any time”* (Male, South Africa)

#### **4.4.3 Management of stock**

The management of stock was identified as a source of stress for the entrepreneurs owing to the standard procedures that are associated with the buying of stock. The causes of stress relate to the risk of having left over stock, deciding on the kind of stock to buy, transportation of stock as well as the constant fluctuation of the prices of stock accompanied by the issue of unreliable suppliers.

The study found that a significant stressor with regards to the buying of stock includes some of the risk factors that come into play as a result of stock. Such risks include the possibilities of having left over stock owing to poor sales. There was also an outcry from entrepreneurs that left over stock resulted in a financial loss. Moreover, the participants complained that sometimes the left over stock gets rotten and therefore they are no longer able to sell it to customers. As a result, one of the entrepreneurs resorted to selling their products at half price in order for the products to be bought quicker so that entrepreneur would be able to go and buy stock.

*“It is difficult because sometimes you are here making fat cakes and then they get leftover”* (Female, South Africa)

When probed about how she managed the problem, she explained:

*“I offer to sell them half price and they don’t even have that money”* (Female, Swaziland)

There was another entrepreneur who experienced problems with regards to left over stock:

*“Another thing is that when you have bulk stock you risk running out of time to flip the stock because you end up not seeing the profits”* (Male, South Africa)

Another male South African entrepreneur whose business has been previously suffered a financial loss owing to having too much stock lamented about his biggest fears in business as follows:

*“Falling off because if people don’t buy I am left over with stock and what must I do with that stock because sometimes it even gets rotten?”* (Male, South Africa 2)

When questioned about managing his produce, he explained that he took a flexible approach to business:

*“I buy stock based on seasons. If it is the season for mangoes, I will buy mangoes. If it is the season for grapes, I will buy grapes and so on and so on. But things like cigarettes I buy when I run out of stock. You see now its winter, it is orange season so I sell them, in summer I sell lollipops and apples so I go by the weather”* (Male, South Africa)

There was another entrepreneur who also indicated that she had a flexible approach to business in terms of kind of stock that they were selling because the products that they sold were dependent on customer demands which is based on the seasons.

*“I am thinking of drinks due to the fact that we are heading towards the summer”* (Female, South Africa)

The current study also discovered that the constant changes in the prices of stock were a significant source of stress for township entrepreneurs. The study’s findings reflect that the reasons for increases or decreases in the prices of stock for certain enterprises were determined by the seasons.

*“You see also the meat we stock, when the weather is hot the price of meat goes down and when it is winter the prices increase”* (Female, Mozambique)

Two entrepreneurs reported that when their suppliers increased their prices, it also forced the entrepreneurs to increase their prices as well.

*“If the supplier increases the prices also then I am also doomed because I have to increase prices as well”* (Male, South Africa)

*“They do affect my business because when the price of steel goes up it means that we must also increase our prices a bit”* (Male, Mozambique)

The increase of prices is not only difficult because one needs to buy stock but also because an increase in prices needs to be absorbed by the customers and this brings additional stress because they might not have the means to absorb the price increase of which implies less customers.

*“You can increase your prices but you must know that you are going to fight with customers”*  
(Male, South Africa)

*“When you increase your price by maybe one rand what they normally bought for three rand does not get bought as much and in so doing also the customers go down at the time”*(Male, Mozambique)

*“The fighting begins thinking no you’re trying to rob them or something so it means whenever there is inflation or petrol hike then it’s always on the shoulders of the customer”*  
(Male, Malawi)

In addition, a male from South Africa who runs a petrol station and a food franchise complained about unreliable suppliers. The main problems he experienced regarding suppliers include late delivery as well as the fact that there are specific days in which he is allowed to order. Therefore, if he ran out of stock outside of those specified days he would have to wait, of which results in loss of income and profits because customers would not be able to buy.

He complained that late delivery of petrol resulted in loss of income for his business:

*“When you order petrol it comes three days after the day you actually ordered it, if the orders are behind, they debit both these orders at the same time”* (Male, South Africa)

*“You can’t just order on a random day, there’s a specific day one needs to order”* (Male South Africa). Here he was speaking about the ordering of petrol.

He asserted that he would prefer using a different supplier for his chicken franchise, but he was prohibited because of contractual agreements with the franchiser.

*“You can’t just order them anywhere; they choose the supplier for us”* (Male, South Africa)

#### **4.4.4 Lack of equipment**

The current study can confirm that lack of equipment was a significant theme among township entrepreneurs. The outcry came from two female entrepreneurs from Mozambique and South Africa who owned food businesses. Their concern was that the equipment that they were using was not presentable. In addition, one of the male Mozambican participants who is an electrical mechanic complained that his current tools were outdated and that he needed more modernised and automated tools in order to make the running of his business to be more smooth and convenient.

*“There is a lot of stuff including equipment, look at the things I am using here”* (Female, South Africa)

*“You are working with food so your equipment must be presentable”* (Female, Mozambique)

*“I need to use a machine for diagnosis which helps me find out exactly what is the problem with this car”* (Male, Mozambique)

#### **4.5 Theme 2: Environmental causes of stress**

The environmental causes of stress among township entrepreneurs include challenges that are caused by factors that are external to the organization, or factors that the organization cannot directly control, but rather these challenges arise as a result of the geographical location within which the organization has been placed. The following section seeks to explore some of these factors.

##### **4.5.1 Competition**

The study’s findings suggest that township entrepreneurs are frustrated by other entrepreneurs who run similar businesses to them because it results in a loss of income and customers for the entrepreneurs who started the business first. A male South African entrepreneur expressed that the lack of growth in his business is because of the people who have recently decided to sell the same products that he is selling.

*“I am not moving forward because of what? There are now too many of us, we are plenty who are selling these things right?”* (Male, South Africa 1)

One of the pioneers in the business of selling chicken feet expressed his concern over the high number of people who decided to sell the same product that he is selling. In so doing, he

was alluding to the fact that he is not making as much money as he was making when he initially started the business because people duplicated his business idea, therefore taking some of his customers and potential customers.

*“Now we are many, when I start this business in 1980 we were two, imagine now from the robot up to here, now its thousands people and we are selling the same items”* (Male, South Africa 2)

*“When they see that people are buying the product now the person turns around and sells the same product”* (Male, South Africa 3)

When questioned about some of the biggest obstacles with regards to running a business in the township, one of the entrepreneurs mentioned the high levels of competition among entrepreneurs.

*“Keeping up with the competitors and the pressure”* (Male, Ghana)

Jealousy among township entrepreneurs was found to be the driving force for toxic relations amongst competitors based on the quotes below

*“Sometimes they do like they are jealous with me”* (Male, South Africa)

*“The relationship is bad because sometimes we become jealous of each other and things like that”* (Male, Mozambique)

The high rate of competition led to conflict between entrepreneurs of which manifested itself in the form of bad relations with competitors, the use of muthi among competitors as well as violent quarrels between competitors.

*“Some of them they find themselves hating you because you are loved by customers”* (Male, South Africa)

*“Some people use muthi on you in order to prevent customers from coming to you so that they buy from them”* (Male, South Africa)

*“I have once had a dispute, but it was some other person who was selling cigarettes”* (Male, Mozambique)

Competition was especially regarded as problematic when competitors offered lower prices than the entrepreneurs.

*“When another person arrives they charge their own prices and sometimes their prices are cheaper than mine”* (Male, South Africa)

While the high levels of competition were problematic for all the township entrepreneurs, two South African entrepreneurs specifically blamed the high levels of competition to be a result of the high influx of Somali nationals. This is because the South African entrepreneurs view the Somalis as their main competitors, think that there are too many of them in South Africa and that they want to dominate the market by selling their products at much cheaper prices. Somali nationals are viewed as individuals who steal customers from local entrepreneurs by providing low quality products at very affordable prices. They are also disliked because they are seen to be selfish in terms of wanting to be the only people that are selling in certain areas. It must be noted that Somalis were found to be despised by South Africans across all industries regardless of whether or not Somalis were involved in that industry.

*“There are people who come from outside the country and when they see you they don’t like you and they want to be the only ones selling”* (Male, South Africa)

*“You see these Somalians are causing stress man, there’s too many of them”* (Male, South Africa 2)

A male entrepreneur from South Africa stated that the reason Somali entrepreneurs were so popular among South African customers was because they have extremely low prices and therefore they become the obvious option for consumers.

*“They sell their products at very low prices”* (Male, South Africa 3)

The reason Somali entrepreneurs are able to sell products at extremely low prices is because they make counterfeit products.

*“Somalians make their counterfeit goods; they make their own Coca Cola, Albany, same brand”* (Male, South Africa 4)

#### **4.5.2 Insufficient operating space and land disputes**

Insufficient operating space was found to be a stressor for township entrepreneurs. This is because their current operating space was not big enough for them to be able to store some of their stock and equipment. Therefore, they were forced to either find an alternative venue near their business location that they could rent space for storage, or they had to carry their

stock and equipment everyday between their homes and their business location. Travelling with stock and equipment has been rendered to be unsafe because it invites crime. Moreover, the equipment or stock may become damaged or lost.

One of the entrepreneurs expressed that his current operating location was not big enough as he had to find a separate location to store his stock:

*“I also want to have a big place where I can leave my stock”* (Male, Mozambique)

*“I also don’t have a place to keep my equipment because I come from a very faraway place, so I have to rent space where I can keep my equipment”* (Male, Mozambique)

The current study found that the issue of insufficient operating space causes disputes between township entrepreneurs. These land disputes manifest in various ways including entrepreneurs who have reported that they had previously received threats over the land that their business was occupying. Another female entrepreneur from Mozambique reported that there are other entrepreneurs who try and take over her business location when she has gone to visit her family in Mozambique, whereas another South African male entrepreneur reported that there are other entrepreneurs who take over his location when he is absent from work.

*“I have not received any threats except the ones that came to harass me for this land, please write that down”* (Female, South Africa)

*“There is someone who comes and sells here, when I go to Maputo they come and place their business here”* (Female, Mozambique)

*“They want my location because we initially agreed that they must end there you see at that line but now they are entering here, when I don’t come to work they become so happy”* (Male, South Africa)

#### **4.5.3 Crime, drugs and violence**

The findings of the study reflect that a common stressor among township entrepreneurs involves crime, drugs and violence. Crime has been found to be a significant stressor among township entrepreneurs and it exists in the form of theft, witnessing crime, concerns for customer safety as well as fear for one’s own safety.

The most common form of crime amongst township entrepreneurs was found to be theft wherein thieves steal petty things. In most cases, the thieves were found to disguise themselves as protesters, but they had hidden agendas which included stealing from the township entrepreneurs.

*“Those thieves they hit us heavy”* (Male, South Africa)

*“They steal petty things maybe someone can come here and maybe steal a cigarette”* (Male, Mozambique)

*“Even if you leave a piece of steel lying around, it’s gone”* (Male, Mozambique)

Two of the township entrepreneurs reported that crime is outdated for them because it is something that they used to experience during the early stages of their business:

*“It used to affect me”* (Male, Mozambique)

*“They used to bother me when I first arrived here”* (Male, Mozambique)

A stressful factor within the context of crime is entrepreneurs witnessing crime. The entrepreneurs reported that they witnessed various forms of crime in the form of robberies, hearing gun shots, finding evidence of rape, as well as witnessing people getting shot and killed within and around their business location.

Two entrepreneurs report seeing people getting robbed as well as hearing gun noises.

*“Some of the things I have witness them I see some other people getting robbed”* (Male, Mozambique)

*“People who climb off taxis are usually the ones that get attacked; all we hear is loud gun noises”* (Male, South Africa)

A male South African entrepreneur reported that he had come across evidence of rape:

*“Crime happens here, the things that we see, we see them in the morning, we see underwear and panties when we arrive in the morning and women’s bags, those are the things we see...There was once a shack here and then one day when we opened that shack we found women’s bags, women’s under wears and all these things condoms were all over”* (Male, South Africa)

One of the entrepreneurs reported that he had witnessed people getting shot and killed in broad day light.

*“Fear of attack so you know like I am saying it’s very high because just a couple of weeks ago you know I just witness like three people who were just shot dead you know”* (Male, Ghana)

The results of the study indicate that the high levels of crime caused the entrepreneurs to be stressed because crime in the area is seen to scare customers away from buying from the township entrepreneurs. Customers reportedly did not feel comfortable with going to certain areas in Tembisa because they had a fear of getting robbed. It was also found that the fear of crime caused customers to refrain from taking out their wallets in public areas. Therefore, they did not buy from the entrepreneurs because of this fear. Essentially, the general decline of customers which was highlighted earlier in this chapter is seen to be related to generalised crime in the area because the township entrepreneurs deal strictly with cash due to the fact that they do not have debit card facilities, thus customers are afraid of carrying large amounts of cash.

*“Crime affects me because it chases away customers; people are afraid to come here because they are scared of being robbed”* (Male, South Africa)

*“People are feeling very unsafe because if they come to Swazi Inn having too much cash they see it as a risk”* (Male, South Africa)

*“People mug each other here to an extent whereby potential customers are afraid of publicly taking out their wallets to buy from us...because they are scared that criminals will snatch their wallets from them”* (Male, South Africa)

The study also found that the entrepreneurs themselves lived in constant fear that they may also become victims of crime. This fear of crime caused stress for township entrepreneurs who felt helpless with regards to dealing with crime.

*“It does scare me sometimes when I think about it because if it were to happen to me in a way that I would not know how to deal with it”* (Female, South Africa)

*“With the crime I would say it’s something that always sometimes makes you live in fear”* (Male, Ghana)

The study found that drug abuse in the community was a common stressor among township entrepreneurs. The drug that has been significantly noted to affect the township economy as well as the community of Tembisa at large is nyaope. It has been strongly noted that nyaope is strongly affiliated with criminal activities, according to township entrepreneurs.

*“Nyaope addicts join the protests and start taking advantage you see”* (Male, Mozambique 1)

*“Especially these nyaope boys because of you leave something loosely, they take it”* (Male, Mozambique 2)

*“Nyaope boys once broke into my shop”* (Male, Mozambique 3)

*“If you can go down there the nyaope boys are very desperate, they don’t know whether today is during the day or if it’s at night”*(Male, South Africa)

Violence in the area was found to be a cause of stress among township entrepreneurs. One of the entrepreneurs reports being involved in a violent quarrel with someone who had stolen goods for their enterprise. In contrast, another entrepreneur reported that gang violence in the streets caused them to close down shop in order to avoid getting hurt.

*“He started off by slapping me only to find out that I’ve also got friends”* (Male, Mozambique)

*“Sometimes they do affect our business, for example, if people are fighting here in this street we will always be involved in worries we close our what? Our shop and runaway and stay inside the house”* (Male, Malawi)

#### **4.5.4 Lack of infrastructure**

The lack of infrastructure in townships was found to be a common stressor among township entrepreneurs. The most common form of infrastructure that entrepreneurs lacked was found to be shelter and electricity. The entrepreneurs report that they had been victims of empty promises by certain institutions who had agreed to provide certain infrastructure for the township entrepreneurs. Entrepreneurs complained that they did not have a safe place to conduct their business which is why they end up using unreliable forms of shelter such as tents. The consequences of not having solid shelter include the fact that during bad weather,

entrepreneurs were forced to close their businesses or change locations because of fear of rain and lightning.

One of the entrepreneurs highlighted the fact that they had received empty promises of renovation from their landlords.

*“Prasa said as soon as they are done renovating they promise to build infrastructure where we can sell our things...but they haven’t built it so now the project was started and stopped halfway and it never carried on”* (Male, South Africa)

When questioned about the areas in which they could be assisted, most of the entrepreneurs mentioned shelter as an area in which they required assistance.

*“...then also a safe place to sell, we are selling in an open field, we need shelter, as you can see I am under a plastic”* (Female, South Africa)

*“Even shelter”* (Male, Mozambique)

Another male entrepreneur complained that the lack of shelter caused an inconvenience to his business.

*“You have to wait for at least two or three hours in order to see if the rain is going quiet and whether the storm is going away because the thing that we fear the most during summer is lightning”* (Male, South Africa)

While lack of shelter was found to be a stressor among township entrepreneurs, the entrepreneurs who had shelter complained about lack of electricity which brought their businesses to a standstill because some of their machines operate using electricity.

*“Sometimes they switch off electricity”* (Male, Mozambique)

*“The problem is that when we experience load shedding you understand? That sometimes causes you stress because the machines work with electricity”* (Male, Malawi)

#### **4.6 Theme 3: Psycho-social causes of stress**

Psycho-Social causes of stress can be viewed as those sources of stress which arise as a result of the contradictions that have to do with the interrelation of the township entrepreneur’s social wellbeing in terms of how this may have adverse effects on their individual thoughts

and behaviour. These social stressors have proven to have a negative effect on the individual's psychological wellbeing.

#### **4.6.1 Role overload**

The findings from the study reflect that most township entrepreneurs play multiple roles in their business. This can be attributed to the fact that they have minimal or no employees who will assist them. Most of the entrepreneurs in the study stated that they operate independently which means that their businesses exercise so much dependence on them to an extent whereby the business becomes ineffective and does not operate in the absence of the entrepreneur. Two township entrepreneurs have reported that they find it difficult to single headedly balance the various roles that they play in the business.

*“It is tiring because uh understanding that I’m the only one here it means when I step out I lose customers”* (Male, Mozambique)

*“If I miss work just for one day I lose money and then the number of customers goes down and they move on”* (Female, South Africa)

When questioned about the most difficult aspects of running a business, two of the entrepreneurs said:

*“The fact that when it is time to stock, I close down my business in order to go and buy stock”* (Male, South Africa)

*“When I have to go and buy stock I have to close down shop”* (Male, Mozambique)

#### **4.6.2 Work-life balance**

The study found that the enterprises took so much of their time that they ended up not having enough time to spend with their immediate families and extended families. This is because the township entrepreneurs report being so caught up in managing their businesses to an extent whereby they are forced to neglect and forfeit the time that would otherwise have been used as family time in pursuit of their business interests. Four of the entrepreneurs report that they consciously prioritised their businesses over their immediate families, and that they never got the chance to spend time with their beloved immediate families.

*“You have to prioritise the business”* (Male, South Africa)

*“I have dedicated my life to the success of my business”* (Male, Mozambique)

*“Since I started working I have never really had time to spend with family”* (Male, South Africa)

*“Time for family is too little, but time for business is a lot”* (Male, Mozambique)

With regards to spending time with family members, the study found that as a result of the fact their businesses consume most of their time, the entrepreneurs were unable to visit their home countries/provinces as often as they would prefer. Rather they only go back home under special circumstances including family gatherings, funerals or ritual ceremonies. In some cases, the lack of money was a restrictive factor in terms of how often entrepreneurs go back home.

*“I hardly go there man. I only go if there’s family gatherings and funerals”* (Male, Mozambique)

*“I go there in December or when there is a ritual ceremony”* (Male, South Africa)

*“When I have some extra money I am able to go home and visit”* (Male, Mozambique)

The inability to provide for the needs of their families has been found to be a stressor, as stated by one of the male entrepreneurs. The family responsibilities of the township entrepreneurs include providing food for both their immediate and external families which they left in their home provinces/countries. The study has made it apparent that most of the township entrepreneurs are the main breadwinners of their family. Therefore, they are accustomed to carrying the financial burdens of their families.

*“Sometimes I get stressed because I cannot afford money for dinner meat”* (Male, Mozambique)

*“I am able to provide for my immediate family and my extended family back home”* (Male, Mozambique)

*“I manage, but isn’t it my mom is still around, she farms and sometimes when she asks for money I give it to her so”* (Female, Mozambique)

*“So that I could be able to pay rent and then school fees for the kids and those kinds of things for me to stand for myself and be on my own because there are no jobs and that’s the problem right ?”* (Female, South Africa)

A South African male entrepreneur further reported that he was using profits from his business to build a home for his family whom he left in Kwa-Zulu Natal Province. He further reported that he would sometimes encounter unexpected costs when bad weather caused damage to the house he was building.

*“I am also building a house and sometimes it rains and there is hail and that hail breaks the windows and you have to have extra money in order to fix those windows”* (Male, South Africa)

Female entrepreneurs reported that they have to carry the extra burden of fulfilling their domestic family responsibilities after work, in addition to their financial responsibilities:

*“I make sure that when I get home I iron what I have to iron, I cook sometimes, you see if you are used to something and you grew up a certain way you are able to balance although you cannot do everything at once but by the end of the week everything is balanced sometimes at home I sleep late so that I must sleep having done some things”* (Female, South Africa)

*“I want to cook, cook food for my husband who is back home”* (Female, Mozambique)

#### **4.6.3 Various customer dynamics**

Within the subtheme customer dynamics, various aspects were raised about the issues relating to customers. These include bad debts along with price negotiation by customers, as well as dealing with customer dissatisfaction and meeting customer demands.

Four of the entrepreneurs cited below expressed concern about a noticeable decrease in the number of customers in comparison to earlier times. This can be attributed to the customer’s decreasing buying power owing to economic conditions.

*“Days are not the same; some days you make money, some days you don’t make money”* (Male, Mozambique)

*“Business is not the same; some of the days you find that you are selling you don’t even make R200”* (Male, South Africa)

*“The most difficult thing is people because these days they do not buy as they used to”* (Female, Mozambique)

*“Business is not going as smooth as it was going previously”* (Male, South Africa)

Customer relations have been found to be strained by a number of issues such as buying on credit and not paying on time. The entrepreneurs reported that after granting customers credit, they had to constantly remind customers to pay them back to an extent whereby customers resorted to avoiding the township entrepreneurs in order to avoid paying back the money.

*“A person can come here and ask for credit and then when you give them credit they don’t pay you back”* (Male, Mozambique)

*“You have to follow them around until you get paid”* (Male, South Africa)

Moreover, the issues of customer dynamics are further complicated by close relationships with neighbours and friends who want to consume products and services for free because of their perceived nature of relation to the entrepreneurs. This caused the township entrepreneurs to vent as follows:

One of the entrepreneurs was referring to his neighbours when he said:

*“Some of them they want to smoke for free”* (Male, Mozambique)

*“You take it for granted that they are your neighbour and they won’t double cross me, only to find out that this person is running away for real”* (Male, South Africa)

Another challenge experienced by township entrepreneurs is related to quibbling about prices. Many customers are reported to negotiate for lower prices when purchasing products or services. The underlying issue is that if the entrepreneurs do not want to negotiate for lower prices and then they risk losing customers.

*“When you set a price they always look for ways to negotiate for a cheaper price”* (Male, South Africa)

*“Black people have this mentality that if there is something for example that they pay R1000 for at the white man’s shop in town, it’s not easy for them to even pay you R500, but in the white man’s store they pay R1000 plus”* (Male, Mozambique)

Maintaining good relations with the customers is of utter significance to the survival of township enterprises. While the township entrepreneurs go out of their way to ensure customer satisfaction, it has been significantly noted that customer’s behaviours can cause stress for the township entrepreneurs. The form of stress caused by customers is also

determined by contextual factors such as the kind of business that the entrepreneur owns, for example:

One of the South African participants of the study who owns a petrol and diesel filling station franchise insinuated that he sometimes struggles to deal with customer complaints:

*“You get a customer that will fill maybe petrol worth of R100 and he or she would complain that the bar did not go up”* (Male, South Africa)

Another male entrepreneur from Ghana who owns a pharmacy stated that he had previously experienced customer backlash from customers who did not receive the results that they expected from some of the products which they bought from his pharmacy.

*“Whatever sort of thing that they got from your shop thinking that one would help them and when it doesn't turn out to be the case you know they come and you know they blame you”* (Male, Ghana)

Three entrepreneurs also reported that they experienced stress from their efforts to meet customer demands because customers would constantly ask for products that the entrepreneurs did not have on their shelves.

*“You find that sometimes customers want you to add something but you see everything as being okay just the way it is”* (Male, Mozambique)

*“Customers because they come and ask for something that is not there”* (Male, South Africa)

*“If I see that there are many of them who want that spirit (for hair) then I will go and buy it to make customers happy”* (Male, Mozambique)

#### **4.7 Theme 4: Causes of stress amongst foreign nationals**

The causes of stress among foreign nationals serves to highlight stressful factors in the township business environment which are only applicable and exclusive to foreign business owners and they do not directly affect the local South African township entrepreneurs. These stressors will be explored below.

##### **4.7.1 Xenophobia**

The study showed that xenophobia was an area of concern for most of the foreign nationals. Although none of the foreign participants reported that they had experienced violence

because of xenophobia, the study found that xenophobia in the township economy manifests itself through verbal attacks and lootings by community members and customers.

One of the foreign entrepreneurs stated that there were specific words that were used by locals to refer to foreign nationals, and these words had some xenophobic undertones.

*“They give us stress because of that word you see ‘foreigners’ there are a lot of these words ‘kwere (derogatory term) ” (Male, Malawi)*

Another foreign male entrepreneur reported that he did not get along with some South Africans because he felt that there was some form of prejudice against him because he was Mozambican and not South African.

*“But we do not get along because some of them do not like the fact that I am from Mozambique” (Male, Mozambique)*

Other foreign male entrepreneurs described xenophobic attacks on foreign nationals which manifested in the form of stealing and looting whereby more stock was stolen from foreign entrepreneurs in the township. They seem to be very vulnerable as they also do not have access to police support because they are illegal immigrants.

*“Then you find some other ones who think they own the world, you find them roaming around in groups, carrying sticks and then they come and steal our stock, they take our stock” (Male, Mozambique, peanuts, biscuits, snacks and cigarettes)*

*“It is wrong when people are protesting they sometimes come and steal from us” (Male, Mozambique, snacks and cigarettes)*

*“They come and take our stuff and eat and mess up everything” (Male, Mozambique, peanuts, biscuits, snacks and cigarettes)*

In contrast to local entrepreneurs, foreign entrepreneurs are vulnerable to insults and threats by customers who are in disagreement with the entrepreneur. Various foreign entrepreneurs from different countries have explained that they have previously found themselves on the receiving end of verbal abuse by drunken customers, but they were forced to humble themselves for the sake of their business.

*“Some of them they come here drunk and some may get here and swear, so this forces me to humble myself so that I am able to make money” (Male, Mozambique)*

While some entrepreneurs seem much stressed by these insults and threats of their customers, one male and female entrepreneur from Mozambique seem to be able not to get personally hurt but rather focus on the goal and that is to make money.

*“They sometimes come here drunk I do not care all I want is money only, they can come here and swear at me and all that staff, I do not care all I want is money”* (Female, Mozambique)

A male entrepreneur from Malawi, who owns a tailoring business, reported that when it was time for him to receive payment for his services, he would sometimes receive threats from customers who refused to pay him the full amount for his services.

*“If you force me to pay you I will call my people, my children to come and fight you, that thing gives me stress you see”* (Male, Malawi)

A male entrepreneur from Mozambique who sells hardware reported that there were times when he suffered verbal abuse from customers who did not find what they were looking for in his shop.

*“Sometimes they come here and swear at us and tell us that they have been looking for cement but can't find it and they will tell you that you should rather close shop or something, things like that, you see”* (Male, Mozambique)

Three of the foreign entrepreneurs reported having difficulty in maintaining good relations with members of the community within which their business is located. The foreign entrepreneurs reported that community members dislike them and that some of the community members were not happy with their presence in the area because they were foreigners. Some of the foreign nationals felt that they were being despised due to their background and foreign status. A female participant from Mozambique stated that although she had good relations with some of the community members, there are also some of the community members who generally do not like her. A male from Malawi felt that being in unfamiliar surroundings was challenging because some of the community members were not happy with his presence in the area. In addition, the male entrepreneur from Malawi explicitly asserted that the reason he did not have good relations with community members was owing to his nationality.

*“Isn't you know you will not be loved by everybody, there are some people who don't really like you”* (Female, Mozambique)

*“My relationship is fine, but you know to live with people you have to see some challenges...it is not all people who are happy with me” (Male, Malawi)*

*“You know its challenging living with other people all the time you know especially when you come from two different backgrounds” (Male, Ghana)*

#### **4.7.2 Bureaucratic limitations of being an illegal immigrant**

The lack of valid South African residence permits and business visas was found to pose some serious challenges for, not only the foreign entrepreneurs, but also for their enterprises as well. One of the major challenges presented by the entrepreneur’s lack of South African residence permits included their inability to obtain a business visa or register their businesses with the CIPC. A male participant from Mozambique illustrated this when stating that he would not be able to register his business until he received a residence permit, which seemed like a complex task.

*“It is better to make sure that when I go home I get a permit straight so that when I get this side I will be able to register” (Male, Mozambique)*

A male entrepreneur from Malawi stated that his lack of a South African residence permit and business visa has previously cost him a lot of money as he recalls a situation whereby a tender which he had received was withdrawn after it was found that he did not have a South African residence permit and subsequently a business visa.

*“Last time I won a very big tender in government here but problem those guys they real, they realized late that oh that guy is a foreigner, he doesn’t have ID so we can’t support foreigners” (Male, Malawi)*

A male electrical mechanic from Mozambique also expressed concern over his lack of residence permit and business visa because it was preventing him from opening accounts at stores where he buys his stock:

*“There are certain stores where I stock in which before you stock they require you to have an account , and when you don’t have an ID it’s not easy for you to have an account at that place” (Male, Mozambique, 2)*

#### **4.7.3 Police harassment and misconduct**

The entire research sample was questioned about their experiences regarding police harassment. The two topics which emerged under police misconduct include police harassment and police bribery.

While all the South African participants reported having no experience of police harassment, most of the foreign entrepreneurs reported being previously harassed by police owing to their lack of South African residence permits. The findings of the study reflect that police harassment was an issue; particularly for foreign nationals who did not have South African residence permits, whereas one of the foreign Mozambican females was being harassed for not having a business visa.

A male participant from Mozambique stated that he had many confrontations with the police, when questioned about the reasons for the confrontations, he responded by saying:

*“Yeah the ID situation”* (Male, Mozambique)

In addition, he also emphasised that some police sniff around as under covers dressed in casual clothes:

*“Because sometimes an undercover police can come here and investigate the place to see what we are busy with”* (Male, Mozambique)

Another foreign male entrepreneur reported that he had been arrested a countless number of times because he did not have a South African residence permit or a valid business visa.

*“I go in prison I come back; I go in prison I come back”* (Male, Mozambique)

A male entrepreneur who lost his stock and his location evidenced the effects of imprisonment on the business:

*“But I ended up getting arrested because of some other things, and then my arrest led me to losing stock and losing my location”* (Male, Mozambique)

Two of the township entrepreneurs stated that they are no longer victims of police harassment since they obtained a valid South African residence permit.

*“I used to experience police harassment back then when I never used to have an ID”* (Male, Mozambique)

*“They used to bother me back then but now they do not bother me”* (Male, Mozambique)

The current study also found that police misconduct was rife in the township economy, especially with regards to foreign nationals. It is alleged by the participants in the current study that police misconduct existed in various forms including the demands for bribery by the police officers.

A common stressor among foreign nationals was found to be the obligation to pay bribes to the police. The reason they felt obligated to pay the bribes is because they did not have legal South African residence permits and business visas. Therefore, in order to avoid getting arrested or getting deported back to their home countries, they had to pay the police bribes every time they were caught without a valid South African residence permit and business visa. One of the male participants from Mozambique stated that it was not in his nature to be corrupt, but he saw it as his only option in order to avoid imprisonment or deportation. He argued that if he had a permanent residence permit and business visa, then he would have no reason to bribe the police officials. It is also important to note that police bribery among foreign nationals was not a once off payment, but rather it was a case of foreign nationals paying bribes to different police officers when they were caught without valid South African residence permits and business visas (Charman, 2012).

*“If I had ID I was not going to bribe them”* (Male, Mozambique)

*“They used to bother me because when they come here they always wanted bribes”* (Male, Mozambique-2)

The above findings demonstrate the fact that foreign nationals who do not have legal residence permits and business visas are constantly at risk of being arrested by the police.

#### **4.8 Theme 5: Coping strategies used by township entrepreneurs**

This section seeks to highlight the various forms of coping used by township entrepreneurs when they are faced with organizational challenges or stressful situations. The coping strategies used by township entrepreneurs include emotion-based coping, problem-based coping, spiritual coping as well as maladaptive coping.

##### **4.8.1 Cognitive/Emotion based coping**

The findings of the current study reflect that township entrepreneurs use different types of emotion based coping strategies in order to deal with stress. The topics which emerged from emotion-based coping include social support, sleeping and relaxation methods, avoiding the

stressor, listening to music, consulting psychologists as well as maintaining a positive outlook.

The study found that township entrepreneurs have various social support structures which help them cope in times of stress. These social support structures include babies, friends and spouses.

One of the male entrepreneurs from Mozambique stated that during times of stress he plays with his baby as a way of mentally suppressing the stressor.

*“I have a kid at home, when I am stressed, I play with the kid”* (Male, Mozambique)

Another male entrepreneur from South Africa received social support from his friends by using the social comparison theory whereby he compares his problems to the problems faced by his peers in order to discover that his problems are minor.

*“You know when you are sitting with people and just talking, stress goes down because someone will talk about their problems and then someone else talks about their problem and then you realize that maybe my problems are better off than this person”* (Male, South Africa)

Another male entrepreneur from Mozambique asserted that his main source of social support was his wife who always gives him moral support when times get hard.

*“They are very supportive, especially my wife she gives me lots of moral support”* (Male, Mozambique)

Sleeping was found to be an effective method of coping with stress amongst township entrepreneurs. It was used as a method of relaxation along with other relaxation techniques such as walking and drinking water.

*“I just go home and sleep; I will wake up when the stress is over”* (Male, Mozambique)

*“When I am stressed, I just go home and sleep”* (Female, South Africa)

*“Yeah I calm myself down”* (Male, South Africa)

*“I just go and take long walks and then I drink some water”* (Male, Mozambique)

Avoidance of the stressor has also been reported as one of the actions taken by entrepreneur in times of stress. The township entrepreneurs reported that they avoid the person or the object which causes them stress. One of the entrepreneurs also reported that the avoidance process was accompanied by acceptance of the circumstances.

*“I avoid that person”* (Male, Mozambique)

Another entrepreneur said:

*“Just ignore what bothers you”* (Male, South Africa)

*“Normally, I do not have another solution besides the fact that I need to accept the situation as it is, almost as if you ignore that something has happened”* (Male, South Africa)

Some of the entrepreneurs reported that they also listen to different genres of music in times of stress. The music was either part of a personal collection or music was playing on the radio.

*“I listen to house music, Xitsonga, R&B and gospel”* (Male, Mozambique)

*“And then I also like listening to radio”* (Female, South Africa)

Consulting psychologists for therapy was a theme that emerged from the findings of the study. Three of the entrepreneurs reported that seeing a psychologist can be helpful during times of stress, and that they would consider consulting a psychologist during times of stress. One of the female South African entrepreneurs also confirmed the significance of psychologists in terms of dealing with stress and she stated that psychologists are especially useful when one wants to cough up their problems and that she had previously made use of the psychological services that are offered at her workplace.

*“I think it’s a good thing you know going and seeing a psychologist or you know a psychiatrist”* (Male, Ghana)

*“I would consult a psychologist if needs be because some of the services offered by psychologists really help”* (Male, South Africa)

*“Psychologists can be emotionally helpful because they help people to cope emotionally and they help people cough up their problems...because even at work they do offer such services”* (Female, South Africa)

Two South African entrepreneurs report that they were forced to go to psychologists by the law or their medical doctors:

*“Uh I once went to rehab you see? And when I was there I saw a psychologist but you know as a gangster you go to rehab and you come back and nothing changes”* (Male, South Africa)

*“The doctor referred me to a psychologist and after that I have never gone to see a psychologist”* (Male, South Africa)

Two entrepreneurs also used maintaining a positive outlook in order to prevent stress from taking its toll as a coping strategy.

*“I am a very positive person; I am a very positive person”* (Male, South Africa)

*“You mustn’t focus on the negatives”* (Male, Ghana)

#### **4.8.2 Problem-based coping**

Problem-based coping strategies are actions that are established in order to change or control a stressful situation (Folkman, 1988). The current study found that entrepreneurs used various problem based coping strategies in order to cope with stress. These problem-based coping strategies were mostly implemented to cope with financial stress as well as to deal with crime.

In order to deal with the stress caused by bad debts, an entrepreneur reported that they refrain from giving credit to consumers

*“Tomorrow when they come back I don’t give them credit”* (Male, Mozambique)

In situations whereby entrepreneurs were running short of money, they resorted to borrowing money from friends in order to balance their finances.

*“If I see that I am running short I ask my friends to borrow me and then I will pay them back later”* (Male, Mozambique)

The entrepreneur also resorted to digging deep in their pockets by accessing the money that they had saved in order to cope with financial mishaps.

*“It leaves me no choice but to take from the money I was hiding under the mattress”* (Female, South Africa)

A retired entrepreneur even stated that he had to take money from his retirement annuities in order to compensate for any financial deficit that may have occurred in the business.

*“If I’ve got financial stress I’ll have to dig deep in my pocket like uh my salary from the retirement annuity fund”* (Male, South Africa)

Another problem-based financial coping mechanism was found to be cutting down on one's expenses.

*"I really need to cut down my expenses"* (Male, Mozambique)

Lastly, one of the entrepreneurs stated that when he was facing financial challenges, he resorted to negotiating with his landlord and employees so that he can pay them at a later date.

*"I just sit down with the boys or the landlord and I explain it them that I currently do not have any money, so I will be indebted to them"* (Male, Mozambique)

Crime was found to be a significant stressor among township entrepreneurs. As a result, the entrepreneurs found refuge in implementing problem-based solutions towards dealing with crime. The problem-based solutions for dealing with crime-induced stress that were highlighted by the township entrepreneurs include joining hawker unions whereby the agenda includes fighting crime.

*"I joined Iketsetse (Do it yourself), we have a union for hawkers"* (Male, South Africa)

According to a township entrepreneurial veteran from South Africa, the township entrepreneurs resorted to advocating for the installation of satellite police stations in and around the townships so that the police are able to monitor crime.

*"The police very soon will introduce a satellite police station here to deal with crime"* (Male, South Africa)

Lastly, two of the entrepreneurs resorted to installing burglar bars in order to prevent criminals from breaking in. In addition, they also joined a local community police forum whereby members of the community patrol the streets at night in pursuit of crime prevention.

*"I have resorted to also welding burglar bars and paying the CPF people"* (Male, Mozambique)

*"Now there's CPF (Community Police Forum)"* (Female, Mozambique)

#### **4.8.3 Maladaptive coping mechanisms**

Maladaptive coping is defined as a counter-productive form of coping which has negative effects on one's health and wellbeing (Folkman, 1988). The maladaptive coping mechanisms

that were implemented by township entrepreneurs during times of stress include smoking and alcohol.

Smoking was found to be an effective maladaptive coping strategy implemented by township entrepreneurs. The entrepreneurs stated that smoking of cigarettes assists in calming them down in the midst of stress.

*“I would say smoking cigarettes, it helps in a way, it calms a person down”* (Male, South Africa)

*“If you are stressed and you have money, you know that you just buy some cigarettes, you buy one beer and you become nice”* (Male, Mozambique)

*“You come on the right point, I do smoke”* (Male, Mozambique)

It was also discovered that alcohol consumption was also a coping strategy used by entrepreneurs during times of stress. Entrepreneurs used alcohol to socialise with peers and temporarily forget about one’s problems.

*“Even if I have conflict with someone, after getting one beer I do not even care about that person”* (Male, Mozambique)

One of the entrepreneurs stated that alcohol consumption was a temporary solution because as soon as he became sober, the stress came back.

*“When I drink, I drink, I am surrounded by many friends and then they help me depart from my stress but when I am all alone it all comes back to me”* (Male, South Africa)

A male entrepreneur from Mozambique asserted that although alcohol helped him cope with stress, his alcoholic habits were also a source of conflict between him and his wife.

*“Even at home sometimes my wife tends to complain saying why do I drink beer and all those stories”* (Male, Mozambique)

#### **4.8.4 Spiritual based coping**

The study’s findings reflect that the belief in spiritual powers is one of the things which kept the entrepreneurs sane during times of stress. It has been found that there are two main forms of spiritual coping used by entrepreneurs. These include ancestral worship as well as religious practices.

The study significantly noted that there is a strong belief in ancestral worship among township entrepreneurs. While ancestral worship is a national phenomenon among the African community, the current study found that there are different methods of ancestral worship. These include pouring *snuif* (crushed tobacco) on the ground and speaking to the ancestors, which is mostly practiced by foreign nationals, as well as the sacrificing of animals during ritual ceremonies which was a common practice of South Africans.

One of the South African male entrepreneurs claimed that his mother is a traditional healer and this made it easier for him to perform cultural ritual ceremonies because the ancestors also communicated with him through dreams when it was time for rituals, and all he had to do is pass the message on to his mother.

*“Me I believe in the Zulu gods, my mother is a sangoma (practitioners of traditional African medicine in South Africa) you see, she uses muthi.. (medicine). When I feel my soul is troubled or when I have had a certain dream of my dad in the graveyard asking me to slaughter a goat for him and then I tell my grannies and grandfathers about the dream and then they will make the necessary arrangements for the rituals, so even when I tell my mother that I dreamt about her husband she forwards the message to the elders of the family... We do rituals at home, we slaughter a goat as a sacrifice and we call on our ancestors to give us guidance”* (Male, South Africa)

The township entrepreneurs further expressed pride in their belief in ancestors.

*“My brother I believe strongly in communicating and praising ancestors”* (Male, Mozambique)

Another entrepreneur viewed ancestral worship as a daily obligation.

*“I praise the ancestors every morning when I leave the house and I tell them right now I am going to run my business, have mercy on me let my path be cleared”* (Male, Mozambique)

The study also found that there are different methods used by entrepreneurs for ancestral worship. These methods include pouring a brown powder called *snuif* on the ground as well as sacrificing animals.

*“We slaughter goats my brother”* (Male, South Africa)

*“I pour the snuif on the ground and then things start opening up, my ancestors begin to make a way for me”* (Male, Mozambique)

The entrepreneurs were found to use religious practice as a coping mechanism for stress. The religious practices implemented by entrepreneurs include remaining faithful, reading the Bible, as well as prayer.

*“My brother if you trust God with everything right? Everything will be well with you, everything, if you trust God it will be well with you”* (Male, Malawi)

*“I just turn to the Bible and read, reading Psalm23 knowing that the lord is my Sheppard”* (Male, Ghana)

*“Pray and believe that everything is going to be alright”* (Male, Mozambique)

## **Recommendations**

The current study asked the entrepreneurs what could be done to make township entrepreneurship easier. As a result, the township entrepreneurs made some valuable recommendations for aspiring and fellow township entrepreneurs, as well as government stakeholders.

### **Recommendations suggested by participants for entrepreneurs**

Based on their socio-cultural experiences in business, the participants gave some recommendations for aspiring entrepreneurs. These recommendations include perseverance, expressing loyalty to customers, networking, starting small, starting an exclusive business, saving money, attending business seminars and workshops, as well as avoiding mixing business with pleasure.

The participants of the current study recommended that aspiring entrepreneurs must develop a spirit of perseverance. In so doing, the township entrepreneurs encouraged upcoming entrepreneurs to not be disheartened when business is not going well and that they must learn to ignore negative opinions.

*“They need to be dedicated, they must not be disheartened”* (Male, Mozambique)

*“Even if people don’t buy, they must hang in there because they will end up buying”* (Male, South Africa)

*“You must be a fighter, you must be able to live and make a living for yourself, don’t go by the naysayers or what anybody else is doing as long as you don’t sleep on an empty stomach”* (Female, South Africa)

One of the key recommendations for aspiring entrepreneurs that was discovered in the data included building good relations with their customers. Loyalty in this context means having personal relationships with customers, as well as having empathy and respect towards them.

*“Developing personal relationships with customers”* (Male, South Africa)

*“You must respect your customers and realize that your business is your bread and butter and that you have no other alternative income”* (Female, Mozambique)

*“Being loyal to them I think is also, is one of the characteristics and understanding their customers also, always trying to place yourself in their shoes”* (Male, Ghana)

Networking was highly recommended by township entrepreneurs. The study found that networking was important for constantly updating each other on issues of relevance to the township economy as well as for developing mentorship programmes between start up entrepreneurs and more experienced entrepreneurs. Some of the participants believed that networking was particularly useful in terms of bringing social cohesion between local South African entrepreneurs, as well as foreign entrepreneurs.

When questioned on some of the most important aspects of entrepreneurship, one of the entrepreneurs mentioned networking.

*“Networking”* (Male, Ghana)

Other entrepreneurs outlined some of the reasons as to why networking was important.

*“We have to open some organization there which can allow to work together whether you are a foreigner, whether you are a citizen, working together without looking the tribe the race whatever”* (Female, South Africa)

*“We can have meetings where we update each other maybe once a month”* (Female, South Africa)

*“Going to people with successful businesses in order to see where they started”* (Male, South Africa)

The participants emphasised that one does not require large sums of money in order to start a profitable business, but rather they need a good business idea that sells products or services that are in demand in an environment that does not have many businesses that provide the same goods and services.

*“Anything can start a business even one box of apples can start a business”* (Male, South Africa)

*“I would tell them that you don’t need for you to look for thousands in order to start a business”* (Male, Mozambique)

*“They must start small”* (Male, Mozambique)

Based on their socio-cultural experiences, the township entrepreneurs insisted that the key to a successful business was not embedded in the amount of money that one invests in the business, but rather on the kind of products one was selling. They highly recommended that aspiring entrepreneurs should choose to sell goods and services which are not alternatively sold by other businessmen in the area. In this way, they would reduce elements of competition.

*“You must open your own kind of business”* (Male, South Africa)

*“Ensure that you are the only one that’s selling”* (Male, Mozambique)

*“It does not depend on the kind of person you are, it depends on the kind of business that you have started”* (Female, South Africa)

Saving money was highly recommended by the participants as a survival strategy within the township economy.

*“Yeah they must save and start small”* (Male, Mozambique)

*“Spend five rand and save five rand”* (Male, Mozambique)

*“You always have to have a good overdraft”* (Male, South Africa)

The township entrepreneurs also advised aspiring entrepreneurs to attend business workshops. The reason they gave this advice is because workshops are viewed as being helpful in providing guidance to township entrepreneurs in terms of how they could run their businesses, not just for their own industry but other industries as well.

*“I would also advise you to attend some business workshops there are some business workshops here in the township that tell you exactly how to run your business”* (Male, South Africa)

*“I would advise you to attend those workshops they are free they will give you the mind-set to start your own business so you come out of the business minded for different industries”* (Male, South Africa)

*“Get some business training in order to learn about business”* (Male, South Africa)

Entrepreneurs also recommended that aspiring entrepreneurs should draw the line between their personal affairs and their businesses. They emphasized that things like women, smoking and alcohol have detrimental effects on the success of any business.

*“Do not bring the stress from home into your business”* (Male, Mozambique)

*“Stop chasing women and focus on your own business”* (Male, Mozambique)

*“If you smoke you can’t be strong businessmen”* (Male, South Africa)

### **Recommendations suggested by participants for stakeholders**

The township entrepreneurs also proposed various recommendations for stakeholders such as government, NGO’s as well as the private sector. The recommendations were provided in the context of answering the question of what could be done to make township entrepreneurship less stressful for entrepreneurs. These recommendations include financial assistance, introducing rehabilitation centres in townships, provision of land, shelter and equipment, provision of education and training through business seminars and workshops, as well as doing more research on township entrepreneurs.

The biggest outcry by the participants was a plea to government to provide more financial assistance to township entrepreneurs. Financial assistance was requested in the form of loans, vouchers and consideration of township entrepreneurs for government tenders.

*“If only government can subsidize us, they can subsidize us maybe they can say that they give us loans and then audit our businesses to see how much we make on a monthly basis and then calculate how much you can pay back on a monthly basis”* (Female, South Africa)

*“They must give me a voucher so that I can go shop and buy some of the things that I will be selling”* (Female, South Africa)

*“They must give me tenders so that I can be able to do my job”* (Male, Mozambique)

The less educated entrepreneurs further recommended that when giving out tenders, the government should shift focus from qualifications, and rather look at the entrepreneur’s skills as a criteria for giving out tenders.

*“They mustn’t look at a person’s qualifications but rather the skills that the person has”* (Male, Mozambique)

*“The thing that ruins things is that government always looks at someone’s qualifications but you find that practically that person knows nothing”* (Male, Malawi)

The current study found that the drug epidemic in the township has reached uncontrollable levels. As a result, the entrepreneurs recommended that government must enhance its efforts to rehabilitate the youth from drugs such as nyaope.

*“Make them clean, rehabilitate them”* (Male, South Africa)

*“People must be rehabilitated from drugs and other stimulants”* (Male, South Africa 2)

Government and stakeholders were strongly encouraged to launch mentorship programmes whereby experienced entrepreneurs provide guidance to start up and aspiring township entrepreneurs.

*“Other entrepreneurs who made it from the township somewhere up the ladder that is where they can also come and speak to them”* (Male, South Africa)

*“There must also be someone next to them who can be a mentor”* (Female, South Africa)

The study noted that insufficient space caused conflicts between entrepreneurs. As a result, the entrepreneurs made recommendations for government to provide land, shelter and equipment to township entrepreneurs. The entrepreneurs further suggested the introduction of land permits so that people would have proof that they had been allocated a piece of land to conduct business, in so doing this would reduce conflict between township entrepreneurs.

*“If government can create space...They should make permits for us , it must be known that this person has a working permit of their own, maybe that will reduce the amount of conflict”* (Female, South Africa)

*“The best help they can offer me is to build me a proper place where I can sell”* (Male, South Africa)

*“If they build a good shelter for me my people will be accommodated”* (Male, Mozambique)

*“They must sponsor us and give us overalls that we can work with or work suits for cooking, for selling they must sponsor us with clothes so that we can be easily recognisable to the community as people who are hawkers”* (Female, South Africa)

Creating platforms for learning and training was highly recommended by entrepreneurs. These platforms include hosting seminars and workshops

*“Motivating people and having seminars to actually teach the youth as to how to go about opening a business, where to get funds, how to get funds”* (Male, South Africa)

*“It is through workshops and service trainings, they must have serious workshop as well as in service as well as support from the government and the communities”* (Female, South Africa)

One of the township entrepreneurs also recommended the introduction of entrepreneurship as a compulsory high school subject so that people develop knowledge of entrepreneurship from a young age.

*“Let them have a basic foundation what can I say, high school level so that as they move forward they already know their choice”* (Male, South Africa)

It is the view of the township entrepreneurs that government approaches towards revitalising the township economy should not be based on a one-size-fits-all approach, but rather government needs to conduct more research on the township economy so that they can be able to gather knowledge on the specific needs of each industry and thus intervene accordingly.

*“Government needs to bring themselves closer to small businesses and they must know the dynamics of each specific kind of business, and they must find out from each industry what can be done to help them just like what you are doing now”* (Male, Mozambique)

*“The way you approached me is the way things should be done to encourage people to do business”* (Female, South Africa)

*“They must help people in terms of what do they want depending on the type of business that the person is doing I am talking need specific assistance for businessmen and also for car wash owners each one must receive the specific help that they require”* (Female, South Africa)

#### **4.8.5 Conclusion**

In conclusion, the current chapter has highlighted the research findings which emerged from the study. The research findings were presented in the form of themes. The chapter commenced through an introduction, which was followed by the bio-demographic characteristics of the sample as demonstrated in table 1. The chapter presented the main reasons for starting the business as expressed by the entrepreneurs. Moreover, chapter 4 presented the research findings of the study in the form of themes. These themes included the micro-environmental causes of stress, the environmental causes of stress and the psycho-social causes of stress. Due to the fact that the study found that the causes of stress were different among foreign nationals, thus one of the themes which emerged from the study also included the causes of stress among foreign nationals. In addition, the themes also included the coping strategies implemented by foreign nationals which include cognitive/emotional coping, problem based coping as well as spiritual coping. Lastly, the chapter highlighted some of the recommendations and advice that the entrepreneurs directed to government stakeholders as well as upcoming entrepreneurs. It is important to note that all the themes were backed up by quotes expressed by township entrepreneurs during research interviews.



## **CHAPTER FIVE**

### **DISCUSSION**

#### **5.1 Introduction**

The overall aim of this chapter is embedded in discussing the findings of the current study within the context of answering the current study's research questions and also comparing the findings to pre-existing literature within the spectrum of the township economy. The section will integrate relevant literature in relation to the current study's findings within the context of the challenges that are faced by township entrepreneurs as well as some of the coping mechanisms that they use to deal with stress.

The chapter will begin by highlighting the socio-demographics of the research participants and thereafter it will explore the thematic findings of the current study. The themes that will be discussed in this chapter include the micro-environmental causes of stress, the macro-environmental causes of stress as well as the psycho-social causes of stress amongst township entrepreneurs. The themes also include the causes of stress amongst foreign entrepreneurs that are based in Tembisa. Lastly, the themes that will be discussed also include the various coping strategies that are implemented by Tembisa's township entrepreneurs during times of stress, as well as some of the recommendations made by the township entrepreneurs in terms of making the township economy more sustainable.

#### **5.2 Socio demographic characteristics of the sample**

The gender demographics of the study were found to be imbalanced as there were more males than females in the study. The fact that most entrepreneurs were conveniently available and were accessed using key informants (snowball sampling) who were males serves to contradict and condemn the views of Gillies (2014) which stipulates that both males and females stand an equal chance of survival in their entrepreneurial endeavours. There are various other studies which are consistent with the current study's findings, these studies include a study that was done by Leboea (2017) amongst male and female entrepreneurs wherein the aim was to explore the differences between male and female entrepreneurship from a cultural perspective. The study found that cultural stigmas and stereotypes restrict women from certain entrepreneurial aspirations due to the fact that they have become culturally inclined to participate in domestic activities such as housework, child care and adult care, cooking, cleaning and setting standards of morality for their families (Leboea, 2017). According to the GEM report of 2017 pertaining to South Africa's informal economy,

small enterprise ownership is notably low amongst the age group of 18-24 years old, whereas it has been found to be higher amongst people who are aged between 25- 44years old. The current study supports these findings because out of the 20 participants, there were only two participants who belonged to the 18-24 years age group suggesting that the entrepreneurial participation of this cohort is very low, as stated by the GEM Report of 2017 pertaining to South Africa. Leboea (2017) expressed concern over the low level of entrepreneurial activity amongst the cohort of people who are 25 years and younger as this does not auger well for the future of entrepreneurship in South Africa especially, when one considers that almost half of the South African population is made up of the youth.

A vast majority of the participants in the current study were found to be foreign nationals. This dominance shows that township enterprises are largely run by people from outside South Africa, especially people from Mozambique, in comparison with South African entrepreneurs. Such findings are consistent with the views of Solomon (2013) who found that many foreign nationals from neighbouring countries were coming to South Africa in pursuit of financial freedom. Baffou (2015) concurrently found that townships and villages are usually the first places that migrants choose to reside in due to factors such as proximity to the borders as well as the fact that living in the township and maintaining the township lifestyle is relatively cheaper than living in urban areas. The study also found that most of the township entrepreneurs had not completed their high school years i.e. up to grade 12. This finding was supported by the earlier work of Hadebe (2010) who found that the lack of education and knowledge amongst township entrepreneurs was common and hinders the growth and development of township enterprises because the uneducated entrepreneurs do not have the adequate knowledge and literacy to register their enterprises.

### **5.3 Main reasons for starting a business**

The findings of the current study suggest that the most common reason for entrepreneurs to start their own businesses is their inability to find employment in the formal sector. Essentially the current study's findings suggest that most entrepreneurs start their businesses out of desperation and not necessarily because they want to. This creates an issue in terms of establishing and investing in a sustainable entrepreneurial culture in the township because once the township entrepreneurs find employment they forget about their businesses which will collapse as a result (Leboea, 2017). While unemployment has been cited as the most common reason for both South African entrepreneurs and foreign entrepreneurs to start their

businesses, the current study found that the reasons for unemployment differ among the two groups.

While unemployment was found to be a contributing factor amongst township entrepreneurs, the study found other reasons stemming from being unemployed that led the entrepreneurs to start their own businesses. These reasons include becoming tired of being dependent on relatives and family members for their livelihoods. A similar finding was made by Van Der Merwe (2008) who stated that the most common reason for entrepreneurship amongst SME owners is seeking financial independence. Together, these findings serve to contradict the findings in a much earlier study by Alange (1988) who found that the main reason people start their own businesses is because they want more flexibility in their time schedule by becoming their own boss which imply that they work on their own personal terms. However, in this current study because it was found that township entrepreneurs start businesses in order to escape poverty.

The South African entrepreneurs were unemployed due to reasons relating to retirement and retrenchment and resignation whereas foreign entrepreneurs were found to be unemployed due to their lack of permanent residence documentation and education, as well as their vulnerability to exploitation by informal employers; however both sets of populations cited financial reasons for starting their businesses. These present findings confirm the views of Fatoki (2014) who stated that formal institutions of employment are unable to hire illegal immigrants because of the strict human resource policies which require permanent residence documentation, traceable references, valid South African residency and qualifications that are recognized by SAQA (South African Qualifications Authority). The above stated findings concur with the current study found that foreign nationals are very skilful but they do not have the educational qualifications to support their skills hence they are unable to find employment. These findings are also in agreement with Khubeka (2017) who stated that foreign nationals are extremely skilled in jobs that require hard labour such as construction work, paving, plumbing, welding and fixing cars, however they do not have the necessary qualifications that certify their skills. It is for this reason that most of the foreign nationals resort to informal forms of employment where they employed on a non-contractual basis which leaves room for exploitation. Asoba (2016) in his study discovered that the most popular trends in terms of the informal employment of foreign nationals includes delayed payments, non-payments and low payments of employees which can be summarized as exploitation. In some cases, it has been reported that when it's time to pay foreign nationals,

some employers call the police to arrest these foreign nationals for not having permanent residence in order to avoid paying their salaries (Asoba, 2016). The current study concurs with these findings because some of the foreign entrepreneurs in the study stated that they quit their jobs due to reasons related to exploitation.

The overall findings of this study about South African and foreign entrepreneurs resorting to entrepreneurship in order to escape unemployment are consistent with research done by Hadebe (2010) who found a positive correlation between unemployment and the formation of SME's. In addition, the findings also concurred with a recent study by the World Bank (2017) which indicates that 47% of township entrepreneurs in South Africa started their business as a result of circumstances relating to poverty and unemployment. These kinds of entrepreneurs are academically known as survivalist entrepreneurs. The concept of survivalist entrepreneurship defines individuals who are pushed into business by their unfavourable financial circumstances and enter entrepreneurship to make enough profit to cater for their survival needs without seeking any growth and development for their business (Wills, 2009). Similar findings were made by Demers (2015) who found that the most significant motivating factor to starting one's own business is money.

Lastly, the current study found that a few South African entrepreneurs started their businesses to make more money than what they received when working for another organization. These findings are aligned to the views of Stefanovic (2010) who conducted a study with a special focus on motivational and success factors among SME owners in Serbia. Stefanovic's (2010) study coherently found that money was a significant factor in entrepreneur's decision to start their business. In a similar study done by Eshay (2018) among entrepreneurs in Sudan, it was found that one of the most cited reasons for starting one's own business included financial factors such as creating employment for family members.

Essentially, the participants were motivated by various money related factors to start their own businesses, however, being an entrepreneur has been found to be a stressful activity and thus it requires perseverance and endurance. Some of the main causes of stress among township entrepreneurs emanate from the internal challenges of the township entrepreneur's business. The following section seeks to discuss some of the micro-organizational, macro-organizational as well as psycho-social challenges that are faced by township entrepreneurs which have the potential to cause them stress. In addition, the following section will also discuss the potential causes of stress that are particularly applicable to foreign entrepreneurs.

## **5.4 Micro-environmental causes of stress**

The current study found that there are some sources of stress which are faced by township entrepreneurs which are integral to their enterprises. These micro-environmental challenges include poor access to finance, running costs, poor financial management skills, employee relations, management of stock, as well as a lack of equipment for their enterprise as outlined below.

### **5.4.1 Poor access to finance**

It seems that township enterprises find it difficult to obtain financial support from formal financial institutions as a result they largely dependent on informal sources of finance. According to the GEM (2017) access to finance is one the most significant factors in promoting entrepreneurial activities. The lack of access to finance places limitations on the growth of township enterprises (GEM, 2017). A majority of the township entrepreneurs were found to be unable to meet the qualifying criteria for formal loans and thus they resorted to making use of informal means of obtaining capital. The findings of the study also corroborate those of Gelb (2009) who found that credit usage was not a popular trend in township entrepreneurship culture; his findings indicate that barely five percent of township entrepreneurs had reportedly borrowed money in the previous 12 months. The alternative means of obtaining capital used by the township entrepreneurs included obtaining funding from relatives, personal savings, children's grant, loan sharks and selling of personal belongings.

The study found that a few South Africans had qualified and obtained formal loans from banks whereas none of the foreign nationals were able to qualify and obtain loan from the bank. Notably, the businesses that were able to obtain finance from formal institutions were more formalized and professional. These findings are in line with the findings of Ajagbe (2012) who found that township entrepreneurs do not enjoy equal access to capital as large corporate do because the red tapes are designed to allow local businesses with B.E.E status to access financial assistance while denying the foreign owned township businesses that same privilege. However, those South African entrepreneurs who reported that they had obtained loans from banks complained about the high interest rates. These findings are aligned to the findings of Sekyere (2017) who conducted a study with regards to the impact of changes in policy on the interest rates on loans, in his study Sekyere (2017) found that the cost of borrowing has drastically increased and it has proven to have negative impacts on household

consumption. In addition, James (2014) who conducted a study concerning the patterns of borrowing money in South Africa found that the unstable and constantly changing interest rates on loans bring uncertainty to the finances of the borrowers.

These findings contradict the findings of Amoako-Adu (2018) who conducted a study amongst SME's in Africa regarding the money borrowing patterns of entrepreneurs. He found that obtaining finance from banks was the most significant and the most affordable form of finance, regardless of the fact that it was difficult to access. Kitamura (2015) conducted a study concerning interest rates of loans amongst Japanese banks. He's findings state that banks have reduced their interest rate on loans following the 2014 global financial crisis which affected most developing countries in the world. In contrast, the current study found that the interest rates that the entrepreneurs were paying were extremely high, as opposed to interest rates reported by Kitamura (2015).

Poor access to finance from registered financial service providers can be primarily traced to the absence of company registration and the lack of formalization contributing to township enterprises not having financial records, insurance, collateral as well as poor/non-existent credit scores, all pre-requisites for applying for finance from formalized institutions such as banks (Bakhas, 2009). The findings are further supported by Hadebe (2010) who found that 43% of the township entrepreneurs in Pimville used savings as their source of capital. In addition, Gelb (2009) found that more than 54% of township entrepreneurs do not have bank accounts, thus the use of formal financials service providers was found to be the lowest amongst South Africans.

The current study's findings reflect that a significant number of South African owned township enterprises are dependent on SASSA grants for survival. The dependence of township entrepreneurs on SASSA grants can be both direct and indirect. The direct effects of SASSA include those entrepreneurs who are direct beneficiaries of those grants and have used the money that they receive in order to fund their current businesses. Those township entrepreneurs who are indirectly affected by SASSA include the entrepreneurs whose customers are dependent on SASSA grants and thus tend to ask for credit when the SASSA payments have been delayed. The study's findings that some entrepreneurs use their SASSA children's grant money as a source of capital are supported by data gathered from Stats SA which suggests that 32% of households in South Africa are sustained by grants from the government (Stats SA, 2014) It is important to note that in cases where the entrepreneurs

borrowed money from relatives, they were not socially obligated to pay back the money. Chimucheka (2012) shared similar sentiments to the current study when he found that SME's are victims of financial exclusion by formalized banks. In solidarity with the current study, in his study, Brijlal (2014) concluded that the high number of unregistered businesses accompanied by the risk factors of the townships has made it difficult for financial service providers to trust the township entrepreneurs with loans.

The above findings are further supported by the findings of a World Bank study (2015) which found that 32% of the people who stay in townships were beneficiaries of government grants in the form of SASSA. This means that SASSA is responsible for supporting the livelihoods of millions of South Africans who live in townships. This statistic proves the huge role played by SASSA grants in keeping the township economy afloat. Therefore when SASSA sneezes, the whole township economy catches a fever. In other words, when national politics cause delays in SASSA payments, the whole township economy feels the wrath of the consequences. These findings are also aligned to the findings of Dhludhlu and Lomobad (2017) who conducted a social work study which focussed on linking foster homes to social security grants, in his study he concluded that the payment of grants plays a very significant role with regards to poverty alleviation amongst people who are considered to be living below the poverty line.

While South African entrepreneurs experienced difficulties due to business technicalities, formal financial support is not possible for foreign nationals simply because they weren't eligible for financial support due to their lack of permanent residence documentation which is the most basic requirement for loan applications (Turner, 2008). While difficult, South African township entrepreneurs stand a better chance of obtaining finance than their foreign counterparts. The situation of poor access to finance is further exacerbated by the fixed and irregular expenses of the business as illustrated below.

#### **5.4.2 Running costs**

Running costs can be separated into fixed costs as well as variable costs. Fixed costs are those costs that remain the same regardless of the micro and macro conditions of the business and regardless of how much profit the business makes, these costs have to be paid, these include employee salaries and rent (Chen, 2013). Variable costs are those costs which are likely to change from time to time, these include the purchasing of stock (Chen, 2013). The current study found that paying fixed costs such as employee salaries and rent was a potential

cause of stress for township entrepreneurs, especially when they felt that they would not be able to afford to pay such costs. While the entrepreneurs were legally inclined to pay their employee's salaries, the entrepreneurs also felt morally obligated to thank the entrepreneurs for the labour through financial remuneration, thus their inability to pay their employees left a heavy burden on their consciences. These findings are aligned to the findings of Song (2014) who conducted a study regarding the cost control of Chinese SME's, and he found that keeping record and control of expenses such as salaries was one of the key elements to ensure the success of the enterprise because satisfying the financial needs of employees is important in securing the wellbeing of employees which is likely to manifest through maximized productivity.

The current study also found that the entrepreneurs were stressed about paying rent for their business premises. The source of stress with regards to paying rent was found to be driven by the fear of being evicted and thus this causes pressure on the township entrepreneurs to maximize their profits. The different rental expenses which include rent for their business location, rent for their places of residence, and in some cases they had to pay rent for the storage of their stock. Other expenses related to paying rent included paying for electricity. While some of the township entrepreneurs paid for electricity as part of their rent fee, some of the entrepreneurs had to pay for rent and electricity separately. These findings are aligned to the findings of Zhao (2001) who found that fixed costs such as rent remain consistent regardless of how much profit the business makes. The findings further corroborate with that of Atarovic (2017) who found that the payment of monthly rent expenditures is one of the most stressful aspects of owning a business because rent is one of the biggest expenses in a company's budget.

#### **5.4.3 Poor financial management skills**

It has been found that some of the township entrepreneurs had poor financial management skills, thus their inability to budget was the reason for the stagnation and slow growth of their enterprises. They attributed their inability to budget to be a result of having low profit margins. These findings are aligned to the findings of Turyahebwa (2013) who conducted a quantitative study in Uganda with the aim of determining the relationship between financial management practices and business performance. The study concluded that there is a strong positive correlation between the kinds of financial management system that a business uses in relation to the performance of their businesses. The promotion of financial literacy among

SME owners was found to be critical to ensure the longevity and survival of the SME sector in the Czech Republic (Jindrichovska, 2013).

Karag's (2015) study on financial management challenges faced by SME's in Turkey found that the inability to budget was one of the leading causes of SME failure in Turkey. Similarly, Girmay (2017) who conducted a study in Mekelle city, Ethiopia with the aim of determining the relationship between financial management practices and profitability found that the inability to budget properly had a negative impact on the business's profitability. Girmay's (2017) findings are further supported by

#### **5.4.4 Employee relations**

The current study's findings reflect various dynamics which suggests that the employees employed by the township are viewed as incompetent and unreliable e.g. poor work performance, alcohol abuse by the employees, as well as theft, which all form part of the reasons for the departure and dismissal of employees.

The participants highlighted poor job performance by employees working in the township economy particularly amongst new employees who were still in their training phase, the township entrepreneurs stated that providing training to employees requires a lot of patience because the younger entrepreneurs made a lot of rookie mistakes which compromised the credibility of the business. Additional signs of poor work performance by employees can be found in the high reports of insubordination committed by the individuals employed under the township entrepreneurs. The findings suggest that employees frustrate the township entrepreneurs by failing to take instructions and not treating customers with care. However, by the same token, it was also found that most of the township entrepreneurs did not offer their employees employment contracts with specifications in terms of job descriptions and the job expectations. The current study shares the same sentiments as Sparks and Barnett (2010) who stated that a defining factor for informal employment is the lack of specified and thoroughly written contractual agreements between the parties involved.

In extension to the findings of the current study, there are various studies which argue that the lack of proper induction and training could account for the poor job performance of employees. For example Elnaga (2013) found that training of employees is worthwhile in the long run because it improves quality and increases efficient productivity. However, the challenge outlined in this study is that in some instances the employees working under some

of the township entrepreneurs were “stealing” the business ideas and use the skills that they received whilst employed by the township entrepreneurs to start their own businesses that were similar to those of their former employers. This result in increased competition to the original entrepreneur and it make them feel that they have been betrayed by their employees. Such findings are parallel to the findings of Strebler (2004) who stated that improving the job satisfaction and monitoring the organizational commitment of employees are key factors in employee retention and maximized job performance.

In addition, Ukundu (2013) conducted a study regarding informal employment amongst fast food employees in Cape Town whereby he found that the fast food entrepreneurs in Cape Town did not provide their employees with formal job descriptions containing clear instructions and objectives that are required from the employees, thus it was difficult for them to know whether or not they were underperforming. Based on the current study’s findings, some of the township entrepreneurs do not have written contractual agreements or job descriptions with their employees, this implies that the employees do not have a set standard against which they can measure their job performance as outlined by Ukandu (2013)

Another challenge caused by informal employees include issues related to alcohol use in particular coming to work in a drunk or hung over state. However, the drunkard employee was found to be very skilful in his area of expertise and this made it extremely difficult for the entrepreneurs to fire them. These findings are in line with the views of Strebler (2004) who stated that it is important for employees to avoid misinterpreting poor conduct as poor work performance because an employee with poor conduct can be more productive than an employee with good conduct. The issue of being drunk will impact on performance! You need to rephrase this while Strebler stated that intoxication may impact productivity and client...

Essentially, the study found that the resignation and dismissal of employees was a potential source of stress for the township entrepreneurs, the reasons for dismissal include the fact that employees were fired due to allegations of theft in the business, whereas others were fired for taking too many days off. High rate of theft by employees was so hectic that one of the entrepreneurs reported that theft by employees was the biggest downfall of their business; this signals that theft causes the township entrepreneurs a lot of stress. These issues were found to be a result of informal work arrangements. Such findings are broadly in line with the findings of Hlengane (2013) who conducted a study on poor work performance amongst

police officers, and she stated that employees who are unethical and dishonest give the employer enough reason to fire them or implement the necessary disciplinary procedures. Essentially, Hlengane's (2013) study calls for more labour law compliance and more formal forms of employment as a method to combat unethical and dishonest conduct.

Taking too many days off was found to be one of the indicators of poor work performance by employees, and it was one of the main reasons that led to entrepreneurs firing their employees. These findings tie well with previous studies done by Kahya (2007) in which he stated that taking too many days off work can have devastating effects on organizations because it is regarded as a sign of underperformance due to the fact that the employee does not fulfil their duties and organizational responsibilities during the days that they are absent.

Contrary to the findings of Wills (2009) who conducted a study amongst women in informal unemployment and found that most of them were employed by family members, the current study found very few entrepreneurs who employed their family members. However, , most of the informal entrepreneurs who had family members affiliated to their businesses pertain to partnerships with their spouses or by getting voluntary help from their families rather than employing other family members. Moreover, the current study's findings are consistent with the findings of Braude (2005) who suggested that informal employment was a notable trend among township entrepreneurs.

#### **5.4.5 Management of stock**

The management of stock is concerned with the administrative processes of buying stock and selling the stock in order to make money to buy stock again, while maintaining a good profit margin REF. The study reported that the pain staking and persistent process that the entrepreneurs need to go through in order to get stock was a cause of stress. The reason entrepreneurs stress about stock management is because stock is the cornerstone of gaining competitive advantage among SME's (Ngubane, 2015). By the same token, the lack of stock places businesses at a competitive disadvantage through customer dissatisfaction and lack of profitability for the enterprise because customers are forced to buy from the business's competitors that may cater for their needs (Dumas, 2008)

Boubala (2010) concurrently found that unlike large corporate businesses who have systematic and technological supply chain methods of managing stock, for township entrepreneurs' stock management is more stressful because most of the township

entrepreneurs operate as informal sole traders, thus they are forced to shut down their business for those hours that they spend going to buy stock. This means that the entrepreneurs have to close down their businesses for those hours which they dedicate towards buying stock which may result in a loss of sales and also in a loss of customers and customer loyalty because they begin to view the business as being unreliable due to its inconsistency in operating hours (Ngubane, 2015). Essentially the findings of this study are in agreement with the results of Boubala (2010) and Ngubane (2015) in highlighting that keeping up with the supply and demand cycle places a lot of pressure on the entrepreneurs, who don't have any employees and thus have to close down the business in order to go and buy stock. It is important to note that some of the entrepreneurs have to buy stock every three days, this is linked to limited financial resources to buy more stock at a time as outlined above and highlighted below.

The study's findings reflect that the stress of buying stock is also caused by having insufficient funds to purchase the stock. The reason the township businesses find themselves not having enough money to buy stock is because they may have not have reached their profit targets for that period or they may have been confronted with unexpected expenses. The consequences of not having enough money to buy stock includes the fact that the entrepreneur may have to get into debt in order to obtain money to buy stock because the business cannot operate without stock. If they do not have money to buy stock they may have to close down their business until such a time when they have enough money to buy stock due to the fact that if they do not have stock then they are unable to sell products to the customers. It is for this reason that obtaining capital to go and buy stock is a leading priority for township entrepreneurs because it keeps the business running (Dumas, 2008).

Another stressful element with regards to the management of stock concerns having left over stock. Having left over stock is especially stressful for entrepreneurs who sell perishable goods, such as food, that are likely to expire after a certain period of time. As a result, some of the entrepreneurs have resorted to selling some of their products at half price in order to quicken the sale of their products in order to avoid having stock left. This can potentially result in a financial loss for the entrepreneur because they end up not being able to make enough profit. A similar conclusion was reached by Aren (2014) who found that having immoderate stock was common amongst SME's, he argued that this was a reflection of poor forecasting skills and poor attention to detail. The results of this study also match research findings of World Bank (2017) which found that safety stocking and balancing of stock was a

worldwide problem amongst entrepreneurs. Other researchers have also argued that it is better to have little stock than to have too much stock (Hiebl, 2015).

The study found that the management of stock as a potential stressor was not only exacerbated by the process of deciding on the quantity of stock to buy, but deciding on the type of stock to buy to meet customer demands. For example, the study found that in summer customers demand included cold drinks, ice lollipops and apples whereas in winter the demand is high for oranges. The study's outcome ties well with previous studies by Wolf (2016) who found that the stress of buying stock was further fuelled by the pressure of meeting customer demands and preferences because customers have specific preferences in terms of their favourite brands as well as their favourite product designs and the pressure was on the entrepreneurs to meet such customer demands through the kind of stock available. When comparing the results with older studies, it must be pointed out that they are consistent with the findings of Gelb (2009) who stated that a thorough analysis of customer demands and buying traits are necessary when one prepares to buy stock. Thus when buying stock, one has to prioritize those items that sell quickly in order to secure customer satisfaction and maximize profit while avoiding having left over stock (Aren, 2014).

Finding sustainable and suitable transportation to buy stock was found to be a stressful process as this was expensive, unreliable and fraught with other risks including closing their business because of their absence, questionable reliability of transport and crime particularly when using trains as highlighted by Cichello (2006) in an earlier study. An issue that continues to be reported in the media pertains to vandalism and overpopulation (Van Die Man, 2019). Vandalism occurs in the form of cable theft whereby the train copper has a very high value among scrap dealers. Consequentially, cable theft causes the trains to be delayed because the trains are unable to move without certain cables (Van Die Man, 2019). This is evidenced by Dladla's (2019) newspaper report in which it was uncovered that South African president Mr Ramaphosa along with Gauteng premier Mr David Makhura were stuck on a train for three hours during a 45 km train ride from Mabopane to Bosma as part of their elections campaign. This shows that trains can be an unreliable and inconvenient form of transport which can potentially cause harm to township businesses for those entrepreneurs who solely rely on trains as a mode of transport.

In addition, entrepreneurs reported on stress resulting from finding affordable and reliable suppliers from whom to purchase stock. Vusumuthi (2003) asserted that the unreliability of

suppliers places a burden on entrepreneurs because they have to face the customers and explain to them the reasons why their preferred products are unavailable.

Another specific issue reported in the study was the limitations placed on entrepreneurs involved in a franchise where contractual agreements specify the suppliers to be used. For example the entrepreneur in the study who had a chicken and petrol station franchise also reported that he was also contractually bound to placing orders to buy gas and petroleum only on specific days which meant that if they ran out of stock outside of the specified days then they would have to endure a financial loss until the specified day for ordering. These limitations placed on entrepreneurs do not allow them to compare discounts and offers made by different suppliers before purchasing stock, a practise that is emphasised by Hiebl (2015) for profit. Moreover, the late delivery of petrol was also found to cause frustrations for the franchise owner because he found himself having to buy twice the amount of gas and petroleum because the suppliers delivered late, which meant that he had to pay double the price that they had initially budgeted for. As outlined above, Vusumuthi (2003) referred to the unreliability of suppliers impacting on efficiency.

Most of the entrepreneurs express negative perceptions towards the concept of inflation. The most common complaint by the township entrepreneurs is that it causes a sharp rise in their expenses with regards to transportation costs e.g. Taxi price increases along with suppliers' price increases. Although some of the township entrepreneurs were unfamiliar to the concept of inflation, when it was explained to them they stated that the complexity of fluctuating stock prices are embedded in the fact that when the suppliers increased the prices of stock and raw materials, the entrepreneurs were also forced to increase their prices of which put them in conflict with their customers who are resistant to the increase in prices. In this regard, Ajagbe (2012) reported on the challenges that arise when the suppliers change their products and prices which in turn prevent the entrepreneur to meet the demands of customers regarding preference and pricing. It seems that customers are perceived to carry the brunt of the rising costs due to continued fuel increases and inflation. An increase in prices by entrepreneurs ultimately was reported to lead to a decline in customers as they could no longer afford to purchase the products and services offered by the entrepreneurs. As logic has it, a decline in customers is accompanied by a decrease in profits (Fourie, 2015). In a volatile economic context where inflation and suppliers' prices increase can have a detrimental effect on the profits of the company thus placing the entrepreneur at risk of financial difficulties and related stress (Rostamy, 2009). These findings serve to confirm the information presented by

Ajagbe (2012) that customers play a significant role in the entrepreneur's decision to increase or decrease prices, and therefore he suggested that the best way in which to approach price increase is to inform customers in advance.

The results of this study show that fluctuation of stock prices affects different businesses in different ways. The data gathered in the study reflects that the directly affected industries with regards to fluctuation of stock prices included businesses that offer services relating to petrol and fuel. These industries were most affected because inflation is positively correlated to petrol price increases, thus an increase or decrease in inflation directly causes an increase or decrease in petrol prices by suppliers (Rostamy, 2009). In some cases, an increase in stock prices meant that the entrepreneurs were no longer able to afford certain items which meant that they were forced to sell alternative products depending on the prices. For example certain meat prices were reported to decrease in summer and increase in winter which means that the entrepreneurs who sell food had to change the kind of meat they sell depending on the season.

The above findings about fluctuating prices are parallel to the findings of Aren (2015) who reported that an increase in stock prices has devastating effects on entrepreneurs because it forces them to make difficult decisions with regards to adaptive mechanisms that they should implement in the face of price increases. A similar conclusion was reached by Gillies (2014) who suggested that formal businesses should champion the evolution of informal businesses by ushering them into the formal economic landscape of South Africa and passing knowledge on how to dealing with difficult economic situations such as increased stock prices. Aren (2015), simultaneously found that informal entrepreneurs revise the type of products which they sell, their business location and their target market because price increase often cause a change in customers' demands. A number of researchers including Wills (2009) who conducted a study amongst female entrepreneurs had similar findings in that an increase in stock prices casts a shadow of doubt for female entrepreneurs when they were forecasting their prices, especially for those entrepreneurs who import their products from other countries and face unpredictable exchange rates. Moreover, in support of the current study, the South African Reserve Bank (2017) asserted that inflation has a negative effect on how customers viewed certain products because they become so invested in fulfilling their expensive basic needs that they end up not having enough money to spend on products beyond their basic needs and thus they view other products as being luxurious and unnecessary.

The findings of the current study also reveal the stress that entrepreneurs go through with regards to obtaining stock is compounded by the stress of finding a place to store their stock. The entrepreneurs in this study reported not having enough space in their business premises to store their stock (this will be further discussed later in this chapter).

#### **5.4.6 Lack of equipment**

The current study's findings reflect that different enterprises use different types of merchandise in order to render their services, thus the lack of quality equipment in township enterprises raised some significant concerns and it was found to be a cause of stress for township entrepreneurs. These findings are in line with the findings of Vivo (2011) who reported that most SME's are at a competitive disadvantage when compared to big businesses due to the fact that they are unable to afford modern technological equipment. Such findings were evidenced in the current study through township car mechanics that require, but cannot afford, a diagnostic machine which gets plugged on to the car so that it can easily detect any faults in the vehicle so as to give details about the faults on a screen that comes with the device. Having this machine would save the entrepreneurs a lot of time and money because they won't have to strip the car manually in order to diagnose it, but rather they can do so through the push of a button.

The lack of equipment has also been found to impact the beauty and hairdressing (saloon) industry in the township economy. This is evidenced by some of the participants who insinuated that he could not afford basic saloon equipment such as a basin where he could wash his customer's hair. While some entrepreneurs lacked equipment, those entrepreneurs who had some equipment complained that their equipment was not presentable and a cause of stress. This was a problem, especially for food manufacturers who stated that they needed attractive equipment that would easily tempt and attract the customers to buy from them instead of making them lose their appetite despite the food being delicious. This interesting finding is supported by Wang (2016) who stated that the entrepreneur's inability to afford equipment is also caused by their low or non-existent credit score which prevent them from buying equipment on credit. Chinniah (2015) stated that lack of equipment amongst SME's is a significant obstacle, and it is partially responsible for the financial gap between large corporations in relation to SME's. It should also be noted that the deficiency of technology amongst SME's against the background of the fourth industrial revolution needs to be

radically enhanced within the township economy in order to make township enterprises globally competitive (Vavor, 2011)

## **5.5. Environmental causes of stress**

The findings of the current study reflect that entrepreneurs' mental health are negatively impacted by the external environment within which their businesses are located. These factors include the various customer dynamics of business, high levels of competition, insufficient operating space, lack of infrastructure, as well as crime, drugs and violence impact the extent of stress they experience. The following section address some of these aspects that were noted in the study.

### **5.5.1 Customer dynamics**

From the current study's findings, it can be concluded that customers are a potential stressor for township entrepreneurs. The customer dynamics which cause stress for the entrepreneurs include their inconsistent buying habits, bad debts and price negotiations, as well as customer dissatisfaction and demands. The following section will explore the various aspects of customer dynamics within the context of the study, while comparing the findings to previous studies.

The customer dynamics which cause stress for township entrepreneurs manifests themselves in various ways including inconsistent buying habits by customers which changes from month to month. These findings are in agreement with the findings of Suti (2008) who stated that customer's buying habits are constantly changing depending on various factors such as their preferences as well as their financial situations at that point in time.

In addition, customers have been found to cause financial stress for the township entrepreneurs because of their commonly reported attempts to negotiate for low prices when they purchase products or services. A similar conclusion was reached by Rajic (2016) who reported that negotiating of prices have a negative effect on the SME's because they disrupt the estimated profits of the business. The underlying issue is that if they refuse to negotiate a lower price then they risk losing customers. Moreover, the non-payment of debts by customers has also proven to be a potential stressor for the entrepreneurs because it causes a shortage of stock as well as a lack of capital to go and buy stock. The most common reason for the non-payment of debts can be attributed to the fact that the entrepreneurs suffer from black tax which is practiced by their close family, friends and neighbours who take stock

from the business for free under the false premise that they will pay it back. These findings seem to oppose the findings of Dolland and Christian (2003) who indicated that offering customers' discounts and credit have some positive effects on businesses in terms of gaining a loyal customer base. In contrast, the current study's findings reflect that granting debts and discounts to customers may have some detrimental effects on township businesses because bad debtors resort to avoiding the township entrepreneurs due to the fear of being forced to pay back the money. This defeats the purpose of gaining a loyal customer base as suggested by Dolland and Christian (2003).

Lastly, the study found that a common source of stress in relation to customers is meeting customer expectations and demands. The inability to meet customer demands can lead to customer dissatisfaction and thus a likely decrease in the amount of customers that ultimately decrease the business's profits (Dolland & Christian, 2003). Essentially, the study found that having dissatisfied customers who complain about the products or services that they purchased was a major source of stress for township entrepreneurs. Customer satisfaction was found to be significantly correlated to customer loyalty whereby when customer satisfaction is compromised, the loyalty of the customers also decreases (Suti, 2008). Omisare (2014) expressed solidarity with the current findings through his assertions that customer satisfaction is the backbone of any business, and failure to secure customer satisfaction can result in stress for the entrepreneur. Furthermore, Fourie (2015) views customer dissatisfaction to be a result of the gap between the customer's expectations and the performance of the product/service that they have purchased.

### **5.5.2 Competition**

The study found that competition in the township economy is extremely high and that this is not just a financial challenge but it is also a social stressor. The competitive nature of the township economy is so hectic that it has begun to negatively influence the social relations that the entrepreneurs have with one another and has led to an escalation of social conflict between different groups of entrepreneurs. The reason competition is problematic among township entrepreneurs is because they are forced to share their target market with other businesses which means that the number of customers that they usually receive is likely to decrease over time (Listra, 2015).

The reasons for the high levels of competition expressed in the study can be attributed to the fact that anecdotal evidence suggests that township entrepreneurs are notorious for "stealing"

each other's business ideas. While the foreign entrepreneurs openly admitted that they enjoy copying ideas from their competitors as a method of survival in the township economy, the South African entrepreneurs expressed anger towards entrepreneurs who copied their innovative ideas. Although the South African entrepreneurs did not directly allude to foreign entrepreneurs as culprits of copying ideas, the study's findings revealed a blatant contradiction between the opinions of the two groups of entrepreneurs. A similar conclusion was reached by Uchehulam (2015) who found that competition was extremely high in the SME environment resulting in increasing pressure on the entrepreneurs to find new and sustainable methods to gain competitive advantage over their competitors

Some of the South African entrepreneurs even went as far as using the word "hate" to describe their relationship with their competitors. The foreign entrepreneurs described the hate that they experience to be a result of the lower prices that they offer to customers. These findings corroborate with the older study of O'Donnell and Gilmore (2002) who reported that the use of pricing was the most effective, but unpopular strategy used by SME's in order to overcome competition. Essentially, high levels of competition serve to benefit consumers who enjoyed paying low prices (Yan, 2010).

The study discovered that the high levels of competition resulted in the entrepreneurs being jealous of one another. The jealousy among entrepreneurs caused them to even start gossiping about each other and spreading contaminating rumours about each other's businesses. Some of the entrepreneurs even considered closing down their businesses as a result of the high and hazardous pressures that come with competition, but their perseverance kept them going. The social consequences of the high rate of competition has even escalated to a point of spiritual warfare whereby some of the entrepreneurs reported that they had predominantly been accused of using muthi (traditional medicine) whereas a male South African entrepreneur was quoted saying that their competitors use muthi to defeat competition. This serves to inform the current study that there is a developing stereotype that the success of foreign owned businesses is based on the use of muthi. In other entrepreneurial spaces, the present study found that the high levels of competition can also be a source of violence between competitors. This has led to some entrepreneurs living in constant fear for their lives because of the violent nature of competition in that area.

The study's findings are generally consistent with the findings of Stucke (2013) who found that high levels of competition in a business environment may result in as toxic business

competition capable of destroying the social fabric of a community. In addition, these findings are supported by Dillion (2010) who stated that high levels of competition promote the “us versus them” mentality which ultimately weakens any ambitions of social cohesion amongst township citizens of different nationalities. O’Donell and Gilmore (2002) also alerted years ago to the need for SME’s to build more unity in order for them to be globally competitive.

The entrepreneurs who reported in this study to get along with their competitors said that they did so based on pretence from both sides. In other words they did not have a genuine relationship with their competitors but that they were just tolerating each other in order to avoid conflict. The justification for pretence, as outlined earlier, is that “*in the midst of high competition, conflict is inevitable*” (Male, Mozambique). The best way to conceal this conflict was found to be pretending to like each other and operating on an “*every man for himself*” (Male, Mozambique) basis. These findings are consistent with the views of Uchehulam (2015) who conducted a study about competitive strategies and performance amongst SME’s in Nigeria, and stated that instead of trying to outperform their competitors, township entrepreneurs should develop a thick skin against competition so as to focus on their own businesses and providing the best quality products and services that they possibly can.

The current study’s findings reflect that the most problematic aspect with regards to the increased presence of Somalians is that they are armed with a competitive advantage in the form of ridiculously low prices which serve to attract more customers than the local entrepreneurs. Competition is a source of conflict between South Africans and Somalis because according to Landau (2004) the use of price competition was found to be highly frowned upon by township entrepreneurs, as a result township entrepreneurs were disgruntled with the presence of Somalis in the township economy because they offered low prices. A similar conclusion was reached by Zaheera (2010) who found that locally owned businesses had relatively higher prices when compared to businesses owned by Somali nationals. He stated that the difference in pricing between locals and Somalis was the reason many South Africans have been forced to shut down their businesses due to the fact that they were unable to cope with the pressures of price competition (Zaheera, 2010).

Based on the perceptions of the South African participants, the current study found that the reason Somalis sell their products for such low prices is because they sell counterfeit goods. The South African entrepreneurs justified these allegations by citing media reports of illegal Somalis owned factories that were found by the police in Pretoria and Johannesburg. These factories were found to produce counterfeit products such as Coca cola, a variety of cigarettes, baker's man branded biscuits, and various other products. These findings are consistent with a study done by Charman (2012) among township entrepreneurs in Delft which is located in Cape Town. Charmin's (2012) findings suggest that the reason South African entrepreneurs despise Somali entrepreneurs is because of the perception that they promote price competition by selling counterfeit goods at low prices, they do not pay taxes and they are thus viewed as being the main reasons for the failure of South African owned businesses.

The current study's findings that foreign nationals offer lower prices because they sell counterfeit goods can also be contrasted with the findings of Kalilanyi (2010) who found that the reason Somalis offer low prices is because of their savvy business approach. He asserts that Somalis are more united in terms of buying stock in groups, splitting the costs of transportation amongst each other and employing cheap labour. In addition, Somali's have been found to be good negotiators when buying from suppliers, thus they are able to buy stock at low prices which results in low prices for customers (Graham, 2013). Moreover, it has been asserted that Somalis sell their products at low prices because of the rules of their Islamic religion which prohibits them from selling goods and services at high prices (Kalilany, 2010).

Over and above the fact that they offer low prices, Yumna (2015) found that the Somali's competitive advantage also stems from the fact that they are more reliable and organized in terms of having longer operating hours and they always have stock available. Furthermore unlike in South African owned businesses, customers enjoy having diversified options in terms of the brand and quantity they wish to buy. Moreover, Yumna (2015) found that customers prefer Somali nationals because they allow credits and discounts to pensioners, and they are very honest in their dealings in terms of giving out the correct amount of change and reminding customers when they have forgotten their change. These contradictory findings can be attributed to the fact that the current study is made up by the perceptions of non-Somalis participants whereas Yumna (2015) conducted a study amongst Somalis nationals in order to gather an insider's perspective.

The reason for the high influx of Somali nationals can be found in Gastrow's (2013) research whereby he stated that Somalis fled to South Africa in order to escape the ongoing wars between Somali and Ethiopia. Gastrow (2013) further stated that due to the fact that Somali was declared a collapsed state, the citizens were unable to obtain relevant papers which allow them to reside in South Africa; it is for this reason that the South African government has been lenient and tolerant on Somali nationals.

From an ideological perspective, Landau (2004) argues that the high influx of foreign entrepreneurs is a result of globalization which has internationalized trade in the township to an extent whereby local South African entrepreneurs were struggling to keep up. Mwika (2018) conducted a study on the effects of globalization on SME's in Zambia; he concluded that the globalization has had negative effects on SME's that are located in developing countries because the high influx of foreign entrepreneurs serves to maximize competition for the local entrepreneurs. Immigration into Zambia gained momentum after they attained political freedom they started to witness a high influx of foreign nationals from Angola, DRC, Rwanda and Burundi. These refugees sought to escape political instability such as civil war, rebel attacks, and genocide in their countries. According to Gulyani (2010), globalization has been found to threaten the survival of local entrepreneurs because it causes an uneven distribution of the market share.

### **5.5.3 Insufficient operating space and land disputes**

Issues regarding land disputes and insufficient operating space are evidenced by the complex relationships between the entrepreneurs and their landlords. The entrepreneurs reported that it was the prerogative of their landlords to decide on the enterprise's operating hours, the amount of water and electricity they could use, as well as the noise levels that could be tolerated. These findings are in line with the study result of Nanyaka-Boshelo (2017) who reported that the development or deterioration of businesses in townships was largely determined by the kind of relationship that the entrepreneurs have with their landlords. Nanyaka-Boshelo argued that good landlords can promote business success by being lenient and understanding, whereas bad landlords can cause businesses to fail by being inconsiderate. This was evidenced in the current study whereby one of the foreign entrepreneurs reported that his landlord has a tendency of increasing rent prices when he sees that the business is booming.

One of the key findings of the study was that township entrepreneurs don't have enough operating space, and they often experience conflicts with fellow township entrepreneurs and with their landlord because of land. These findings are in line with the findings of Fakir (2018) who found that the after effects of apartheid are still evident in townships through the fact that limited land was allocated to a high density of black people which has led to over population. Aloe (2017) found that the vacant land used by entrepreneurs is highly populated with businesses selling the same products and services which the entrepreneurs seek to sell. It was therefore suggested that the levels of competition in an area should be regarded as a decisive factor when choosing a business location. However, some of the entrepreneurs have resorted to becoming mobile by selling as they walk.

The finding by the current study that the amount of space that the entrepreneurs are using for their business is not enough and it therefore limits the growth aspects of their business because they were unable to accept big tenders due to the fact that they did not have enough operating space to be able to produce the required quantity for big tenders (Alo & Castelier, 2017). These findings are supported by Fakir (2018) who found that a large proportion of vacant land in the township has been allocated to large multinational corporate retail shops in the form of shopping malls and shopping centres, instead of being given to locally based township businesses. The current findings are further supported by the findings of Findley (2011) who stated that having insufficient space places limitations on the growth and development of SME's because it prohibits them from serving larger markets outside of the township.

The issue of having insufficient operating space also manifests itself through the fact that some of the entrepreneurs did not have enough business space to store their stock. This created unnecessary stress as they were worried about finding a place close to their business location where they could store their stock and the related rent that they have to pay for storing the stock. A similar conclusion was reached by a World Bank study (2017) which found that 20% of businesses worldwide were unable to buy stock in advance because they did not have enough space for storage.

In addition, the current study found that the problem of insufficient land intensified tensions between entrepreneurs because it was reported that there are people who try to take over other entrepreneur's business locations when they are not around, such that they had to chase them out when they returned. The issue of land and not having enough operating space is a

very sensitive one for some of the entrepreneurs because the study discovered that some of the entrepreneurs have been violently harassed by fellow entrepreneurs who claimed that they were not allowed to use a specific land for business. The use of specific pieces of land was regarded as a life threatening risk because some of the entrepreneurs had begun to receive death threats due to the fact that they were operating on a specific piece of land. These findings are consistent with the findings of Alo and Castelier (2017), who conducted a study amongst village enterprises in the Eastern Cape, there is an urgent need for land expropriation whereby land is redistributed equally amongst South Africans because a vast majority of black entrepreneurs listed access to land as one of the most crucial but limited resources that can potentially contribute to the success of their business. Violence appears to be a norm in the township environment, not just between competitors, but also as criminal activity that promotes theft.

#### **5.5.4 Crime, violence and drug abuse**

Crime in the township economy is a very stressful component because it exists in various forms. Some criminal activities are general, whereas some of the criminal activities are specific to the contexts of the kinds of businesses that the entrepreneurs run. General forms of crime include theft and robbery. One of the forms of general crimes that exist is when criminals disguised themselves as protesters in order to steal from the township entrepreneurs. However, it must be specifically noted that crimes such as looting of stock were primarily targeted at foreign nationals (REFS). The results of the current study tie in well with previous studies done by Mudava (2002) who found that the most common forms of crime in businesses were break ins and robberies. Most of the entrepreneurs in Tembisa depict that crime in Tembisa to be a thing of the past and that it has largely decreased over the years. The current study found that crime in Tembisa was at its peak in 2010 during the World cup that was hosted in South Africa. These findings serve to contradict the findings of Mahofa (2016) who stated that crime among township citizens and SME's has been constantly increasing over the years.

Contextualized crimes include female customers who consult women's clinics after having gone through failed surgery from illegal back street abortion clinics. Another crime situation is when customers take their cars to the mechanics for a specific fault without disclosing that the car has various other faults, thereafter the customer would accuse the mechanic for being liable and responsible for the various other faults that they did not disclose from the start.

Then the criminals use this accusation as an excuse not to pay the entrepreneurs for their services.

The findings of this study indicate that that entrepreneurs in Tembisa experienced crime during their start-up phase whereby criminals wanted to initiate them and welcome them into the township economy. As they got more and more familiar with the area, they became street wise and some of the criminals were more lenient on them because they became more recognizable to the community. The study's current findings also corroborated the earlier study of the South African Presidency (2008) on the impact of crime on small businesses in South Africa, the study found that start-up businesses were the most affected businesses in terms of crime. Overall, these findings confirm the findings of the South African Presidency (2008) that the level of crime in South Africa is very high when compared to other countries. Essentially, it was found that high levels of crime had predominantly led to the demise of many small businesses who had been victims of the negative effects of crime (South African presidency, 2008).

In addition, the current study found that entrepreneurs were also witnesses of crime. The entrepreneurs reported having witnessed people getting robbed, shot and killed and also found evidence of rape in surrounding areas. Although the entrepreneurs were not directly affected by crime, they operated their businesses with fear that they would soon fall victims to crime. The fear of crime was also transferred to their customers who no longer came to the entrepreneur's business location due to fears of crime (Cant, 2013). This shows that crime has a significant effect on the amount of profit that a business makes. These findings are in line with the findings of Mudava (2002) who found that when an area is stereotyped and stigmatized to consist of high levels of crime, it is likely to impact negatively on the business's profitability because customers will fear coming to that area, let alone spending money there. These sentiments were shared by some of the participants in the current study who stated that when customers come to their business location they are afraid of taking out their wallets because of the perception that they might get robbed.

Based on the data gathered, the most common drugs in Tembisa are Nyaope and Cannabis. Nyaope is a concoction of different drugs such as heroin, marijuana, Anti-Retro-Viral and rat poison (Mokwena, 2015). The nyaope (drug mixture) addicts were easily identified through their lack of hygiene and undesirable physical appearance (Monyokane, 2018). Nyaope addicts were described by the township entrepreneurs as being dirty and disoriented

individuals who are out of touch with reality because the only reality that exists for them is one which only involves getting money to feed their addiction. It was reported that nyaope addicts go as far as opening fly by night businesses in order to make enough money to be able to feed their habits. It was also found that some of the businesses that they opened were cover ups for illegal dealings. In so doing, they were accused of causing unnecessary competition for the township entrepreneurs (Cant, 2013). The most common and relevant concern regarding the presence of nyaope addicts is the alleged large number of criminal activities that they commit in order to make money for drugs. They commit crimes such as theft, housebreakings and armed robberies. These findings are in line with the findings of Monyokane (2018) who found that the presence of nyaope addicts is damaging to the socio-economic fabric of the township because nyaope is strongly affiliated to crime and violence in townships.

The entrepreneurs who had previously fell victim to crime sometimes caught the culprits, and when they confronted them the confrontation escalated to violent measures between entrepreneurs and the criminals. Tembisa has been predominantly regarded as one of the most dangerous townships in Southern Africa (Kynoch, 2013). Tembisa is notoriously popular for hosting dangerous youth groups who are an extension of prison gangs whereby the youth represent and fight for the agendas stipulated by prison gang leaders who give out criminal instructions from inside the prisons so that they are implemented within the community of Tembisa (Maseko, 2013). The violent gangs have been described as a large group of young men who walk around in their gangster cohorts while flashing their weapons and terrorizing community members including the entrepreneurs (Kynoch, 2013).

In order to escape from the clutches of gang violence, the township entrepreneurs resorted to closing their shops whenever gang quarrels took place in the streets in order to avoid getting hurt. The results of the current study demonstrate that there is a high element of risk involved with doing business in the townships because the entrepreneurs could lose their lives at any day. However, it is also important to note that the effects of gang violence are not exclusive to entrepreneurs but are a problem to the community at large.

### **5.5.5 Lack of infrastructure**

According to Obokah and Goldman (2010) infrastructure is one of the most fundamental and crucial factors for the success of any business. Infrastructure refers to things such as shelter, electricity and sanitation, as well as quality roads (Obokah & Goldman, 2010). The current

study found that one of the most stressful aspects of owning a business in the township is the lack of infrastructure and service delivery as many entrepreneurs do not have business shelters and they have poor access to electricity.

Shelter was seen as being important because it gives the entrepreneurs a sense of safety, while providing their consumers with a secure place to wait. The devastating effects of not having shelter become evident during times of bad weather. When there is rain or thunder, some of the entrepreneurs are forced to close down their businesses or find a temporary location which is protected from the rain so that they could continue to sell until the weather gets better.

The study also showed that the lack of shelter made the entrepreneurs feel unsafe of which was a push factor which made them want to move to another location as a safety measure. These findings are in synchronization with Gilyani's (2010) findings that safety and security are key factors to be considered by entrepreneurs when searching for a business location. The basic findings of the study show that the lack of shelter is a stressful factor for the entrepreneurs because it often caused them to lose money during times of bad weather. The study's findings draw a similar conclusion to that which was reached by Neves (2012) who found that the success or failure can be largely determined by the availability and access to infrastructure. The findings of the current study are further supported by Nkwinka (2016) who found that the lack of infrastructure has a negative impact on the production and profits of organizations because infrastructure affects both micro and macro dynamics of businesses. He further asserted that township enterprises needed basic infrastructure such as shelter in order for them to become more globally competitive (Nkwinka, 2016).

Lack of electricity amongst township enterprises was also found to be a problematic factor. This is because some of the entrepreneurs run businesses which require them to constantly have electricity so that they are able to use electronic machines. While some of the reasons for load shedding are due to power cuts because of stolen cables, other reasons for power cuts were a result of the disputes that the entrepreneurs had with their landlords over payments and operating hours. The businesses which require electricity include salons, women's family planning, petrol and food services, welding businesses as well as mechanical services. Therefore, when there is no electricity their businesses cannot provide services to customers which results in a loss of profits. A similar conclusion was reached by Suleiman and Aruwa (ND) who conducted a study about the impact of infrastructural development on the

performance of SME's in Nigeria. He found that Nigerian SME's spend about 25% of their profits on alternative methods of getting electricity in case of power cuts (which were found to be very common in Nigeria), and thus he concluded that the lack of electricity has devastating effects on SME's because it leads to lack of productivity. In addition, some of the refrigerated stock may get rotten, while some electronic equipment may become damaged due to the fact that they are always on and off. In addition Suleiman and Aruwa (ND) found that some entrepreneurs are forced to carry the financial burden of providing their own electricity. The study of Gulyani (2010) who reported that although most mainstream entrepreneurs had guaranteed access to electricity, informal traders from across Africa did not share the same luxury because electrical connections were inconsistent in the informal economy. The current study's findings that the lack of electricity is a stressor to the entrepreneurs supports the earlier study of Oosthuizen (2006) that a secure electrical connection is a fundamental and essential asset for any prosperous business.

## **5.6 Psycho-social causes of stress**

Apart from the stressors mentioned above, some other psycho-social factors serve as a source of stress to the township entrepreneurs. These psycho-social factors include role overload as well as work-life balance. The following section seeks to explore these aspects.

### **5.6.1 Role overload**

Role overload is defined as the imbalance between the time and resources one has, in relation to the demands of one's occupation and personal life (Vanishree, 2014). It is affiliated with being delegated a lot of tough responsibilities in business and in their personal lives which places a lot of pressure on the individual (Vanishree, 2014). Role overload in this study was evidenced among township entrepreneurs because, as previously mentioned, most of the township entrepreneurs do not have any employees working for them, they are thus forced to perform multiple roles in their business i.e. the role of general manager, accountant, chain manager, sales representative etc. All roles that are usually performed by multiple individuals. These findings are aligned to the views of Ahmed (2016) who found that role overload emerges as a result of being entrusted with extra work which requires multiple individuals. Occupational role overload occurs when the duties that designated to one person extend beyond the scope and job description of a single individual. There are various factors which lead to the conclusion that township entrepreneurs experience role overload. It should also be noted that role overload is also because some of the entrepreneurs have full time jobs

and thus they are only able to operate their businesses on weekends or during spare time. This means that the township entrepreneurs are both employees and entrepreneurs concurrently which entails multiple roles to be played.

In relation to the current study, Fernandes (2015) conducted a study regarding entrepreneurial role stress and quality of life, and she found that role overload has the potential to cause stress amongst humans, of which has the potential to make individuals less productive in terms of fulfilling the different roles assigned to them in their respective contexts. Apart from the fact that some entrepreneurs are full time employees, other causes for the entrepreneur's absence include the fact that, because some of the entrepreneurs do not have any employees, they are forced to close down their businesses when they go to buy stock, of which means that their businesses are unproductive until the entrepreneurs return from buying stock. Unlike being employed where one receives their salary even when they have taken leave, for township entrepreneurs no work means no pay in the literal sense. The absence of entrepreneurs also result in the decrease of loyalty in customers because they may perceive it as an inconsistent and unreliable business operation. Essentially, the study found that due to the multiple roles that entrepreneurs play in the business they had no one to watch over their business when they were off sick or when they went to buy stock (Neale, 2006).

In addition, the current study found that most of the SME entrepreneurs operated their businesses every day of the week including Sundays. These findings are parallel to the findings of Bearugard (2009) who found that entrepreneurs who work on Sundays run the risk of experiencing burnout of which can be a consequence of their inability to find a balance between work and personal life. In coherence with the current study, a study done by Whyman (2015) on work place flexibility practices among SME's found that the reason that individuals involved in SME's were unable to achieve work life balance can be attributed to the fact that unlike formalized mainstream businesses, SME business owners are not exposed to the correct training and education about work-life balance.

### **5.6.2 Work-life balance**

Work life balance can be viewed as the manner in which individuals are able to fulfil their family commitments and their work demands without experiencing any conflicts between the two roles (Beauregard, 2009). The current study found that the entrepreneurs had dedicated so much of their lives to their business that their families unfortunately have to take the backseat in their lives. The study's findings reflect that the entrepreneurs spend lots of hours

on their businesses which ultimately take up most of their days as well as their nights. The township entrepreneurs generally complained about a lack of time. Based on the findings of this study, ever since the entrepreneurs started their business they have not had enough time for their families. They complained that their business took so much of their energy that when they get home they just wanted to sleep instead of spending time with their family members. It can therefore be concluded that township entrepreneurs suffer from time based conflict as outlined by Syed (2015). The concept of time based conflict is defined by Wincent (2006) as a situation whereby a person spends so much time trying to meet the demands of a certain role and then they end up not having enough time to fulfil the duties of their other roles.

The entrepreneurs did not mince their words when explaining that their business was their main priority, even over their families. In some cases, the entrepreneurs viewed their family members as a distraction from their business which prevented them from reaching their business goals. The entrepreneurs reportedly did not take any days off work as they had to report for duty even on Sundays. This serves to rightfully prove Syed's (2015) findings that the conflict between work and family is inevitable when one has to work for inflexible hours. By the same token the study found that some of the entrepreneurs' families were too invested with running their own business that they also did not have time to for their family. These findings are further supported by Merezkot (2017) who stated that the increasing working hours amongst SME's make it almost impossible to achieve work life balance. In addition Robok (2013) found that the inability to balance work and family has been strongly viewed as being hazardous towards one's mental health.

Work-life balance was found to be especially problematic for entrepreneurs who came from provinces outside of Gauteng and outside of South Africa as they reported that they barely had time and money to go back home and see their families. As a result, they only went back home during celebrations, funerals of loved ones as well as for ritual ceremonies. Essentially, the township entrepreneur's ability to spend time with their families was determined by the level of success of their business. Moreover, some foreign entrepreneurs only went back home to see their families because they were obligated to do so by their passport regulations.

Female entrepreneurs were found to face the most challenges with regards to work life balance. This is evidenced by the fact that they are traditionally forced to fulfil their domestic duties at home after closing their businesses. These duties include cooking, washing cleaning and looking after the children amongst others. These findings are supported by Robok (2013)

who reported that because women are involved in various roles in business and at home, places a lot of pressure and strain on them which exceeds the burdens of the male entrepreneurs. The multiple roles played by women both in businesses and at home have been found to have negative effects on their happiness and overall job contentment (Kokila, 2008). In addition, a study done by Alsos (2018) which sought to explore some of the strategies for managing work-life balance challenges for female entrepreneurs, found that a lot of women struggle with striking a balance between the demanding and time consuming entrepreneurial activities with their domestic responsibilities and ambitions. The reason women entrepreneurs experience issues regarding work life balance is due to the fact that they are forced to constantly adjust and switch to different roles which require different versions of themselves e.g. their family roles require them to be domestic whereas their business roles requires them to have a corporate attitude (Ahmad, 2016).

While other studies show that individual's work has the potential to infiltrate one's personal life, the current study also reflects that one's personal life has the potential to affect their work as mentioned by earlier studies (Lavoie, 2004). Vasumuthu (2003) defined family problems as inevitable conflicts or tragedies that may arise at any point in an entrepreneur's life, thus affecting their business. These family issues reported in the current study include family politics, religious persecutions by family, as well as death of family members. It has been respectfully noted that some of the entrepreneurs benefitted from the death of their family members because they inherited the businesses that were once owned by their family members. Although the entrepreneurs did not go into deep details about the nature of the family problems that they were having, the study found that death of family members had the most devastating effects on entrepreneurs because it affected them emotionally and financially because they could no longer depend on the deceased member for financial and social support. Moreover, Walsh (2007) found that there is a certain period of time, depending on the person's culture, which should be set aside for the purpose of mourning and grief; this may also force entrepreneurs to refrain from operating their businesses until the mourning period ends.

Essentially, the current study found that obligation to cater for the needs of one's family can be a potential source of stress. These findings are aligned to the findings of Margaret (2016) who conducted a study about caregiver stress in relation to mental health, and it was found that being a caregiver can be harmful to one's mental wellbeing, especially when one is unable to fulfil their care giving responsibilities or when their efforts are not appreciated. In

addition, both male and female township entrepreneurs complained about having to carry the financial burdens of their families, contrary to popular belief and previous studies done by Zuo (2000) who found that the concept of care giving was gender oriented whereby females provide care and hospitality, whereas males provide finance as a care giving contribution. With the exception that Zuo's (2000) was done in the year 2000, whereas the current study was done in 2019, it is evident that times are changing and thus the family responsibilities for different genders are also changing due to the demands of the time. These findings are aligned to that of Muzvidziwa (2013) who conducted a study on the shifting role of women who were emerging as the breadwinners of their families, he argued that capitalism had contributed to the independence of females who were able to provide for the financial needs of their families without depending on a male figure.

It must be noted that even though the female entrepreneurs were running their own businesses, they never shielded away or neglected their domestic family responsibilities. These findings are aligned to the findings of Kokila (2007) who conducted a study on the obstacles faced by female entrepreneurs in India. He found that outside of their usual business roles, women had to play roles as mothers, daughters, sisters etc. which all demand their physical labour despite the fact that they return home tired from running their business errands.

Moreover, the study found that some of the entrepreneurs were not only responsible for taking care of their immediate families, but they also felt financially obligated to look after their extended families. The pressure to take care of their immediate and extended families was so high that they sometimes resorted to obtaining informal loans from friends in order to be able to send money back home to their families of which they would later pay back when their finances were more balanced.

These findings are supported by Mkhonto (2018) who stated that catering for the needs of one's immediate family can be regarded as taking family responsibility, whereas being held financially liable for the demands of extended families was regarded as succumbing to a notion known as black tax. While taking family responsibility is absolutely justified, bowing down to the pressures of black tax was found to be a financial setback, not just for the individual but for the business as well because entrepreneurs had to use some of their profits as funds that they could send to their external family members (Mkhonto, 2018). In black communities, the concept of black tax has been masked as "ubuntu" which results in a moral

obligation for entrepreneurs to cater for their families (Mkhonto, 2018). Black tax has been found to operate in a circular motion in which the benefactors of black tax had to pass on the fruits of their labour to other family members. Thus the question that remains is whether black tax is a burden or whether it is a moral obligation (Price, 2006).

## **5.7 Causes of stress amongst foreign entrepreneurs**

The current study found that there are various challenges and causes of stress which are only relevant to foreign entrepreneurs and do not directly affect South African township entrepreneurs. These challenges include xenophobia, bureaucratic limitations of not having permanent residence documentation and business visas, as well as police harassment and misconduct. The following section seeks to highlight some of these challenges faced by foreign nationals.

### **5.7.1 Xenophobia**

The concept of xenophobia gained traction in 2008 during the xenophobic attacks by South Africans on other foreign nationals (Hagensen, 2014). In its simplest form, xenophobia is defined as “the fear or hatred of foreign nationals’ (Solomon, 2013, p.1). The main reasons for xenophobia have been found to be associated with viewing foreign nationals as a threat to one’s position in the community and an obstacle to one’s economic prosperity (Crush, 2004).

Essentially, the current study found that xenophobia is still a social ill in Tembisa, especially within the context of business environments. Xenophobia in the township is embodied through theft, looting and name calling against foreign nationals. The looting occurred through pro-xenophobia marches enforced by angry South Africans who roamed the streets with weapons while attacking foreign nationals and stealing their stock. The current study’s findings seems to be consistent with the earlier findings of Valji (2003) who stated that xenophobia in townships is not a matter of identity politics, but rather is a matter of business rivalry. Crush (2004) noted that the international media painted a wrong and misleading picture about xenophobia which made it seem as though South Africans generally dislike foreign nationals without probing the real roots of conflict between locals and foreign nationals, the current study fully concurs with these views. Baffou’s (2015) study is also consistent with the current study’s findings a because he also found that xenophobia affects the cash flow of foreign owned businesses because some of these xenophobic attacks come in the form of looting and stealing goods in the shops of foreign nationals, as witnessed in 2008 and in 2015. The results of the current study go beyond previous reports by showing that

xenophobia is not an once off outburst but ongoing as noted in remarks, labelling, threats, insults and inter-personal violence in 2018 and as recent as 2019. Similarly, the current study found that xenophobia manifests itself through various forms including making threats, labelling, name calling as well as other forms of verbal abuse by customers and community members. It was reported that the xenophobic victimizers used terms such as “kwere kwere”, a derogatory term when making reference to foreign nationals. This result ties in well with previous studies done by Hanekom (2008) who found that the derogatory terms used to refer to foreign nationals were perpetuated by the media and political figures. He exemplified this argument by making reference to the comments made by former home affairs minister Prince Mangosuthu Buthelezi who referred to foreign nationals as aliens who are a threat to South Africa’s economy, in a statement which led to the eruption of xenophobic attacks in 2008 (Hanekom, 2008). Another example can be found in Al Jazeera (2015) wherein they report on the harsh comments made by the King of the Zulus, Goodwill Zwelithini which are said to have triggered xenophobic attacks in Durban. In addition, other researchers such as Kleist (2017) have argued that the role of the media in xenophobia is one that perpetuates certain stereotypes about foreign nationals which can potentially lead to xenophobic attacks. For example, when a media reports a crime scene, they are highly likely to highlight the nationality of the person if they are foreign nationals (Kleist, 2017).

Chukalson (2017) researched some data in order to find out whether immigrants steal jobs in South Africa, and his findings reflect that 60% of the South African population holds to the steadfast belief that foreign nationals take their jobs whereas a 55% of South Africans believe that foreign nationals worsen crime. In contrast, the current study found that a vast majority of foreign nationals do not qualify for South African jobs due to lack of permanent residence and their lack of education, and thus they have resorted to entrepreneurship as their refuge (Charman, 2017). Essentially, the assertion that xenophobia emanates because foreigners steal jobs is denoted by the current study which found that xenophobia is a result of various aspects relating to entrepreneurship by foreign nationals.

The findings of the study reflect that all the foreign nationals who had reportedly experienced xenophobia were black people. Notwithstanding that all of the participants in the study were black, these findings coincide with the views of Hagensen (2014) who questioned the applicability of the term xenophobia in South Africa, instead he proposed that we call it Afro-phobia (the fear or hatred of African people) because this form of prejudice was only directed at black foreign nationals from African countries as opposed to white foreigners from

European countries (Hagensen, 2014). These aspects are a major source of stress among foreign entrepreneurs.

While some South Africans reported having good relationships with community members, some of the foreign entrepreneurs reported that they did not have the best of relationships with the people living in and around their business locations. The foreign entrepreneurs report that the reason they are disliked by community members is due to the fact that they are not South African nationals. These findings serve to contradict the findings of Watson (2005) who conducted a study on the relationship between organizations and communities. He concluded that organizations should not be defined as entities that exist separately from the communities; rather they should be viewed as fellow members of the community. This was not the case with the current study which found that foreign nationals were marginalized and alienated from the community of Tembisa because of their nationalities.

#### **5.7.2 Bureaucratic limitations of not having permanent residence and business visa**

It has been noted that most of the foreign nationals in the current study do not have South African permanent residence documentation and business visas. Their illegal immigrant status has proven to be an obstacle towards their entrepreneurial endeavours because it prevents them from obtaining business permits to legally operate their businesses in South Africa. A similar conclusion was reached by Pumba (2010) who conducted a study among Zimbabwean nationals residing in Soshanguve, and he found that most Zimbabwean entrepreneurs were unable to legally own businesses due to the fact that most of them do not have business visas. It has been noted that these foreign nationals are obligated to go back to their home countries if they seek to obtain a business visa, a process which consumes a lot of money and time which they would rather invest in the profit making aspects of their businesses (Tengeh, 2013).

Based on the above findings it is interesting to note that even if foreign nationals had permanent residence documentation, they still would not be able to register their companies with the CIPCC, but rather they would only qualify for a temporary business visa which is subject to renewal after a certain period of time (Fatoki, 2014). These findings are supported by Kloorem (2001) who found that South Africa has one of the most complex business registration processes in the world. This may serve to put foreign nationals at a competitive disadvantage in comparison to their South African counterparts who only go through the registration process once and thus do not have to repeatedly go through the complex

registration procedures which cost time and money (Pumba, 2010). The current study's findings are also consistent with the findings of Bernard (2018) who stated that although foreign entrepreneurs expressed a strong desire to legalize their businesses, they were unable to do so because of the complex administrative demands that come with company registration.

Other studies done by Brock (2017) have gone beyond the scope of the current study in their findings which reflect other bureaucratic limitations faced by foreign entrepreneurs. These limitations include the fact that not having South African permanent residence documentation means that foreign nationals do not have any property ownership rights in South Africa. Thus foreign nationals are unable to buy property or land that they can use for their businesses. As a result, they are forced to rent property or space from South Africans who own properties in the township which can have negative effects on the growth of their business because their profits are channelled towards enriching someone else instead of accumulating fixed assets for their business (Brock, 2017). This was evidenced in the current study because none of the foreign nationals reported or appeared to be property owners; they all operated on vacant land or rented property.

It is worth discussing that most of the foreign township entrepreneurs felt that they were being alienated from opportunities by government and other stakeholders due to their lack of South African permanent residence documentation. The foreign nationals were of the view that their talents and skills were being overlooked because of their migrant status, this is evidenced by a report made by a foreign entrepreneur that he had previously received a tender of which was withdrawn when the authorities found out that they had no valid South African I.D. This result ties well with the findings of Khosa (2014) who noted that BBBEE (Broad based black economic empowerment) policies are only applicable to a limited number of black South African citizens, and that they do not seek to empower the vast majority of the foreign Africans who are not inherently South African. Together, the present findings confirm that the concept of BBBEE contains an element of discrimination against foreign nationals (Khosa, 2014)

The current study's findings also reflect that the effects of not having permanent residence and business visas further manifest themselves among foreign entrepreneurs through the fact that it prevented them from purchasing stock on credit due to the fact that they were unable to open bank accounts because they had no valid South African I.D. The findings of the current

study confirm the views of Gulyani (2010) who found that the lack of permanent residence documentation caused the foreign entrepreneurs to refrain from expanding their businesses because they were not sure how much longer their businesses were going to last because they were operating illegally, moreover they did not know whether their businesses would be able to survive tough times which require them to borrow money. Overall, these findings are in accordance with findings reported by Fatoki (2014) who stated that a lot of the obstacles and challenges faced by foreign entrepreneurs are directly or indirectly related to the fact that they do not have valid South African permanent residence.

In extension to the findings of the current study, Tengeh (2013) found that the situation of not having a valid South African permanent residence not only has implications on the foreign entrepreneur's businesses, but it also has negative consequences on their social wellbeing. There are certain welfare resources provided for free by the state which foreign entrepreneurs are unable to access due to the fact that they do not have valid South African permanent residence. These resources include access to police services and free healthcare services. This means that illegal immigrants are not allowed to report crime to the police and they are not eligible to access healthcare services regardless of the severity of their illnesses (Asoba, 2016). Lastly, the lack of access to medical healthcare caused by lack of permanent residence may have an impact on the number of sick days that the entrepreneur takes from the business, of which may have negative consequences on the business when one considers that most of these township entrepreneurs operate as sole traders (Tengeh, 2016).

While these are social issues, the current study posits that they have the potential to impact negatively on the foreigner's businesses because when the foreign entrepreneurs experience disputes or theft in their businesses they do not have enough legal ground to report the matter to the police and thus their businesses may suffer as a result. Essentially, this means that foreign migrants are liable to get arrested when they defeat the ends of justice, but they are not allowed to open cases when they are on the receiving end of injustice (Gastrow, 2013).

### **5.7.3 Police harassment and misconduct**

Police harassment on foreign nationals exists in various forms including forceful removal of foreign entrepreneurs from their business premises, being violently beaten, being shocked with electrical devices, and the use of pepper spray to temporarily impair one's vision, as well as the forced confiscation of stock from entrepreneurs (Kloorem, 2001). The current study found a high number of reports by foreign entrepreneurs that relate to police

harassment due to various reasons related to their lack of permanent residence and business visas.

The most common grievance with regards to police harassment was outlined by foreign entrepreneurs who were constantly harassed by police requesting their I.D. The issue of police harassment by township entrepreneur's is emphasized by the findings of Makhubu (2015) who found that more than 160 foreign nationals were deported to Mozambique in December 2014 due to the fact that they did not have South African permanent residence. The findings of the current study regarding the severity of police harassment and police brutality on foreign entrepreneurs is further exacerbated by the arrest and killing of the late Mido Marcia (may his soul rest in peace), a taxi driver from the East Rand of Johannesburg, who was beaten then tied and dragged behind a moving police van (Makhubu, 2015).

Interestingly, the current study's findings highlight the fact that the rate of police harassment among foreign nationals decreased after they obtained permanent residence documentation. These findings serve to contradict the findings of Hiopoulos (2017) who conducted a study among foreign owned SME's in Pietermaritzburg as he stated that foreign nationals were victims of police brutality regardless of the fact that they had valid South African permanent residence and business visas.

The current study's findings further reflect that the foreign entrepreneurs had to pay bribes to the police in order to avoid getting arrested. The entrepreneurs stated that if they had valid permanent residence documentation they would not feel compelled to pay bribes to the police, thus they paid bribes as a mechanism to avoid imprisonment or deportation. Paying bribes has a negative effect on enterprises because bribes are paid using business profits (Kalilanyi, 2010). These findings are also consistent with findings by Brock (2017) who noted the high levels of corruption by police. He stated that police misconduct and lack of ethics created loopholes in the South Africa's justice system.

Police harassment and imprisonment were found to have a negative effect on the concerned businesses because when the entrepreneurs got arrested they were forced to shut down their businesses for the duration of their prison sentence. It was reported that some policemen tend to do undercover operations whereby they disguise themselves as community members so that they can investigate any wrong doings by the entrepreneurs and they became disappointed when they found nothing. These findings are supported by Kubheka (2017) who found that police operations in Gauteng such as "Operation Fiela" and "Operation

Crackdown” which specifically targeted foreign nationals led to the arrest, deportation and shutting down of businesses of more than 7000 foreign nationals from various parts of Africa.

The results of this study support previous studies done by Hiopoulous (2017) who highlighted some of the reasons for the high rates of police harassment and brutality towards foreign nationals. He stated that the driver for police harassment of foreign nationals can be attributed to the fact that during training, police officers are not equipped with enough theoretical knowledge about dealing with social diversity and avoiding prejudice. In addition, Hopoulous (2017) asserts that the police use the arrest of foreign nationals to gain credibility as crime fighters by increasing the number of arrests.

## **5.8 Coping strategies**

The following section seeks to explore the various forms of resources and responses that are used as part of the entrepreneur’s coping strategies. The various forms of resources and responses that are used as part of the entrepreneur’s coping strategies include psychological resources, social resources as well as specific coping responses. The theoretical underpinnings of these categories are based on Pearlin and Schooler’s (1978) version of the transactional model of stress and coping which strongly advocates for the psychological resources, social resources and specific coping responses as being an essential part of our understanding of the relationship between stress and coping. The entrepreneurs in the study used psychological resource based coping, social resources based coping as well as specific coping responses

### **5.8.1 Constructive coping mechanisms**

Constructive coping can be defined as a form of coping which has a significant impact towards reducing the impacts and consequences of a particular stressor (Billings and Moos, 1981). The current study’s findings reflect that the use of social resources is of fundamental importance towards the entrepreneur’s coping abilities it is important to note that social resources can form as part of both constructive and negative coping (which will be further elaborated upon later in this chapter). Social resources, as a constructive method of coping, was found to be embedded in the entrepreneur’s family members. For example, one of the Mozambican entrepreneurs indicated that the warm presence of his child offered him a sense of comfort and contentment in the midst of stressful situations. In a separate case, a female

South African entrepreneur reported that she received a lot of social support from her nieces who called every now and then to ensure that she is doing fine.

Whereas some of the entrepreneurs stated that their social support stemmed from the words of encouragement that they received from their elders, spouses and friends. These findings are aligned to the findings of Billings and Moos (1981) who conducted a study concerning the relationship between coping responses and social resources when faced with stress. Robenu and Yaniv (2017) further argued that the quality of the support that one receives from their network is also a significant factor in terms of determining how well one copes with life' situations.

Folkman and Lazarus (1988) coined the term problem based coping and defined it as the efforts intended to change a situations by making alterations in the manner in which the person approaches the environment. In addition, Lazarus (1993) defined problem based coping as the process of mobilizing one's resources and gearing them towards coming up with and implementing practical solutions that are aimed at solving a problem that is appraised as stressful. As research on coping developed, the terms problem based coping slowly started to become euphemized to an extent whereby it was synonymously used as engagement coping. (Charles and Smith, 2010, as cited in Dijksha, 2016). Charles and Smith (2010) viewed engagement coping as being a modernized version of problem based coping. Synonymous to problem based coping, Charles and Smith (2010) defined engagement coping as the efforts directed towards managing the stressor as well as attempts to adjust to the demands of the stressor. For the sake of the current study we will use the terms problem based coping and engagement coping interchangeably.

Engagement coping manifested itself in the study through various forms and situational contexts (Djikstra, 2016). For example, in terms of dealing with stress pertaining to bad debts by customers, the entrepreneurs engaged the situation by means of abstaining from giving credit to customers. Engagement coping was further embodied in a context whereby when the entrepreneurs were faced with stress caused by a shortage of funds, some of the entrepreneurs implemented problem based coping by means of digging deep in their pockets by taking money that they had saved in the bank or under their mattress, whereas others engaged the situation by using money from their retirement annuities in order to compensate for missing funds, and others implementing saving strategies to their budget.

The high levels of crime in the townships have made it extremely difficult for the township entrepreneurs to run their business. It is for this reason that the township entrepreneurs resorted to implementing a variety of engagement coping strategies in order to curb and combat the infinite levels of crimes against businesses in the townships. Some of the problem based practical methods that were implemented to combat crime include employing locally based community policing forums at a cost of ten rand per month. They further resorted to upgrading their security by installing burglar bars. These crime prevention strategies serve to embody Charles and Smith's (2010) concept of engagement coping which places emphasis on practical solutions to facing life's stressors. These methods proved to be productive because they reduce the chances of the entrepreneurs becoming victims of crime.

Other forms of productive coping that were found by the current study reflect that some of the township entrepreneurs resorted to spiritual practices as a form of coping with stress. This form of coping was formerly coined as meaning based coping by Park and Folkman (1997). Meaning based coping can be defined as a sacred form of personal significance as well as a spiritual formality for assessing the reasons specific events occur (Park and Folkman, 1993). In their pioneering of meaning as a form of coping, Park and Folkman (1997), placed primary emphasis on systems of hope and faith. More specifically, Folkman (2010) introduced global meaning as a form of coping and he defined it as the underlying predictions, ambitions, values and desires that guide a person's life and actions. Elements of global meaning that manifested in the study include religion and spirituality.

Religion as a form of global meaning was found to exist in the form of Christianity. Some of the entrepreneurs reported that during times of stress, they found serenity and refuge in participating in Christian practices. As a form of meaning based coping, the entrepreneurs resorted to Christian practices as a form of coping. The entrepreneurs reported that they felt inclined to engage in religious activities such as listening to gospel, reading the bible, dedication to the church, as well as fasting. These findings are aligned to the views of Park and Folkman (2007) who found that religion is a fundamental element in determining our perspective and comprehension of the world because it has the capacity to make a person view bad situations in a positive manner. The findings of the study further concur with the findings of Halama (2014) who asserted that religion is not only a significant coping mechanism with regards to overcoming post-traumatic stress, but it can also be a useful coping tool with regards to overcoming immediate stressors whereby it motivates people in a

positive way through situational meaning wherein it demonstrates the ability to mediate the relationship between the individual and their environment (Folkman, 2007).

Halama (2014) further asserted that religion can also serve as a form of positive cognitive dissonance whereby people alter their perceptions that they have towards the situation in order to accommodate their religious beliefs, as opposed to compromising their religious beliefs in order to adjust to their situations. Moreover, Folkman (2010) asserted that religion as a form of social support, especially when one is religiously affiliated and has a large network of fellow religious congregants that they can turn to for social support during time of stress.

Another form of global meaning that was uncovered by the study includes ancestral worship. Some of the township entrepreneurs expressed a very strong belief in the power of their ancestors because they affectionately perceived their ancestors as their gods. Some of the entrepreneurs reported that they received spiritual revelations through dreams which informed them when it was time to perform rituals such as slaughtering a goat in order to honour their ancestors. Some of the township entrepreneurs were born into families that were spearheaded by traditional healers, hence they have become accustomed to placing all their trust in their spiritual belief systems. It is important to note that the entrepreneurs relied on various aspects of ancestral worship to help them face tough times as well as to give them the confidence and courage to face difficult times. These findings are aligned to the findings made by Folkman (2010). The ancestral worship process serves as a compass that guides the believers life through situational meaning in a sense that when things are going well it means that their ancestors are delighted by their actions, whereas when things are going bad it means that they wronged the ancestors and they need to apologize through a ritual ceremony (Zulu, 2002). For some entrepreneurs, ancestral worship was seen to be a daily practice whereas for other entrepreneurs it was seen as a rare ceremonial event that was practiced during tough times in order to ask for the mercy as well as during good times to thank the ancestors for the blessings. These findings are consistent with Folkman's study which found that global meaning has an influence on the individual's history, current situation as well as their aspirations for the future. Furthermore, these findings are aligned to the views of Folkman (2010) who concluded that global meaning can be divided into two components which include the individual's perception of existing norms, as well as their perspective towards good and bad situations. The second perspective on global meaning involves one's dreams and personal reflections of their reasons for existence. In this context, ancestral worship is

applicable to both perspectives of global meaning. These findings further coincide with the findings of Parker and Folkman (2007) who stated that situational meaning can be divided into 3 main categories including: the appraisal of meaning, finding meaning, as well as the meaning that individuals apply after an event has occurred.

The current study also found that there are various methods involved with regards to ancestral worship. While some entrepreneurs held ceremonies in which they slaughtered animals as a form of sacrifice to their ancestors, other entrepreneurs reported that they use a brown powder called “snuif” (tobacco snuff) which is inhaled through the nostrils and subsequently poured on to the ground as the individual summons upon his/her ancestors using clan names. Moreover, while some of the entrepreneurs approached ancestral practice as a personal ritual that they practiced in their own personal space. Other entrepreneurs indicated a preference for the presence of traditional healers in their quest for spiritual healing.

Essentially, the current study found that entrepreneurs from different cultural backgrounds and different countries all engaged in ancestral worship, the only difference being the methods of worship that they use. The findings of the current study serve to confirm the views of S Petersen (2014) who found that ancestral worship is a multicultural and global practice because people from different ethnicities were found to be firm believers of this phenomenon. This common pattern of findings exemplifies Park and Folkman’s (1997) concept of shared global meaning because ancestral worship can be classified as being an intangible source of hope that provides meaning which extends beyond geographical borders.

However, the findings of the current study serve to contradict Steadman’s (1996) findings whereby it was found that about 50% of South Africans engaged in ancestral worship. These findings are contradicted by the current study because out of the total sample of 20 township entrepreneurs of African/black descending, only three of the entrepreneurs admitted that they engaged in ancestral worship. The current study also serves to contradict the findings of Natrass (2016) who concluded that people who practice ancestral worship are generally older females that are less educated who believe in efficiency of witchcraft. The above findings are nullified by the current study because all of the entrepreneurs who expressed a belief in ancestral worship and the efficiency of witchcraft were male entrepreneurs.

It has been made apparent by the current study that the township entrepreneurs find solace and comfort in the melodies of various music genres including R & B, Gospel and Xitsonga music. Listening to music can be regarded as a form of accommodation coping because the

lyrics of the music can play an important role in helping the entrepreneurs accept or come to terms with circumstances that are beyond their control. Accommodation coping can be defined as behaviours such as acceptance, psychological readjustment and scaling one's goals in the face of inconceivable interference and self-destruction (Folkman and Lazarus, 1980). Accommodation can also refer to how new information can cause one to alter the manner in which they approach a situation (Skinner and Edge, 2003). The township entrepreneurs applied accommodation coping in the form of listening to music.

Music can also be seen as having the capacity to create the platform for global meaning, especially when one is listening to religious music. Moreover, in some cases the music can contain subliminal messages that are related to the solutions that people can use to deal with their situations (Alagha, 2017). From this perspective, music can further be regarded as a form of accommodation coping because it can provide new information that can cause a perceptual shift in term of how a person approaches their situation (Skinner and Edge, 2003). Other forms of accommodation coping that were found to be implemented in the study include self-introspection as well as good self-talk which led to attitude adjustments such as calmness and more positive reactions to situations.

### **5.8.2 Destructive\Negative coping**

Negative coping can be viewed as a counterproductive destructive form of coping which does not offer sustainable solutions for coping with stress. For example, the current study found that there are some specific coping responses which are problem focused, which in the long run have some detrimental effects on the entrepreneur and their business (Pearlin and Schooler, 1978). The current study found that there are some counterproductive problem based coping strategies that are used by township entrepreneurs to deal with financial mishaps, some of which include borrowing money. This was found to be a counterproductive coping strategy because it traps the entrepreneur in the continuous cycle of debt especially considering that they have to pay additional interest on the loans that they obtain.

While Pearlin and Schooler (1978) asserted that social support is a positive way of coping with stress, the current study found that social support can also be a negative form of coping with stress. Social support as a negative form of coping manifested itself in the current study when the entrepreneurs stated that they found solace in their friend's stories of misery because it made them feel better about their circumstances when they compared them to the circumstances described by their friends. This is a method known as social comparison theory

(Bruce, 2005). Social comparison theory can be defined as the process of comparing one's circumstances to other people's circumstances as a form of self-evaluation. Social comparison theory can exist in two forms namely upwards comparison and downwards comparison. Downwards comparison exists when the individual compares themselves to someone who is perceived to be inferior to the entrepreneur in order to make them feel superior. Whereas, upward comparison occurs when the individual compares themselves to someone whom they perceive to be superior (Bruce, 2005). In this context the entrepreneurs indicated a preference for downward comparison during times of stress. This kind of coping can be counterproductive because the entrepreneur may compare themselves to people of a low standard of which may give them false sense of contentment because they may have different standards and circumstances when compared to the individual that they choose to measure themselves against.

In addition, the dependence on social support in coping, may have adverse effects when one the social support is not readily available at all times (Bruce, 2005). Some of the township entrepreneurs reported that they had not previously received any form of social support from their affiliates because they did not feel the need to burden their loved ones. These findings can be also be found in the conclusions made by Billings and Moss who stated that the decision to draw upon social resources as a form of coping is largely dependent on the context of the stressor in terms of whether or not the potential sources of social support were in the person's good books at that point in time as well as the extent to which the networks were easily accessible.

Another destructive coping method that was found to be implemented by the township entrepreneurs is avoidance. Avoidance can be defined as the act of rejection or denial of a certain stressor, so as to distance oneself from the problem/situation (Endler and Parker, 1990). Destructive avoidance coping strategies that were used by the township entrepreneurs were found to include substance abuse (Skinner and Edge, 2003). During times of stress, the entrepreneurs reported that they indulged in various substances including narcotics such as cigarettes, weed and sleeping pills. The use of such substances can be classified as avoidance because their euphoria gives the entrepreneur temporary mental and emotional escape from their source of stress (Folkman and Lazarus, 1980). These findings are also consistent with findings of Mukhtar (2014) who conducted a study pertaining to stress and coping mechanisms amongst high school learners in Asia. In agreement with the current study, Mukhtar (2014) found that there are various reasons which cause people resort to drugs and

narcotics, these reasons include attempts to distance oneself from stress induced emotions such as sadness.

Other forms of avoidance strategies were found to include alcohol consumption (Folkman and Lazarus, 1980). The entrepreneurs stated that they resorted to alcohol consumption as a form of coping because it was useful in helping them to avoid and forget about their problems. The use of alcohol as an avoidance strategy was found to be a futile exercise by Chiong (2008) who, in accordance with the current study, found that the use of alcohol as a coping mechanism merely offered temporary escape from one's problems, but once sober, the individual's problems would come back to haunt them. Moreover, alcohol consumption was found to be a counter-productive coping strategy because it may have a negative impact on the individual's financial wellbeing and it also increases the risk that the individual may engage in risk and stress inducing behaviours such as condom-less sex and violent actions.

Substance abuse can be defined as the high dependence on stimulants and depressants without any medical prescription (where necessary) (Chiong, 2008). Yousef (2015) conducted a study in Iran in order to compare the attitudes and coping mechanisms of people who depend on substances. His study concluded that people who use substances as a coping mechanism do so in order to alter the state of their consciousness, avoid a stressor and to temporarily escape reality which causes stress (Yousef, 2015).

## **CHAPTER SIX**

### **CONCLUSIONS, LIMITATIONS AND RECOMMENDATIONS**

#### **6.1 Introduction**

The aim of this chapter is to highlight the conclusions that were reached by the current study based on the discussion and findings. Thereafter, the limitations and obstacles that were encountered during the study are addressed. Lastly, recommendations for government and township economy stakeholders are highlighted as well as future researcher questions in need of exploration.

#### **6.2 Conclusions of the study**

The aim of this study was to explore the various psycho-social dynamics of the township entrepreneurs and the township economy. The psycho-social dynamics which the study sought to explore include the causes of stress among township entrepreneurs, as well as some of the coping strategies implemented when they are confronted with stressful situations. A total of 20 participants whom were township enterprise owners offering a variety of goods and services, whereby 16 of them were males and four of them were females. All of the participants defined themselves as being black. Most of the participants were foreign nationals from Mozambique, Malawi, Ghana, and Swaziland and fewer were South Africans.

Some of the key findings made in the study include the fact that most of the township enterprises are owned by foreign nationals, who mostly originate from Mozambique. The distinction between foreign owned businesses and locally owned businesses can be made based on the fact that the causes of stress amongst the two groups differ on some aspects. These aspects include the fact that most of the foreign business owners are stressed by factors such as xenophobia and police harassment due to illegal citizenship. It was also found that some of the foreign business owners could not maximize their business's potential due to the bureaucratic limitations of not having legal citizenship, whereas some of the South African business owners are stressed by factors relating to competition caused by the high influx of foreign nationals. The common causes of stress amongst the two groups include complaints about the high levels of criminal activities in the area which is mostly attributed to nyaope users. In addition, both sets of entrepreneurs complained about having poor access to finance from formal institutions. Moreover, both foreign and local entrepreneurs were stressed by factors relating to insufficient operating space which subsequently caused land disputes between them and their competitors.

In terms of coping, the key findings of the study suggest that the township economy is a very spiritually driven industry whereby the entrepreneurs consult various religious bodies in order to cope with stressful situations. While some of the township entrepreneurs were found to be Christians, other entrepreneurs found refuge in resorting to Christian principles during times of stress. The study also uncovered some problem based coping strategies that were implemented in order to prevent crime, these include installing burglar bars as well as paying community policing forums in order for them to patrol the streets at night as a way of ensuring safety. Lastly, the study also found that some of the entrepreneurs are largely dependent on counterproductive forms of coping such as the consumption of substances when they are confronted with stressful situations.

It is also important to note that most of the foreign nationals did not have permanent South African residency and business visas. Therefore, they were operating illegally. Most of the participants had not completed schooling beyond Grade 10, one of the participants had Grade 12 as their highest completed grade, whereas a few participants had obtained a qualification. The participants were aged between 24 and 59 years of age.

### **6.3 Limitations of the study**

Some of the limitations of the study include the fact that the study was done using qualitative methods which presents some challenges of its own. For example, the qualitative nature of the study makes it difficult for one to generalize the findings into the wider community of township entrepreneurs. Moreover, the inevitable presence of the researcher may serve to affect the participant's responses in a sense that they may have, in some cases, altered their responses in order to avoid embarrassment. Additionally, ensuring the presence of the researcher in every interview has proven to be an expensive task due to travelling and food expenses. Another limitation of the qualitative method is that a lot of data is gathered of which may cause the data analysis and interpretation process to be time consuming and strenuous.

In addition, the study implemented snowball sampling as a method of gathering the research participants. This may be the reason that the study largely consisted of foreign nationals, however, it is important that a bigger quantitative study is done in order to gather statistical information regarding the number of foreign owned and South African owned businesses in the township because a qualitative study cannot singlehandedly determine the extent to which township enterprises are foreign owned. Moreover, snowball sampling presented challenges due to the process of obtaining a gatekeeper's letter, because the township economy is an unregulated space, thus locating gatekeepers was found to be a daunting task.

The current study encountered various challenges throughout its duration. The first challenge was obtaining a gatekeeper's letter from the powers that be. However, the study addressed this challenge by approaching the district municipality office as opposed to asking permission From Small Enterprise Development Agency (SEDA). Additional challenges to the study include the fact that the township entrepreneurs lacked trust in the researcher because they were paranoid and suspected that the study is an undercover operation that seeks to report and arrest them for operating their businesses without registering them. The researcher overcame this challenge by showing them a student card as well as an informed consent form (appendix

3) which secures their right to privacy. As a result, some of the potential participants accepted the invitation to participate whereas others declined to participate. Other challenges included potential participants who would happily agree to participate in the study, and set an appointment for the interviews. However, when the day of the appointment arrived, they would switch off their phones or express that they are no longer interested in participating. This challenge was overcome by means of implementing snowball sampling in order to obtain alternative participants.

Additional challenges included the fact that most of the township entrepreneurs were foreign nationals and therefore had a very limited understanding of English. Therefore, there was a communication barrier between the language of the interview schedule and the preferred language of the foreign township entrepreneurs. This situation forced the researcher to communicate in foreign entrepreneur's language of choice (XiTsonga). The interviews were later translated and transcribed into English. A further challenge that was faced by the study also included the fact that the interviewer had to constantly pause the interviews so that the entrepreneurs could serve their customers. The best way to overcome this challenge was to exercise patience.

Lastly, one of the biggest challenges which was encountered by the current study is the lack of safety in the township of Tembisa. The crime rates of Tembisa are extremely high and the researcher was constantly at risk of getting mugged especially considering that the researcher does not live in Tembisa. This gives the criminals enough reason to rob the researcher. In addition, the researcher received various warnings from the research participants who encouraged vigilantism with regards to crime. This challenge was overcome by means of dressing, acting and walking in such a manner that would make it hard for the criminals to notice that the researcher was not from Tembisa. Although this did not eliminate the risks of getting robbed, it reduced the risks. In addition, the researcher ensured that the interviews did not extend beyond 6h00 pm in order to ensure that he has left the township before dark, which is the time in which most crimes occur.

#### **6.4 Recommendations**

The following section aims to explore some of the recommendations given by the township entrepreneurs in terms of how township entrepreneurship can be made to be easier for both foreign entrepreneurs and South African entrepreneurs, as well as the recommendations made by the current study. The themes that fall under recommendations include recommendations

for entrepreneurs as well as recommendations for government and other stakeholders. The themes will be explored in comparison to the findings made by other researchers.

#### **6.4.1.1 Recommendations by the entrepreneurs**

The entrepreneurs made some recommendations for aspiring entrepreneurs, start-up entrepreneurs as well as established entrepreneurs in terms of how they could improve their businesses. They mostly recommended attitudinal adjustments for the entrepreneurs including commitment, discipline and humility. It was also recommended that the entrepreneurs must express confidence in their business regardless of what other people had to say. The practice of **ubuntu** in business was highly recommended with regards to dealing with customers because of the view that respect goes a long way. Staying loyal to one's customers was also highly recommended. These findings are in line with the findings of Listra (2015) who emphasized the huge role played by customer care behaviour in terms of increasing sales and gaining competitive advantage. Other entrepreneurs recommended networking and better communication through meetings amongst township entrepreneurs.

Seeking **mentorship** from successful entrepreneurs was also seen as being beneficial for businesses. In addition, the entrepreneurs suggested that the key to a successful business was choosing a good business location. Moreover, doing background checks was highly recommended for aspiring entrepreneurs in order to gather in depth knowledge about the product that they want to sell as well as the market to which they wish to sell their products to. One of the key recommendations that were made is that the entrepreneurs must choose the products that they want to sell very wisely based on research. Even after establishing themselves, it was important for entrepreneurs to keep gathering and sourcing information so as to constantly stay up to date with market demands and other factors relating to their business. Such findings are aligned to the views of Stucke (2013) who stated that market research was an important tool with regards to surviving tough economic times as well as getting better perspective on how to run a business.

In terms of start-up capital, the entrepreneurs were advised to **start small** and not invest too much in the business. Social advice for entrepreneurs included the recommendation that they must stay away from miscellaneous women, alcohol and drugs in order for them to stay focused on their business. The aspiring entrepreneurs were also advised to refrain from starting their business out of desperation. The simplest yet profound rule of business was that entrepreneurs must mind their own businesses, both literally and figuratively, in order to

avoid conflict. Such findings serve to contradict the findings of the Gauteng township economy revitalization document (2014) which emphasizes that people should be encouraged to engage in entrepreneurial activities especially in cases when they were unable to find employment.

#### **6.4.1.2 Recommendations for government and stakeholders**

The key recommendation for government and stakeholders was that they must give the entrepreneurs better **access to finance**. The entrepreneurs indicated that it would be a great initiative if government and stakeholders made provision for loans whereby businesses go through audits in order to verify how much they make per month so as to check how much money can be given to them as a loan. Furthermore government and stakeholders were urged to do follow ups in order to ensure that the entrepreneurs are using the money correctly. These findings serve to confirm the views of Charman (2017) who stated that the best option for funding SME's was to launch a state owned SME bank that caters for the specific needs of SME's located in townships.

Government and stakeholders to **manage social ills** in the communities. One of the most explicit and dangerous recommendations which came out of the current study was the suggestion that government and stakeholders must find a way to get rid of Somali traders in order to minimize the amount of competition among township enterprises. These findings serve to contradict the findings of Solomon (2008) who suggested a policy adjustment to help incorporate foreign nationals into the South African economy for greater unity.

In addition, providing rehabilitation from drugs for the youth was also seen as useful solution to combat the social ills in the community including drug abuse and crime. The introduction of mentorship programs was also highly recommended. These findings are consistent with the findings of Cousins (2006) who conducted a study in Northern Ireland and found that the lack of parental mentors was a contributing factor towards drug use amongst the young people of Northern Ireland.

In order to reduce conflicts regarding land and space, it was suggested that stakeholders must create a **licensing and permit policy** with regards to who occupies which piece of land. Such findings are aligned to the views of Fakir (2018) who suggested that vacant land in the township must no longer be allocated to the building of malls and mainstream corporate businesses, but should rather be given to township entrepreneurs as a solution to the constant

land disputes happening amongst township entrepreneurs and as a way of empowering local businesses.

**Training** workshops and seminars on how to run businesses and gain access to finance were also highly recommended. Government was also strongly urged to rid themselves of corruption and bring themselves closer to small businesses through research initiatives (similar to the current study) in order to develop a better and more specific understanding of the township entrepreneurs. Such recommendations are aligned to the Gauteng township economy revitalization strategy (2014) which drew aspirations towards investing more in research and development of the township economy, while implementing security measures to ensure that the funds reach the intended recipients. It was also recommended that when giving out tenders or jobs, the government must place specific focus and priority on people of the township.

Further suggestions included that new policies should be developed so as to include entrepreneurship as a subject in the primary and **high school curriculum** (Cousins, 2006). This was expected to be helpful in terms of giving kids early exposure to entrepreneurship so that by the time they completed school they would be equipped with the necessary skills for entrepreneurship (Choate, 2015). Shelter and safer premises were at the top of the recommendations list. Other innovative recommendations included the use of government sponsored vouchers that could be used by the township entrepreneurs to buy stock if they did not have enough funds.

**Tailored support** by Government was suggested to help township entrepreneurs with regards to their specific needs as opposed to operating based on general assumptions. Community members were also urged to work closely with policemen in order to defeat crime. There were also calls for the government to create more employment in order to reduce the large influx of people desperately getting into entrepreneurship, this would also be useful in terms of decreasing competition among township businesses.

**Religion** and in particular the church was recommended as a place of engagement and encouragement for entrepreneurs. There was also a suggestion that entrepreneurs must be given uniforms order to maximize their visibility (Hadebe, 2010). Overall some of these recommendations are in line with the government's goals and objectives that were stipulated in the Gauteng township economy revitalization strategy (2014).

In conclusion, the above section has explored some of the recommendations that were made by the township entrepreneurs in terms of what can be done to make township entrepreneurship easier for the current township entrepreneurs as well as the future township entrepreneurs. The recommendations which were explored in the above section include recommendations for fellow and upcoming entrepreneurs, as well as recommendations for government and other stakeholders. The recommendations were explored based on the reports made by the township entrepreneurs while they were also compared to previous studies that were done.

#### **6.4.2 Recommendations of the study**

The current study shows that illegal foreign nationals own a large majority of township businesses. Consequently, there are also differences in the causes of stress among foreign enterprises and South African entrepreneurs. This calls for future researchers to probe into the internal dynamics of foreign-owned township businesses with specific focus on the main reasons foreign nationals are unable to obtain permanent residency in order to provide intervention strategies which will regulate the process of obtaining permanent residency and business visas, as well as ensuring that all foreign nationals enter the country legally. The latter is crucial so that both foreign entrepreneurs and South African entrepreneurs are incorporated into the formalized economy so that they become liable to paying taxes thus promoting the economic development of South Africa.

The current study found very serious concerns about the township entrepreneurs having insufficient operating space and not having enough land. This has proven to be a stressful factor because it limits the growth and development of township entrepreneurs because they are unable to accept large orders or store their stock within their business facilities. This calls for the inclusion, involvement and consideration of the township economy in the land debate. It seems that the growing number of shopping malls in the township economy in which many shops that are owned by multinational corporates, impact on the feasibility of township-based enterprises in terms of land, space and other issues. The potential contribution that township entrepreneurs can play in the growth and development of the township economy is still in its infancy.

One of the biggest potential causes of stress among township enterprises was the lack of infrastructure in general and the lack of shelter specifically. The township entrepreneurs complained that during bad weather they were forced to close their businesses or move it

elsewhere, of which ultimately results in the loss of customers and the loss of profit. This calls for government and other stakeholders to intervene by providing infrastructure such as shelter which can be locked so that the township entrepreneurs feel safe and protected from the bad weather and criminals. Infrastructure can also be provided in the form of roads and pavements so that suppliers and customers do not have to be concerned about driving in dusty roads.

The biggest concern and potential source of stress in the township economy is the poor access to finance from banks and formal institutions. It is for this reason that most of the informal enterprises have resorted to the use of informal sources of capital such as borrowing money from family members as well as selling of personal belongings. The problem of having poor access to finance has proven to be global concern as evidenced in studies done by Amoako-Adu (2018) and Kitamura (2015). As a result, the current study strongly recommends the introduction of a SME bank which will be tailored to specifically cater for the needs of SMEs. The bank will be responsible for auditing and regulating the finances of the township enterprises while also ensuring that they spend the money in areas where it is meant to be spent.

Lastly, the crime rate in the township was found to be problematic and disturbing for township enterprises, especially those who had recently started their businesses. The entrepreneurs complained that crime in the form of theft and robberies has a negative effect on the amount of profit they make and it also threatens the safety of customers who are afraid of coming to the crime ridden areas in which the businesses are located. They stated that their main source of protection is the community police forum which is made up of armed community members who patrol the streets at night. This calls for the co-operation of the South African Police Service with the community policing forum through provision of training, resources as well as special uniforms in order to maximise their visibility so as to evoke fear when the criminals come across these community police members.

The value of the current study is embedded in its capacity to expose some of the deep challenges that are faced by both foreign and local business owners. These findings can be used as a point of reference for government and stakeholders who seek to transform and formalize the informal economy of townships. The value of the current study is also embedded in the fact that studies that develop and enhance a solid psychological perspective of the township economy are extremely rare; this is because there are not enough studies that

give primary attention towards the township economy, regardless of its potential. Thus, this study will serve as a gateway and a point of reference for future researchers who seek to explore and analyse the dynamics of the township economy as a way of promoting its growth and development. Moreover, it can be used as a point of reference for researchers who seek to implement a feasibility study in order to assess whether the successful informal economy frameworks implemented in other countries will be feasible if implemented in South Africa.

## **List of References**

- Ackah, J., & Vavor, S. (2011). *The challenges faced by SMEs in obtaining credit in Ghana*. Retrieved on November, 2018, from <https://www.diva-portal.org/smash/get/diva2:829684/FULLTEXT01.pdf>.
- Addison, J.T. (1924). *Ancestor worship in Africa*. *The Harvard Theological Review*, 17(2), 155-171.
- Ahmad, A. (2016). The effect of role overload on employee anxiety and organization citizenship behavior. *Journal of Management Sciences*, 10(1), 46-54.
- Ahmad, S.Z., Salim, F.A. (2009). Sources of stress and coping mechanisms for Malaysian entrepreneurs. *African Journal of Business Management*. 3(6), 311-316.
- Ajagbe, F.A. (2012). Inflation and small and medium enterprises in Ogbomoto area, Oyo state, Nigeria. *Journal of Economics and Sustainable Development*, 3(8), 2222-2855.
- Alange, S. (1988). *What motivates people to start their own businesses*. Helsinki School of Economics. Retrieved November, 2018, from <http://publications.lib.chalmers.se/records/fulltext/175806/local-175806>.
- Alagha, J., & Ipradjion. (2017). The effects of different types of music on stress levels. *Global Journal of Human Sciences, Art and Humanities Psychology*, 17(5), 1-5.
- Alange, S., Miettinen, A., & Scheinberg, S. (1988). *What motivates people to start their own business: A nomalic perspective*. Presentation of the ISBC 1988 conference in Helsinki. Retrieved on November, 2018, from [publications.lib.chalmers.se/records/fulltext/175806/local\\_175806.pdf](http://publications.lib.chalmers.se/records/fulltext/175806/local_175806.pdf).
- Alhojailan, M.I. (2012). Thematic analysis: A critical review of its process and evaluation. *West East Journal of Social Sciences*, 1(1), 39-46.
- Alo, F., & Castelier, S. (2017). Africa's informal economies. *The Journal of Good Governance Africa*, 43(1), 1-116.
- Amiri, S.N., & Marimael, M.R (2012). Concept of entrepreneurship and entrepreneurs traits and characteristics. *Scholarly Journal of Business Administration*, 2(7), 150-155.

- Amirkhan, J.H. (1990). A factor analytically derived measure of coping: The coping strategy indicator. *Journal of personality and social psychology*, 59(5), 1066-1074.
- Amoako-Adu, B. (2018). SME financing in Africa: Collateral lending vs cash flow lending. *International Journal of Economics and Finance*, 10(6), 151-158.
- Anismen, H., & Merali, Z. (2002). Cytokines, stress and depressive illness. *Brain and Behavior and Immunity*, 16(1), 513-524.
- Aren, A.O.M., & Sibanda, A.B. (2014). Cash flow management practices: An empirical study of small businesses operating in the South African retail sector. *Financial Markets and Institutions*, 4(2), 1-8.
- Asoba, N.A., & Tengeh, R.K. (2016). Analysis of start-up challenges of immigrant owned businesses in selected craft markets in Cape Town. *Business Perspectives*, 7(2), 97-105.
- Atarovic, A., Reppen, M., & Soner, M. (2017). Optimal consumption and investment with fixed and proportional consumption and investment with fixed and proportional transaction costs. *Society of Industrial and Applied Mathematics*, 55(3), 1673-1710.
- Aterido, R., Hallward-Driemeier, M., & Pages, C. (2007). Investment climate and employment growth: The impact of access to finance, corruption and regulations across firms. *IZA Discussion*, 3138, 1-16.
- Atson, N. (2016). Failure experiences of entrepreneurs: causes and learning outcomes. *Procodia Social and Behavioral Sciences*, 235(16), 435-442.
- Baffou, G. (2015). *In quest of sustainable models of street trading and management: Lessons from Johannesburg after operation clean sweep*. Other thesis. Johannesburg University of Witwatersrand.
- Bakhas, G.H. (2009). *Improving SME access to finance in the North West Province of South Africa*. Retrieved on November, 2018, from: [https://repository.nwu.ac.za/bitstream/handle/10394/Bakhas\\_imraan.pdf/sequence=1](https://repository.nwu.ac.za/bitstream/handle/10394/Bakhas_imraan.pdf/sequence=1)
- Bakusic, J., & Schustel, W. (2017). Stress, burnout and depression: A systematic review on DNA methylation mechanism. *Journal of Psychosomatic Research*, 92(1), 34-44.

- Baqutayan, S.M.S. (2015). Stress and coping mechanisms: A historical overview. *Mediterranean Journal of Social Sciences*, 6(2), 479-489.
- Beauregard, T., Alexandra, T., & Lesley, C. (2009). Making the link between work-life balance practice and organizational performance. *Human Resource Management Review*, 19(1), 9-22.
- Beckman, T.L. (2005). *Locus of control: To lead or be lead*. Master's thesis. Pretoria: University of Pretoria.
- Bernard, L., Nyota, E., & Rajkaran, S. (2018). Factors impeding African immigrant entrepreneurs' progression in selected small and medium enterprises. Evidence from a local municipality in South Africa. *South African Journal of Business Management*, 49(1), 1-27.
- Bille, M., & Yufary, G. (2013). *Entrepreneurship in a global context: case studies from start-ups in China, Lebanon and Sweden*. Master's thesis. China: Jonkoping University.
- Billings, A.G., Moos, R.H. (1981). The role of coping responses and social resources in attending to the stress of life events. *Journal of behavioural medicine*, 4(2), 139-159.
- Bond, P. (2000). Cities of gold, township of coal: essays on South Africa's new urban crisis. *UKZN Centre for Civil Society*, 1, 1-391.
- Boubala, H.G.O. (2010). *Risk management of SMME's*. Retrieved on November, 2018, from [.etd.cput.ac.za/bitstream/handle/20.500.11838/1723/risk%20management%20of%20SMME's.pdf?sequence.1&isAllowed=y](http://etd.cput.ac.za/bitstream/handle/20.500.11838/1723/risk%20management%20of%20SMME's.pdf?sequence.1&isAllowed=y).
- Braude, W. (2005). South Africa: Bringing informal workers into the regulated sphere, overcoming apartheid's legacy. *Economic Policy Institute*, 11, 1-14.
- Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology*, 3(2), 77-101.
- Brijlal, P., Enow, S., & Isaacs, B.H. (2014). The use of financial management practices by small, medium and micro-enterprises? A perspective from South Africa. *Industry and Higher Education*, 28(5), 341-350.
- Brock, J. (2017). *In S.A, Immigrant feeds corrupt officials and race hate*. Retrieved on February, 2019, from <https://reuters.com/investigates/special-report/safrica-migrants-corruption/>

- Bruce, E. (2005). Coping with stress: Implications for preventive interventions with adolescents. *The Prevention Researcher*, 12(3), 17-19.
- Buttner, H. (1992). Entrepreneurial stress: Is it hazardous to your health. *Journal of Management Issues*, 4(2), 223-240.
- Cant, M., & Wiid, J.A. (2013). Establishing the challenges affecting South African SMEs. *International Business and Economics Research Journal*, 12(6), 707-716.
- Capella, M., & Adan, A. (2017). *The age of the onset of substance use is related to the coping strategies to deal with treatment in men with substance abuse disorder*. Other thesis. Barcelona: University of Barcelona.
- Carr, M., & Chen, M.A. (2002). Globalization, Social exclusion and work: With special reference to informal employment and gender. *Special Issue on More Equitable Globalization*, 143(2), 1-9.
- Carr, L.T. (1994). The strengths and weaknesses of quantitative and qualitative research: what method for nursing. *Journal of Advanced Nursing*, 20, 716-721.
- Cassim, S. (2014). Entrepreneurship policy in South Africa. *Arabian Journal of Business and Management Review*, 3(9), 1-22.
- Charman, A. (2017). Micro-enterprise predicament in township economic development: Evidence from Ivory Park and Tembisa. *South African Journal of Economic and Management Sciences*, 20, 1-14.
- Charles, H., Mathews, D.H., & Mark, T.S. (2012). *Chapter 2 family business: A global perspective from the panel study of entrepreneurial dynamics and global entrepreneurship monitor*. Master's thesis. Ohio: University of Cincinnati.
- Charman, A. (2012). *From local survivalism to foreign entrepreneurship: The transformation of the spaza sector in Delft Cape town*. Other thesis. University of Western Cape.
- Chen, X., & Koebel, B.M. (2013). *Fixed cost, variable cost, mark ups and returns to scale*. Retrieved on November, 2018, from [www.beta.umn.edu/productions/publication/2013-13.pdf](http://www.beta.umn.edu/productions/publication/2013-13.pdf).

- Cheung, T., & Wong, S.Y. (2016). Depression, anxiety and symptoms of stress among Baccalaureate nursing students in Hong Kong: A cross sectional study. *International Journal of Environmental Research and Public Health*, 13(1), 1-25.
- Chimucheka, T. (2015). Challenges faced by Small, medium and micro-enterprises in the Nkonkobe Municipality. *International Business and Economics Research Journal*, 14(2), 309-316.
- Chimucheka, T. (2012). *Obstacles to accessing finance by small business operators in the buffalo city metropolitan municipality*. Retrieved on November, 2018, from <https://econrsa.org/system/files/workshop/papers/2012/chimucheka-accessing-finance-paper.pdf>.
- Choate, P.W. (2015). Adolescent alcoholism and drug addiction: The experience of parents. *Journal of Behavioral Sciences*, 5(1), 461-476.
- Chiles, W.D.C. (1957). Psychological stress as a theoretical concept. *Aero Medical Laboratory*, 7193 (1), 57-457.
- Chiong, A.S. (2008). *Evidence of harm perception, peer use and tolerance for peer use as mediators between coping style and substance abuse among adolescents*. Master's thesis. New Jersey: The state university of New Jersey.
- Cilliers, J.O. (2018). High inventory levels: The raison d'être of township retailers. *South African Journal of Economic and Management Sciences*, 21(1), 1-5.
- Crush, J., & Pendleton, W. (2004). *Regionalizing xenophobia? Citizen attitudes to immigration and refugee policy in Southern Africa*. Retrieved November, 2018, from <https://www.researchgate.net/publication/242136575>.
- Cornell, M.R. (2014). Factors influencing the likelihood of using religion as a coping mechanism in response to life event stressors. Retrieved on February, 2019, from [http://digitalcommons.csbsju.edu/honors\\_thesis/84](http://digitalcommons.csbsju.edu/honors_thesis/84)
- Colin, C., Nadin, W.S., & Rodgers, P. (2012). Evaluating competency theories of informal entrepreneurship: Some lessons from Ukraine. *International Journal of Entrepreneurial Behavior and Research*, 18(5), 528-543.

- Conrod, P.J., Stewart, S.H. & Phil, R.O. (2000). Efficacy of brief coping skills interventions that match different personality profiles of female substance abusers. *Psychology of Addictive Behaviors*, 14(3), 231-242.
- Cordon, S.M., & Patel, P.C. (2015). Is stress worth it? Stress related health and wealth trade-offs for entrepreneurs. *Applied psychology an international review*, 64(2), 379-420.
- Cousins, W. (2006). Drug abuse and parenting: The impact of young children in the social care system in Northern Ireland. *Irish Journal of Applied Social Sciences*, 7(1), 95-108.
- Creswell, J.W., & Creswell, J.D. (2017). *Research design: qualitative, quantitative and mixed methods approaches*. New York: Sage Publications. 1, 1-81.
- Covarrubias, J.J. (2017). *Stress and music on student's mental health: Evaluating music as a coping strategy for stress*. Master's thesis. Arizona: Arizona State University.
- De Kok, J., & Van Elk, K. (2014). Enterprise formalization: fact or fiction. *International Labor Organization*, 1, 1-38.
- Demers, J. (2015). *50 reasons to start your own business*. Retrieved on November, 2018, from <https://www.entrepreneur.com/article243145>.
- Dhludhlu, S., & Lomobad, A. (2017). Challenges of statutory social workers in linking foster care services with socio-economic development programs. *Social Work*, 53(2), 165-187.
- Dijkstra, T., Homan, A.C. (2016). Engaging rather than disengaging from stress: effective coping and perceived control. *Frontiers in psychology*, 7(1413), 1-55.
- Dolland, M., & Christian, D. (2003). Unique aspects in human service work. *Australian Psychologist*. Retrieved in November, 2018, from <https://www.researchgate.net/publication/264727306>
- Drnovsek, M., Örtqvist, D., & Wincent, J. (2010). The effectiveness of coping strategies used by entrepreneurs and their impact on personal well-being and venture performance. *Zb.rad.ekon.fok.rij*, 28, 193-220.
- Dumas, C. (2008). *Effective inventory management in small to medium enterprises*. Retrieved on November, 2018, from [https://dspace.nwu.ac.za/bitstream/handle/10394/2603/dumas-charl\\_2009.pdf?sequence=1](https://dspace.nwu.ac.za/bitstream/handle/10394/2603/dumas-charl_2009.pdf?sequence=1).

- Dulock, H.L. (1993). Research design: descriptive research. *Journal of Pediatric Oncology Nursing, 10*(4), 154-157.
- Edelman, L., & Manolova, T. (2010). The impact of family support on young entrepreneur's start up activities. *Journal of Business Century, 31*(2016), 428-448.
- Elnaga, A., & Imran, A. (2013). The effect of training on employee performance. *European Journal of Business and Management, 5*(4), 137-147.
- Endler, S., Parker, J.D.A. (1990). Multidimensional assessment of coping: A critical evaluation. *Journal of Personality and Social Psychology, 58* (5), 844-854.
- Falkner, E.M. (2015). *Risk management in SMEs: a systematic review of available evidence. The Journal of Risk Finance*. Retrieved on November, 2018, from <https://www.researchgate.net/publications/271444609>.
- Fakir, E., & Mpangane, T. (2018). *Hunger for urban land and township development central to expropriation debate*. Retrieved on November, 2018, from <https://www.news24.com/columnists/Guestcolumn/hunger-for-urban-land-and-township-development-central-to-expropriation-debate-20180323>.
- Fatoki, O. (2014). Immigrant entrepreneurship in South Africa: current literature and research opportunities. *University of Limpopo Department of Business Management, 40*(1), 1-7.
- Faull, E. (2012). Christian, religion and wellbeing. *Scriptura, 111*(3), 509-619.
- Fernet, C. (2016). The psychological costs of owning and managing an SMME: Linking job stressors, occupational loneliness, entrepreneurial orientation and burnout. *Burnout Research, 3*(2), 45-53.
- Fernandes, J.W.A. (2015). Attachment, Entrepreneurial role stress and quality of life in metal shop owners. *International Journal of Social Sciences and Research, 5*(8), 905-912.
- Fernet, C., Tones, O. (2016). The psychological costs of owning and managing an SME: Linking job stressors, occupational loneliness, entrepreneurial orientation and burnout. *Burnout Research 3*(1), 45-53.
- Findley, L., & Ogbu, L. (2011). *South Africa: From township to town*. Retrieved November, 2018, from <https://doi.org/1022269/1117>.

- Fox, L., & Oviedo, A.M. (2008). Are skills rewarded in Sub Saharan Africa? Determinants of wages and productivity in manufacturing sector. *World Bank Group*, 4688, 1-50.
- Folkman, S., & Lazarus, R. (1985). If it changes it must be a process: A study of emotion and coping during three stages of a college examination. *Journal of Personality and Social Psychology*, 48(1), 150-170.
- Folkman, S., & Lazarus, R. S. (1985). If it changes it must be a process: study of emotion and coping strategies during three stages of a college examination. *Journal of Personality and Social Psychology*, 48(1), 150-170.
- Folkman, S. & Moskowitz, H. (2000). Positive affect and the other side of coping. *American Psychological Association*, 55(6), 647-654.
- Folkman, S. & Lazarus, R.S. (1988). Coping as a mediator of emotion. *Journal of Personality and Social Psychology*, 54(3), 466-475.
- Folkman, S. & Lazarus, R.S. (1988). Appraisal coping, health status and psychological symptoms. *Journal of Personality and Psychology*, 50(3), 571-579.
- Folkman, S. (2010). Stress, coping and hope. Retrieved on August 2019, from [wileyonlinelibrary.com/DOI:10.1002/pon.1836](http://wileyonlinelibrary.com/DOI:10.1002/pon.1836)
- Fourie, L. (2015). Customer satisfaction: a key to survival for SMEs? *Problems and Perspectives in Management*, 13(3-1), 1818-188.
- Gastrow, V., & Amit, R. (2013). Somalinomics: A case study of the economics of Somali informal trade in the Western Cape. ACMS research report. Retrieved on February, 2019, from [www.migration.org.za/up-content/uploads/2017/08/Somalinomics-A-case-study-of-the-economics-of-Somali-informal-trade-in-the-Western-cape.pdf](http://www.migration.org.za/up-content/uploads/2017/08/Somalinomics-A-case-study-of-the-economics-of-Somali-informal-trade-in-the-Western-cape.pdf)
- Gauteng Township Revitalization Strategy 2014-2019. Retrieved November 17, 2017, from <https://www.google.co.za/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=0ahUKEwjlnY2usJvYAhVGjSakhANLa6qfGGOmaa&URL=https%3A%2F%2Fwp-content%2Fuploads%2F2017%2FGauteng-Township-Economy-Revitalization-2014-2019.pdf&usg=AOvVaw3B4zGFDx9nTKnNFN2iUj68>

- Gelb, A., Taye, M., Ramachandran, V., & Shah, M.K. (2009). To formalize or not to formalize: Comparisons of micro-enterprise data from Southern and East Africa. *Centre for Global Development, 175*, 1-39.
- Gillard, P. (2003). *Cambridge advanced learner's dictionary*. New Delhi: Cambridge University Press.
- Gillies, V.C. (2014). Township economies set to aid South Africa's growth, retrieved from: <https://omp/s/ewn.co.za>
- Girmay, M. (2017). Consequences of financial management practices on profitability of selected private manufacturing companies in Mekelle city. *Research Journal of Finance and Accounting, 8(11)*, 1-23.
- Goh, Y.W., Sawang, S., & Oei, T.P.S. (2010). The revised transactional model of occupational stress and coping: an improved process approach. *Australian and New Zealand Journal of Organizational Psychology, 3*, 13-20.
- Golafshani, N. (2003). Understanding Reliability and Validity in Qualitative Research. *The Qualitative Report, 8(4)*, 597-606.
- Goldberg, A. (2015). The Economic impact of load shedding: The case of South African retailers. Retrieved January, 2020, from: <https://repository.up.ac.za>
- Graham, N.J. (2013). A lot of them are good buggers: The African foreigner on South African discursive other. *PINS, 44(1)*, 21-41.
- Grant, S., & Ferris, K. (2009). Measuring stress in entrepreneurs: Are existing occupational stress scales relevant? *Australian Graduate School of Entrepreneurship*.
- Gulyani, S., & Talukdar, D. (2010). Inside informality: The links between poverty, micro-enterprises and living conditions in Nairobi. *Slums World Development, 38(12)*, 1710-1722.
- Hadebe, T. (2010) *Township based enterprises: The case of Pimville*. Master's thesis. Johannesburg: Wits University.
- Hagensen, L. (2014). *Understanding the causes and the nature of xenophobia in South Africa: A case study of De Doorn*, Stellenbosch University. Retrieved on February, 2019, from <http://scholar.sun.ac.za>

- Hagman, B. (2004). *Coping and self-efficacy as predictors of substance abuse during the first few critical months following substance abuse treatment completion*. Other thesis. North Carolina: University of North Carolina.
- Halama, P. (2014). Meaning in life and coping: sense of meaning as a buffer against stress, retrieved from [https://www.researchgate.net/profile/Peter\\_Halama/publication/294286353](https://www.researchgate.net/profile/Peter_Halama/publication/294286353)
- Hallom, C.R.A., & Zanella, G. (2017). Informal entrepreneurship and past experience in an emerging economy. *The Journal of Entrepreneurship*, 26(2), 163-175.
- Hammen, L. (2015). Stress and depression: old questions, new approaches. *Current Opinion in Psychology*, 4(1), 80-85.
- Hancock, B., Windridge, K., & Ockleford, E. (2007). An introduction to qualitative research. Retrieved September 11, 2017, from [https://www.rds-yh.nihr.ac.uk/wp-content/uploads/2013/05/5\\_introduction-to-qualitative-research-2009.pdf](https://www.rds-yh.nihr.ac.uk/wp-content/uploads/2013/05/5_introduction-to-qualitative-research-2009.pdf).
- Hanekom, B., & Webster, L. (2008). The role of South Africa's government in the xenophobic violence of May 2018. *Journal of Law and Social Change*, 13(1), 1-25.
- Hudson, K. (2016). Coping complexity model: coping stressors, coping influencing factors, and coping responses. *Scientific Research Publishing*, 7, 300-309.
- Herrington, M., Kew, P., & Mwangi, A. (2017). *Global entrepreneurship monitor, South Africa report, can small businesses survive in South Africa*. Retrieved September, 2018, from <https://www.gemconsortium.org/downloadfile>
- Hiopoulos, A. (2017). Migration and detention in South Africa: A review of the applicability and impact of legislature framework of foreign nationals. *APCOF policy paper*, 18(1), 1-32.
- Hlengane, A.N. (2013). Poor employee work performance- A case study of Cambridge police station. *Arabian Journal of Business and Management Review*, 2(12), 80-92.
- Hobfoll, S.E. (2002). Social and psychological resources and adaptation. *Review of general psychology*, 6(4), 307-324.
- Hoppe, M (2016). The entrepreneurship concept: A short intro. *School of business, Dociety and Engineering*. Malaysian University, 6(2), 95-108.

- Hudson, K. (2016). Coping complexity model: coping stressors, coping influencing factors and coping responses. *Scientific Research Publishing, 7(1)*, 300-309.
- Johnson, R.B., & Onweaugbazie, A.J. (2004). Mixed methods research: A research paradigm whose time has come. *Educational Researcher, 33(7)*, 14-26.
- Jacobs, R., & Van Nie Kerk, A. (2017). The role of spirituality as a coping mechanism for South African traffic officers. *HTS Theological Studies, 73(3)*, 1-18.
- Jannsens, A. (1997). The rise and decline of the male breadwinner of the family: An overview of the debate. *International Review of Social History, 42(1)*, 1-23.
- Jindirchovska, I. (2013). Financial management in SMEs. *European Research Studies, 16(1)*, 79-97.
- Juma, J.O. (2011). African worldviews: Their impact on psychopathology and psychological counseling. University of South Africa. Retrieved May, 2018, from [uir.unisa.ac.za/bitstream/handle/10500/5760/thesis\\_juma\\_mhm\\_pdf?sequence=1&isallowed=y](http://uir.unisa.ac.za/bitstream/handle/10500/5760/thesis_juma_mhm_pdf?sequence=1&isallowed=y)
- Kahya, E. (2007). The effects of job characteristics and working conditions on job performance. *Industrial Journal of Industrial Ergonomics, 37(1)*, 515-523.
- Kalilanyi, V., & Kobus, V. (2010). African immigration in South Africa: Job takers or job creation? *South African Journal of Economic and Management Sciences, 13(4)*, 376-390.
- Karadag, H. (2015). Financial management challenges in small and medium enterprises: A strategic management approach. *Snider International Research Centre, 5(1)*, 25-38.
- Karl, D., Swain, B., & Pillay, J. (2017). Traumatic Stress and psychological functioning in a South African adolescent community sample. *South African Journal of Psychiatry, 23(0)*, 7-12.
- Kavanagh, J. (2005). Stress and performance: A review of literature and its applicability to the military. *Rand Corporation, 8330*, 1-38.
- Keller, H. (2013). *The nature of stress: chapter 11*. Retrieved on November, 2018, from [http://samples.jbpub.com/9781284036640/9781449688448\\_CHO1\\_PASS02.pdf](http://samples.jbpub.com/9781284036640/9781449688448_CHO1_PASS02.pdf)

- Khamisa, N. & Peltzer, K. (2017). *Effect of personal and work stress on burnout, job satisfaction and general health of hospital nurses in S.A.* Retrieved on November, 2018, from <http://ees.elsevier.com/hsass/default>.
- Khosa, M.R., & Kalitany, V. (2014). Challenges in operating micro-enterprises by African foreign entrepreneurs in Cape Town South Africa. *Mediterranean Journal of Social Sciences*, 5(10), 205-224.
- Kim, S. (2017). Pain and stress processes: The role of the transactional model of stress and mindfulness in acute pain. *University of Michigan-Dearborn*, 4, 1-106.
- Kitamura, T., & Muto, I. (2015). How do Japanese banks set loan interest rates? Estimating pass through using bank level data. *Bank of Japan Working Paper Series*, 16(6), 1-41.
- Kloorem, J., & Ramji, J. (2001). Inside illegality: migration and policing in South Africa after apartheid. *Indian University Press*, 48(3), 35-47.
- Knthiya, R. (2018). A review on stress and coping strategies of women entrepreneurs: manufacturing sector. *International Journal of Mechanical Engineering and Technology*, 9(5), 640-646.
- Kokila, M., & Subushina, R. (2008). Stress faced by women- A critical review. *Global Management Review*, 14(1), 1-7.
- Kotteeswari, S. (2014). Job stress and it's impact on employee's performance: A study with reference to employees working in BPO's. *International Journal of Business Administration Research Review*, 2(4), 1-23.
- Kubheka, T. (2017). *Treatment of foreigners, sex workers by police often unlawful*. Retrieved February, 2019, from <https://ewn.co.za/2017/04/21/treatment-of-foreign-sex-workers-by-police-often-unlawful>
- Kraja, Y., & Osmari, E. (2013). Competitive advantage and its impact on SMEs: The case of Albania. *European Scientific Journal*, 9(16), 76-84.
- Kruger, .M.E. (2004). Chapter 2: Entrepreneurship theory and creativity. Master's thesis. Pretoria: University of Pretoria.

- Kuran, A.S. (2004). Effects of stress on sleep: The moderating role of coping styles. *Health Psychology, 23*(5), 543-545.
- Kynoch, G. (2013). Reassessing transition violence: voices from South Africa's township wars. *African Affairs, 112*(447), 283-303.
- Lacovides, A., & Fountoukakis, K.N. (2003). The relationship between job stress, burnout and clinical depression. *Journal of Affective Disorders, 75*(1), 209-221.
- Larkin, M., Eatough, V., & Osborn, M. (2011). Interpretative phenomenological analysis and embodied active, situated cognition. *Theory and Psychology, 21*(3), 318-337.
- Landau, L.B. (2004). *Forced migrants in the new Johannesburg: Towards a local government response*, University of Witwatersrand. Retrieved on February, 2019, from <http://migration.wits.ac.za/FMNJ>.
- Lavoie, A. (2004). *Work-life balance and SMEs: Avoiding the one size fits all trap: A literature review of experiences in Canadian and around the world*. Retrieved on November, 2018, from [citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.553.6114&rep=rep&type=pdf](http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.553.6114&rep=rep&type=pdf).
- Lazarus, R.S. (1993). Coping theory and research: past, present and future. *Psychosomatic Medicine, 55*, 234-247.
- Lazarus, R.S., De Langis, A., & Folkman, S. (1985). Stress and adaptational outcomes: The problem of confounded measures. *American Psychologist Association, 40*(7), 770-779.
- Lazarus, R.S., Folkman, S. (1984). *Stress, appraisal and coping*. Springer publishing company, New York.
- Leboea, A. (2017). *The factors influencing SME failure in South Africa*. Master's thesis. Cape town: Graduate school of business University of Cape Town.
- Le Grange, A. (2017). *An investigation of the personal interrelationships between the coping valves of entrepreneurs and the developmental stages of their businesses*. PhD thesis. Cape Town: Stellenbosch University.
- Leon, F. (1954). *A theory of social comparison provisory*. Retrieved September 12, 2018 from [http://www.humanscience.org/osus/festinger%20\(1954\)%20A%20thoery%20of%20social%20comparison%20%20processes.pdf](http://www.humanscience.org/osus/festinger%20(1954)%20A%20thoery%20of%20social%20comparison%20%20processes.pdf).

- Leornard, J.M., M Somet, P., & Tauman, Y. (1983). An axiomatic approach to the allocation of a fixed cost through prices. *The Bell Journal of Economics*, 14(1), 139-151.
- Listra, E. (2015). The concept of competition and the objectives of competitors. *Procedia social And Behavioral Sciences*, 213(1), 25-30.
- Liu, X. (2008). SME development in China: A policy perspective on SME Industrial clustering in Lim. *ERIA Research Project*, 2007(5), 37-68.
- Luo, H., & Yang, H. (2016). *Relationship between occupational stress and job burnout among rural to urban mineworkers in Donggguan*. Retrieved on November, 2018, from <http://dx.doi.org/10.1136/bmjopen-2016-012597>.
- Mack, A. (2001). Occupational stress and the small business owner: The role of task complexity and social support. Department of management, University of Texas at Arlington, Conference small business division. Retrieved March 24, 2018, from [https://www.google.co.za/url?sa=t&source=web&cd=1&ved=2ahUKEwiZu\\_-A1JTaAhWmJsAKHT9VBH0QFjAAegQICBAB&url=http%3A%2F%2Fciteseerx.ist.psu.edu%2Fviewdoc%2Fdownload%3Fdoi%3D10.1.1.1993260%26rep%3Drep%26type%3Dpdf&usg=AOvVaw37tY10CkhTgfNbxJGztwv](https://www.google.co.za/url?sa=t&source=web&cd=1&ved=2ahUKEwiZu_-A1JTaAhWmJsAKHT9VBH0QFjAAegQICBAB&url=http%3A%2F%2Fciteseerx.ist.psu.edu%2Fviewdoc%2Fdownload%3Fdoi%3D10.1.1.1993260%26rep%3Drep%26type%3Dpdf&usg=AOvVaw37tY10CkhTgfNbxJGztwv).
- Mahajan, S. (2014). *Economics of South African townships: Special focus on Diepkloof*. Retrieved on September, 2018, from [www.worldbank.org](http://www.worldbank.org).
- Makhubu, N., & Ndlazi, S. (2013). *Cops making our lives living hell*. Retrieved on January, 2019, from <https://www.iol.co.za/news/cops-making-our-lives-hell-say-foreigners-1868732>.
- Manzoor, M.U., Usman, M. & Naseems, M.A. (2011). A study of job stress and job satisfaction among universities. *Lahore Pakistan University*, 11(9), 11-28.
- Manerikar, V. (2014). A note on exploratory research: peer reviewed research journal. *aWeshker-Weschool*, 17 (1), 1-16.
- Mapfumo, J.S., & Chitako, N. (2012). Teaching practice generalized stressors and coping mechanisms among student teachers in Zimbabwe. *South African Journal of Education*, 32(1), 155-166.
- Margaret, J., & Zheng Wu, P. (2016). Caregiver stress and mental health: Impact of care giving relationship and gender. *The Gerontological Society of America*, 56(6), 1102-1113.

- Marishane, R.N. (2013). Management of school infrastructure in the context of no fee schools in rural S.A schools: Lessons from the fields. *International Journal of Education Policy and Leadership*, 8(5), 2-12.
- Mark, G.M., & Smith, A.P. (2008). Stress models: A review and suggested new direction. *Journal of Occupational Health Psychology*, 3(1), 11-144.
- Marks, L. (2006). Global health crisis: can indigenous healing practices offer a valuable resource. *International Journal of Disability*, 53, 453-470.
- Mathekga, R. (2010). *Is the state's presence in the entrepreneurial scene a hindrance or a boost to sustainability: Finding South Africa's conversion factors in small business sources*. Retrieved on November, 2018, from [http://www.clearcontent.co.za/storage/files/Entrepreneurship\\_trends\\_in\\_south\\_africa\\_Ralph\\_Mathekga.pdf](http://www.clearcontent.co.za/storage/files/Entrepreneurship_trends_in_south_africa_Ralph_Mathekga.pdf).
- Mathew, V.R., & Panchanathan, N. (2011). An exploratory study on the work-life balance of women in South India. *Asian Academy of Management Journal*, 16(2), 77-105.
- Maseko, J.S. (2013). Punishment or treatment in managing learner violence in South African public township schools. *International Journal of Education Sciences*, 5(2), 109-116.
- Mbeki, T. (2003). Address to the national council of provinces. Retrieved August 6, 2017, from <https://www.dirco.gov.za/docs/speeches/2003/mbhek1111/.htm>.
- Mbhele, T.P (2011). The study of venture capital, finance, and investment behavior in small and medium enterprises. *South African Journal of Economic and Management Sciences*, 14(1), 94-112.
- Merezkot, D., & Drabek, M. (2017). Use of work-life balance benefits guaranteed by law in Poland- Do size of the enterprise and gender matter. *Medycyna Pracy*, 68(5), 575-581.
- Michelle Joan Yong Cheen Ee, J.Y. (2017). Role conflict. Role ambiguity and role overload: The strains of work-family conflict. *The Social Sciences*, 12(9), 1556-1576.
- Miculeac, M.E. (2013). Qualitative methods used in economic and financial analysis. *Annuals-Economy Series*, 16, 89-98.

- Minhel, J.D., Banks. (2012). Sleep deprivation and stressors: evidence for elevated affect in crime response to mild stressors when sleep deprived. University of Pennsylvania. *American Psychological Association*, 12(5), 12-23.
- Mkhonto, S. (2018). *Black tax: a responsibility or a burden*. Retrieved on November, 2018, from <https://m.news24.com/MyNews24/black-tax-a-responsibility-not-a-burden-20180419>
- Moffitt, K.A. (2015). *The resilient entrepreneur: The use of successful coping behaviours to experience relief from emotional intensity by entrepreneurs in Canada*. Other thesis: Middlesex University.
- Mohamed, Y. (2015). How South Africans are learning from Somali business, Ground up newsletter. Retrieved September, 2018, from <https://groundup.org.za/article/how-south-africans-are-learning-somali-businesses-3281/>.
- Mohofa, G., & Sandaram, A. (2016). Impact of firm entry: Evidence from South Africa. *Economic Research South Africa*, 652(1), 1-25.
- Mokaya, S.O., Namusange, M., & Sikalieh, D. (2012). The concept of entrepreneurship: in pursuit of a universally acceptable definition. *International Journal of Arts And Commerce*, 1(6), 128-136.
- Mokwena, K. (2015). Consider our plight: A cry for help from nyaope users. *Health S.A. Gesondheid*, 21(2016), 137-142.
- Monyokane, M. (2018). A rehabilitative South African criminal law response to nyaope, drug addiction: A recommendation for health oriented nyaope meaning. *Research in Pediatrics and Peonatology*, 3(1), 1-9.
- Morgaine, B. (2019). *8 reasons why entrepreneurs started their own businesses*. Retrieved on November, 2018, from <https://articles.bplans.com/8-reasons-why-entrepreneurs-started-their-own-businesses>.
- Motoko, W.R., & Kapunda, S.M. (2017). Factors influencing small, medium, and micro-sized enterprises borrowing from banks: The case of the Botswana manufacturing sector. *Acta Commencil*, 17(1), 1-10.
- Mudava, C., & Omar, F. (2002). *South African constraints to growth in JHB informal sector: Evidence from 1999 informal sector survey*. World Bank study, 24449 (1), 1-124.

- Mukhtar, S.A. (2014). Substance abuse and stress coping strategy among secondary school students Korea: cases and consequences. *Journal of Humanities and Social Sciences*, 19(1), 21-24.
- Musa, H., & Chinniah, M. (2015). Malaysian SMEs development: future and challenges on going green. *Procedia Social and Behavioral Sciences*, 224(2016), 254-262.
- Muzvidziwa, M. (2013). *Married women breadwinners: A myth or reality*. *Alterratium*, 20(2), 317-335.
- Mwika, D. (2018). The impact of globalization on SMEs in emerging economies: A case of Zambia. *International journal of business social sciences*, 9(3), 59-67.
- Neneh, B.N., & Van Zyl, J. (2017). Entrepreneurial orientations and its impact on firm growth amongst SME's in S.A. *Problems and Perspectives in Management*, 15(3), 166-180.
- Nanyaka, B.S.J. (2017). Social entrepreneurship as a way of developing sustainable township economies. *Theological Studies*, 73(4), 1-22.
- Natgrass, N. (2005). Who consults sangomas in Khayelitsha? An exploratory quantitative analysis. *UCT Social Dynamics*, 31(2), 161-182.
- Ncube, M. (2006). Economic growth, entrepreneurship and the business environment in Africa. *Graduate School of Business Administration*, 30(1), 1-20.
- Neale, B. (2016). Becoming a young breadwinner: The education, employment and training trajectories of young fathers. *Social Policy Journal*, 15(1), 85-98.
- Neuman, L. (2011). *Social research methods: qualitative and quantitative approaches* (7th ed.). Boston: Pearson Education.
- Neves, D., & Du Toit, A. (2012). Money and sociality in South Africa's informal economy. *Africa*, 82(1), 131-149.
- Newness, A. (1997). Stress and coping styles: An extension to the transactional cognitive appraisal model. *FIU Electronic Theses and Dissertations*, 346, 1-56.

- Ngubane, N., Miyekiso, S., & Sikota, S. (2015). Inventory management systems used by manufacturing small, medium and micro-enterprises in Cape Town. *Mediterranean Journal of Social Sciences*, 6(1), 382-389.
- Nkwini, M.K.K., & Munzundzi, D.H. (2016). *The role of SMEs in the implementation of local economic development in South Africa*. Retrieved on November, 2019, from [ulspace.ul.ac.za/bitstream/handle/10386/1599/10%20Munzundzi.pdf?sequence=1&isAllowed=y](http://ulspace.ul.ac.za/bitstream/handle/10386/1599/10%20Munzundzi.pdf?sequence=1&isAllowed=y).
- Nqaphela, N., & Muhammad, C. (2016). Exploring the State, Nature and Structure of the Manufacturing Sector in Ward 40. *Auwal Socio-Economic Research Institute*, 1, 1-33.
- Nyani, T. (2019). *Factors affecting succession planning in SMEs in Zimbabwe: a case study of Harare*. Retrieved on November, 2018, from <https://mpa.ub.uni-meunche.de/91352>.
- Obokah, O., Goldman, G. (2010). Infrastructure deficiency and the performance of small and medium sized enterprises in Nigeria's liberalized economy. *Acta Commercii*, 16(1), 1-8.
- O'Donnell, A., Gilmore, A. (2002). Competitive advantage in small to medium sized enterprises. *Journal of Strategic Marketing*, 10(1), 205-223.
- Omisare, B.O., & Abicidium, A. (2014). Organizational conflicts: causes, effects and remedies. *International Journal of Academic Research in Economics and Management Sciences*, 3(6), 2226-3624.
- Oosthuizen, A., Cichello P.L., & Almeleh, C. (2006). *Perceived barriers to entry in self-employment in Khayelitsha, South Africa: Crime, risk and start-up capital dominate profit concerns*. Other thesis. Cape Town: University of Cape town.
- Park, L., Folkman, S. (1997). Meaning in the context of stress and coping. Review of general psychology, 1(2), 115-144.
- Parry, B.R., Puleng, S. (2017). Easting burnt toast: The lived experiences of female breadwinners in South Africa. *Journal of Women's Studies*, 18(4), 182-196.
- Payil, M. (2006). Ancestor worship as tribal religion. Other thesis. Kerala: University of Calicut.
- Pearlin, L.I., Schooler, C. (1978). The structure of coping. *Journal of health and social behaviour*, 19(1), 2-21.

- Perkins, P., & Fedderke, J. (2005). An analysis of economic infrastructure investment in South Africa. *South African Journal of Economics*, 73(2), 211-225.
- Petersen, L.M (2014). Bush doctors and wild medicine. The state of trade in Cape town informal economy of wild homestead medicine and traditional healing. *Routledge Taylor and Fronas Group Journal*, 27(3), 12-20.
- Price, D. (2006). Gender and generational continuity: Breadwinners, caregivers and pension provision in the UK. *International Journal of Ageing and Later Life*, 1(2), 31-66.
- Rabenu, E., Yaniv, E. (2017). Psychological resources and strategies to cope with stress at work. *International journal of psychologyresources*, 10(2), 8-15.
- Radebe, J. (n.d).ANC policy conference documents. Retrieved May 30, 2017, from [http://www.anc.org.za/sites/default/files/National%20Policy%20Conference%202017%20Economic%20Transformation\\_1.pdf](http://www.anc.org.za/sites/default/files/National%20Policy%20Conference%202017%20Economic%20Transformation_1.pdf).
- Pumba, S., & Chirisa, I. (2010). The plight of illegal migrants in South Africa: A case study of Zimbabweans in Soshangve extension four and five. *International Journal of Politics and Good Governance*, 1(2), 1-21.
- Rajic, T., Nikolic, I., & Miloseuc, I. (2016). The antecedents of SMEs customer loyalty: Examining the role of service quality, satisfaction and trust. *Industrija*, 44(3), 97-117.
- Ranyane, K.A. (2015). Survivalist entrepreneurship: An income generating alternative for the unemployed populace. *Mediterranean Journal of Social Sciences*, 6(4), 1-18.
- Rauch, A., Unger,J., & Rosenboch.,M. (2007). Entrepreneurial stress and long term survival: Is there a casual link?*Frontiers of Entrepreneurship Research*, 27, 7-21.
- Robok, E., & Depta, A. (2013). Work life balance factors in SMEs. *Periodica and Poly Technical and Management Sciences*, 24(2), 88-95.
- Rostamy, A.A. (2009). Toward understanding conflicts between customers and employees perceptions and expectations: Evidence of Iranian bank. *Journal of Economics and Management*, 10(3), 241-254.
- Rusu, S., Isac, F., & Cureteanu, R. (2014). World tourism, entrepreneurship: A global perspective. *Faculty of Management Agnicol*, 1(4), 1-15.

- Salaria, N. (2012). Meaning of the term- descriptive survey method. *International Journal of Transformation in Business Management*, 1(6), 1-17.
- Santrac, A.S. (2016). Towards the possible integration of psychology and Christian faith. *In die Skriflig*, 50(1), 1-8.
- Sathasivan, K.V., & Kamaraswamy, N. (2014). Coping strategies of job stress among managers of electronics industries in Malaysia. *Journal of Asian Scientific Research*, 4(10), 534-540.
- SEDA. (2016). The small, medium and micro-enterprise sector of South Africa. *Bureau of Economic Research*, 1(1), 1-78.
- Seetabtin, M. (2015). *10 reasons why you should start your own business*. Retrieved on November, 2018, from [https://www.huffingtonpost.com/mo-seetabtin/10reasons-why-you-should-start-your-own-business\\_b\\_8046036.html](https://www.huffingtonpost.com/mo-seetabtin/10reasons-why-you-should-start-your-own-business_b_8046036.html)
- Seo, J., & Wes, J. (2017). Cellular and molecular basis for stress induced depression. *Molecular psychiatry*, 22(1), 1440-1447.
- Seekings, J., & Natrass, N. (2005). *Class, race and inequality in South Africa*. London: Yale University Press.
- Shnall, M.D. (2012). *Work and health season: The modern concept of stress*. Retrieved on November, 2018, from [https://unhealthywork.org/wp-content/uploads/2012-04-25\\_Session\\_4\\_Hour\\_1\\_2012.pdf](https://unhealthywork.org/wp-content/uploads/2012-04-25_Session_4_Hour_1_2012.pdf)
- Shoba, K., & Gopal, V. (2012). Coping with women entrepreneurs stress. *International Journal of Advanced Research in Management and Social Science*, 1(1), 72-81.
- Sing, S.M., & Corner, P. (2007). Coping with entrepreneurial failure. *Journal of Management and Organization*, 13(1), 331-344.
- Singh, T., Singh, A., & Singh, P. (2007). Relationship of stress and job satisfaction: A comparative study of male and female or dual career teacher couples of India. *Indian Institute of Management in Bangalore*, 263(11), 1-48.
- Skarbukka, L. (2015). *The influence of music assisted coping strategies on dypnea, anxiety and self efficacy for patients in home care occupational therapy: A feasibility study*. Master's thesis. Lawrence: University of Kansas.
- Skinner, C. (2016). The international context:

- statistics and schools of thought. *University of Cape Town*, 3, 2-11. Smith, A.J. (2007). *Qualitative practical guide to psychology: A research method*. London: Sage.
- Skinner, E.A., & Edge, K. (2003). Searching for the structure of coping: A review and critique of category systems for classifying ways of coping. *Psychological Bulletin*, 129(2), 216-269.
- Solomon, H., & Kooaka, H. (2008). Xenophobia in South Africa: reflections, narratives and recommendations. *South Africa Peace and Security Studies*, 2(2), 5-23. Soran, S. (2014). Job stress and performance: The mediating effect of emotional intelligence. *European Journal of Business and Social Science*, 3(5), 67-75.
- South African presidency. (2008). *The impact of crime on small businesses in South Africa*. Retrieved on November, 2018, from [www.africres.org/SMME%20Research/SMME%20Research%20General/Reports/Impact%20of%20crime%20on%20small%20business/20in%20SA.pdf](http://www.africres.org/SMME%20Research/SMME%20Research%20General/Reports/Impact%20of%20crime%20on%20small%20business/20in%20SA.pdf)
- Sukamolson, S. (2007). *Fundamentals of quantitative research* (1sted.). Bangkok: EJTR.
- Sparks, L.D., & Barnett, S.T. (2010). The informal sector in Sub-Saharan Africa: Out of the shadows to foster sustainable employment and equity? *Arizona State University*, 9(4), 1-11.
- Steadman, L.B., Palmer, C.T., & Tolley, C.F. (1996). Universality of ancestral worship. *Ethnology*, 35(1), 63-76.
- Strebler, M. (2004). *Tackling poor performance. IES research networks*. Retrieved on November, 2018, from <https://www.employment-studies.co.uk/system/files/resources/files/406.pdf>.
- Stucke, M.E. (2013). Is competition always good? *Journal of Anti-trust Enforcement*, 1(1), 162-197.
- Suleiman, A., & Aruwa, S. (ND). *Infrastructural development expenditure and performance of small and medium enterprises in Kaduna State*. Retrieved on November, 2018, from [www.academia.edu/305881](http://www.academia.edu/305881).
- Suti, S., & Rizvi, S. (2008). Mental health and stress among call center employees. *Journal of Indian Academy of Applied Psychology*, 34(2), 215-220.

- Syed, J., & Ozbilign, M. (2015). Managing diversity and inclusion: An international perspective. *SAJE*, 291-314.
- Tafet, M.D. (2016). The links between stress and depression: Psychoneuroendocrinological, genetic and environmental interactions. *Neuropsychiatry Clinical Neuroscience*, 28(2), 77-89.
- Tahir, U. (2016). Entrepreneurial stresses in SMEs. *Journal of Resource Development and Management*, 18, 1-31.
- Taft, C.T., Resick, P.A., & Medonic, M.B. (2007). Examining the correlates of engagement and disengagement coping among help seeking bothered women. *Violence and Victims*, 22(1), 3-17.
- Taylor, S.G., & Starlon, A.L. (2007). Coping resources, coping processes and mental health. *Annual review of clinical psychology*, 3(1), 377-401.
- Tengeh, R.K. (2013). Advancing the case for the support and promotion of African immigrant owned businesses in South Africa. *Mediterranean Journal of Social Sciences*, 4(2), 1-9.
- Terreblanche, S.J. (2002). *A History of Inequality in South Africa: 1652 to 2002*. Pietermaritzburg: University of Natal Press.
- Than, N.C., & Than, T.I. (2015). The interaction between interpretivist paradigm and qualitative methods in education. *American Journal of Educational Sciences*, 1(2), 24-27.
- Tha, S. (2017). *Coping with fear of failure: Experiences of young start up entrepreneurs*. Master's thesis. Auckland: Auckland University of Technology
- Thoma, M.V., Scholz, U., & Ehlert, U. (2012). Listening to music and physiological and psychological functioning. The mediating role of emotion regulation and stress reactivity. *Erscheinen in Psychology and Health*, 27 (2), 227-241.
- Thomas, P.Y. (2010). Chapter 4 Research methodology and design: Unisa institutional research. Retrieved 23 March, 2018, from [uir.unisa.ac.za/bitstream/handle/10500/4245/05chap%204\\_Research%20methodology%20and%20design.pdf](http://uir.unisa.ac.za/bitstream/handle/10500/4245/05chap%204_Research%20methodology%20and%20design.pdf)
- Tom, F.M., Vleno, A., & Doornward, S. (2016). "You're not done": Music as a source of consolation among adolescents and young adults. *Psychology of Music*, 2016(1), 1-17.

- Tukwayo, T. (2015). *Create low cost work spaces in local townships*. Retrieved on November, 2018, from <https://www.iol.co.za/business-report/opinions/create-low-cost-workspaces-in-local-townships-1829470>.
- Turner, M.A., Vargese, R., & Walker, P. (2008). *Information sharing and SMME financing in South Africa: A survey of the landscape*. Retrieved on November, 2018, from <https://www.nur.org.za/documents/pages/research-reports/avig08/South-Africa-compressed-web.pdf>.
- Turyahebwa, A., Sunday, A., & Ssekojugo, O. (2013). Financial management practices and business performance of small and medium enterprises in Uganda. *African Journal of Business Management*, 7(38), 3875-3885.
- Ucheghulum, P.A. (2015). *Competitive strategy and performance in selected SMEs in Nigeria*. International conference on African Development issues. Retrieved on November, 2018, from [eprints.covenantuniversity.edu.ng/11840/1/conference%20competitive%20strategy%20and%20performance%20of%20SMEs.pdf](http://eprints.covenantuniversity.edu.ng/11840/1/conference%20competitive%20strategy%20and%20performance%20of%20SMEs.pdf).
- Ukandu, N., & Ukpere, W. (2013). Effects of poor training and development on the performance of fast food employees in Cape Town. *Mediterranean Journal of Social Sciences*, 4(14), 571-579.
- Urbiztando, S. (1997). *Confusing fixed costs and variable costs under Ramsey regulation*. Retrieved on November, 2018, from <https://core.ac.uk/download/pdf/6531026.pdf>.
- Van der Merwe, S.P., & De Swardt, G. (2008). Small business owner-manager's perceptions of entrepreneurship in Emfuleni District. *SAJEMS*, 11(4), 449-453.
- Valji, N. (2003). *Creating the nation: the rise of violent xenophobia in the new South Africa*. Centre for the study of violence and reconciliation. Retrieved on February, 2019, from <https://www.s.ahistorysty.org.za/sites/default/files/file%20uploads%20%riseofviolent.pdf>
- Vanishree, P. (2014). Impact of role ambiguity, role conflict and role overload on job stress and medium scale industries. *Research Journal of Management Sciences*, 3(1), 10-13.
- Voslo, J.J. (2014). Chapter 5 Research design and methodology. *North West University*, 1, 1-47.

- Vusumuthi, V. (2003). Stress and coping styles of an entrepreneur: An empirical study. *Journal of Management Research*, 3(1), 1-16.
- Wincent. (2006). *A conceptualization of entrepreneurial role stress*. Retrieved on November, 2018, from [www.Researchgate.net/publication/237240767\\_A\\_CONCEPTUALIZATION\\_OF\\_ENTREPRENEURS'\\_ROLE\\_STRESS/amp](http://www.Researchgate.net/publication/237240767_A_CONCEPTUALIZATION_OF_ENTREPRENEURS'_ROLE_STRESS/amp)
- Watson, C.B. (2005). Community is not a place but a relationship: lessons for organizational development. *Public Organization Review. A Global Journal*, 5(1), 359-374.
- Wolf. (2016). *Exploring the stress and coping experiences of early stage entrepreneurs during the venture creation process*. Master's thesis. Twente: University of Twente.
- Walsh, F. (2007). Traumatic loss and major disasters: Strengthening family and community resilience. *Family Processes*, 46(2), 207-227.
- Whyman, P.B., & Petresus, A. (2015). Workplace flexibility practices in SMEs: Relationship with performance via redundancies, absenteeism and financial turnover. *Journal of Small Business Management*, 53(4), 1097-1126.
- Wills, G. (2009). South Africa's informal economy: a statistical profile. *University of Cape Town*, 1, 1-22.
- Williams, C. (2011). Research methods. *Journal of Business and Economic Research*. 5, 65-70.
- Williams, C.C., & Yousef, Y. (2015). Theorizing entrepreneurship in the informal sector in urban Brazil: A product of exit or exclusion? *Journal of entrepreneurship*, 24(2), 148-168.
- Wills, G. (2009). South Africa's informal economy: A statistical profile. *WIEGO*, 6(1), 1-63.
- Yan, S. (2010). Competitive strategy and business environment: The case of small enterprises in China. *Asian Social Science*, 6(11), 64-70.
- Yousef, A., Mohammed, A., Masssah, O., & Heydari, N. (2015). Dysfunctional attitudes and coping strategies in substance dependent and healthy individuals. *Iranian Rehabilitation Journal*, 13(1), 1-9.
- Yao, W. (2016). What are the biggest obstacles to growth of SMEs in developing countries: Empirical evidence from an enterprise survey. *Borsa Istanbul Review*, 16(3), 167-176.

- Zhao, J., & Zilberman, D. (2001). Fixed costs, efficient resource management and conservation. *American Journal of Agriculture Economics*, 83(4), 942-957.
- Zulu, E. (2002). Reverence for ancestors in Africa: Interpretation of the 5<sup>th</sup> commandment from an African perspective. *Scriptuia*, 81(1), 476-482.
- Zuo, J., Tony, S. (2000). Breadwinner status and gender ideologies of men and women regarding family roles. *Sociological Perspectives*, 43(1), 29-43.
- Zaheera, J. (2010). Making home in a hostile land: Understanding Somali identity integration, livelihood and risks in Johannesburg. *Journal of Sociology and Social Anthropology*, 1(2), 91-99.

## **APPENDIX 1: GATE KEEPER'S LETTER**

UNIVERSITY OF KWA-ZULU NATAL

School of Applied Human Science

Discipline of psychology

University of Kwa-Zulu Natal

Glenwood

Durban, 4041

To whom it may concern

My name is Thulani Mpangane and I am currently conducting a research project for my Master's degree at the University of Kwa-Zulu Natal. My study will be subject to the approval of the University of Kwa-Zulu Natal's research ethics committee. This study will be using semi-structured interview guide to explore the socio-cultural experiences, stressful factors and coping strategies implemented by township enterprises located in three sections of Tembisa namely: Tembisa South, Ivory Park and Hospital view.

The study will require 20 township entrepreneurs whereby each of them will participate in a semi-structured interview. Each interview is expected to take an average of 30 minutes and it will be conducted at a very convenient time and date which will be specified by the entrepreneur. Participants will be participating anonymously in order to protect their privacy.

I write this letter to ask for your permission to conduct my study amongst township entrepreneurs that are located in Tembisa South, Ivory Park and Hospital view. I will also be asking for the consent of the entrepreneurs themselves to confirm if they wish to participate in my research. If needs be, I can send you a template of some of the questions that I will be asking during the interviews.

Although the study will not profit your organization financially, it will serve as a gateway to combat the poverty of academic literature about the township economy.

The answers of the questionnaire will be kept strictly confidential while the results will be reported in a research dissertation whereby a summarized version will be available to all participants upon completion. Participation will be voluntary. Can you please contact my supervisor or the UKZN school of psychology on the contacts below if you require more information.

Yours faithfully,

UKZN Masters student: Thulani Mpangane.

Email address: [212503709@stu.ukzn.ac.za](mailto:212503709@stu.ukzn.ac.za)

Mobile: 072 241 2719

Supervisor: Prof Anna Meyer Weitz

Email address: [Meyerweitz@ukzn.ac.za](mailto:Meyerweitz@ukzn.ac.za)

Telephone: 031 260 7618

Human Social Sciences Research Ethics Committee

Tel: 031 260 4557

Email: [HSSREC@ukzn.ac.za](mailto:HSSREC@ukzn.ac.za)

## **APPENDIX 2: COVER LETTER FOR PARTICIPANTS**

University of Kwa-Zulu Natal  
School of applied human sciences  
Discipline of psychology  
University of Kwa-Zulu Natal  
Glenwood  
Durban, 4041

Dear participant,

My name is .....student number.....at University of Kwa-Zulu Natal. I am currently studying towards my masters in Research psychology. The topic for my Master's research dissertation is with regards to the environmental causes of stress and coping mechanisms amongst township entrepreneurs.

The study seeks to explore the environmental causes of stress as well as some of the productive and non-productive coping strategies implemented by township entrepreneurs. The name of my supervisor is Dr Chris Lee Roux who is a representative from the University of Kwa-Zulu Natal Industrial psychology department.

The ethical clearance of my study was obtained from the University of Kwa-Zulu Natal's research committee (ref no.....). Whereas, the permission to conduct this study was granted by the enterprise development agency of South Africa. I humbly ask for you to form part of my study group by contributing your views through the use of one on one interviews. Your voluntary participation will be highly appreciated because it will serve as a valuable contribution to the psychology academic literature.

The terms and conditions of your participation are as follows:

- You are not forced or coerced to participate in this interview and thus you are free to withdraw from the study at any point in which you do not feel comfortable
- Your personal details and the identity of the business will be kept anonymous whereas the information that you provide will be kept private and secure, while only being used for academic reasons.
- The information will be safely kept, if you wish to access the final report of the study please contact my supervisor Dr Chris Le Roux on the contact details below.
- Your participation is voluntary which means you will not receive any compensation

The interview is scheduled to take about 30 minutes of your time. Please give me your permission to participate.

Should you require further information about my study, please contact my research supervisor Prof Anna Meyer Weitz. Alternatively, you may also contact the UKZN Human Social Sciences Research Ethics Committee. The contact details of the concerned pupil can be found below.

**Supervisor: Prof Anna Meyer Weitz**

Mobile number: 031 260 7618

Email: Meyerweitz@ukzn.ac.za

**Human Social Sciences Research Ethics Committee**

Telephone number: 031 260 4557

Email: [HSSREC@ukzn.ac.za](mailto:HSSREC@ukzn.ac.za)

Thank you very much for your time. If you are interested in participating in my study can you please proceed to sign the informed consent.

Yours sincerely,

.....

Thulani Mpangane  
Research psychology Masters student at University of Kwa-Zulu Natal  
Mobile number: 072 241 2719  
Email: 212503709@stu.ukzn.ac.za

### **APPENDIX 3: INFORMED CONSENT**

#### **PARTICIPATION IN THE STRESS AND COPING STRATEGIES RESEARCH PROJECT 2018**

I.....(participant's name) have read and understood the terms and condition of this dissertation and I will abide by them. I understand that at any given point I am allowed to withdraw from the study.

I understand the following:

- I am not forced to participate in this study and I can exit the study any time I feel uncomfortable.

- I participate in this study on the basis of anonymity that will protect both me and my business.
- The information I provide will be kept confidential.
- The information obtained will be used for purely research purposes only and I will be able to access it from the supervisor.
- The data obtained needs to be kept by the University for a minimum of 5 years thereafter it will be destroyed.
- I will not receive any payment for my participation in the study.
- The interview may be recorded for transcription/reliability purposes.

Signature: .....

Date: .....

**Thulani Mpangane**

Research psychology Masters Student, UKZN

Mobile number: 072 241 2719

Email: 212503709@stu.ukzn.ac.za

**APPENDIX 4: QUALITATIVE RESEARCH QUESTIONNAIRE**

**Background information**

1. Age: \_\_\_\_

2. Gender: \_\_\_\_\_

3. Nationality: \_\_\_\_\_

4. Please indicate your race:

Black

Colored

White

Indian             Asian             Other, please specify

\_\_\_\_\_

**5. Please indicate your level of education**

Less than Grade 10     Grade 10                             Matric  
 Diploma                     Undergraduate Degree     Honours Degree     Master's Degree  
 Doctoral Degree

**6. Please indicate your role in the company** \_\_\_\_\_

**7. Please indicate your work experience in years**

1-3 years	4-6 years	7-9 years	10-12 years	> 12 years

Please provide answers to the questions below as truthfully as possible and to the best of your knowledge. The study requires no correct or incorrect answers, however it merely seeks to understand your experiences. This questionnaire serves as a guide for the interview, I may ask probing questions during the interview based on the answers you give.

**QUESTIONNAIRE**

1. What are the main reasons that have led you to forming this business?


2. How would you describe your journey as an entrepreneur thus far?


--

3. Please describe your relationship with your community/customers


4. Briefly describe your relationship with your competitors.


5. What kind of social support do you receive from your family and friends?


6. How do you strike a balance between family and business?



7. What is your experience with regards to black tax?


8. What are some of your cultural beliefs that keep you grounded as a person?


9. What kinds of traditional practices do you engage in?


10. How do you decide if a situation is important enough for you to stress about?


11. What are some of the environmental demands that cause you stress?


12. How do you cope with the environmental demands that cause you stress?


13. Can you recall a specific event that once caused you stress?



14. How did you cope with the above mentioned stressor?


15. What effect does black tax have on you and your business?


16. What are some of the environmental challenges that you encountered when trying to obtain capital to start your business?


17. How did you cope with the above stated challenge?


18. What are some of the challenges you encounter when it comes to your employees?


19. How do you cope with the above stated challenge?


20. How do customer demands affect your stress levels?



21. How do you cope with stress that results from customer demands?


22. How does inflation and petrol hikes contribute towards your stress levels?


23. How does the crime rate in this business environment contribute towards your stress levels?


24. How does your relationship with your landlord contribute towards your stress levels?


25. How do financial problems contribute towards your stress levels?


26. What is your experience with regards to police harassment?


27. What are some of the methods that you use to cope with stress?



28. What is your personal belief system with regards to the use of traditional healers as a mechanism to cope with stress?


29. What is your personal belief system with regards to the use of alcohol, cigarettes, weed and other drugs as a resort to deal with stress?


30. What is your belief system with regards to the use of psychologists as a way of coping with stress?


31. What are some of the spiritual practices that you engage in during times of stress?


32. What do you think is the best way to intervene with regards to reducing stress and promoting healthy entrepreneurship in townships ?


THANK YOU FOR YOUR TIME AND THE DECISION TO PARTICIPATE IN MY RESEARCH PROGRAMME



