

# School of Applied Human Sciences Discipline of Psychology Masters Studies

# <u>A thematic analysis of entrepreneurial experiences in KwaZulu-Natal:</u> <u>A qualitative study</u>

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# **DECLARATION**

I declare that this dissertation is my own, unaided work. It is being submitted for the degree of
Masters of Social Science (Industrial Psychology) at the University of KwaZulu-Natal, Howard
College, Durban, South Africa.

This dissertation has not been submitted before for any degree or examination at any university,			
nor has it been prepared under the aegis or with the assistance of any other body, or organisation,			
or person outside the University of KwaZulu-Natal.			
Jonathan Andrew Bell	Date		

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#### **Abstract**

The purpose of this study was to examine the opportunities and challenges experienced by entrepreneurs in KwaZulu-Natal, South Africa. A review of the literature indicates that there are many challenges and barriers experienced by entrepreneurs. Findings from this research coincide with those of studies done in South Africa that highlight the challenges of new business owners, with regard to barriers and difficulties they face. This research draws on two entrepreneurial theories, namely the Action Regulation Theory and the Discovery Theory to facilitate an understanding of the entrepreneur's experiences. A qualitative analysis was selected as the most appropriate research design. This research examined the narratives of eight entrepreneurs that have been in business in the KwaZulu-Natal area between 0-5 years, in the form of semi-structured in-depth interviews carried out individually. A thematic analysis was conducted; the results revealed six themes that encompass the entrepreneur's experiences, namely family influence, education, competencies, resilience, challenges and the desire to become an entrepreneur. The participants were all unique in their businesses and the manner in which they conducted their businesses. They had, however, experienced similar barriers and challenges as entrepreneurs.

Keywords: entrepreneurship, entrepreneurial activity, challenges, South Africa, thematic analysis

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# **Chapter 1**

# **Introduction**

#### 1.1 Introduction

Entrepreneurship is the creation and building of something of value from nothing (Ndedi, 2009). Entrepreneurship requires a willingness to take calculated risks, in a personal capacity in the form of time or using the individual's intellectual processes or in a financial capacity; this needs to be followed by undertaking everything feasible tasks to accomplish goals (Ndedi, 2009). Entrepreneurship allows for the building of people with skills and talents; sensing and grasping an opportunity to which others may notice anarchy, incongruity, perplexity and collapse; and gathering and controlling capital to pursue the opportunity, ensuring that the venture does not come to a premature end as a result of a lack of funds (Ndedi, 2009). The implication is that the person identifying the gap has knowledge of the sector he or she is pursuing, and has clarity of how this opportunity can be subjugated (Davis, 2010).

Entrepreneurs play an essential role both in the global and local economy (Fatoki, 2014). Through the development of new businesses, jobs are created, economic activity increases and there is stimulation of innovation (Fatoki, 2014). Yet despite entrepreneurs' positive influence on global prosperity and growth, entrepreneurship in South Africa has experienced challenges, such as the unavailability of finances, the volatile economic and labour environment experienced by the entrepreneur, the entrepreneur's unmanageable expectations, the lack of entrepreneurial culture in South Africa and the lack of entrepreneurial education.

There seems to be general agreement among writers in the field that the schooling system in South Africa does not prepare would-be entrepreneurs with the grounding that is required for venture creation (Atkinson, 2014; Steenekamp, van der Merwe & Athayde, 2011; Fal, Daniels & Williams, 2010). There is an inadequate availability of skills for business ventures in South Africa. Schools do not dedicate sufficient time to teaching commercial courses. Individuals leaving school are therefore inadequately prepared to administer new businesses. There is no provision for critical thinking and analytic and investigative skills are particularly important for successful entrepreneurs; schools tend to train students to seek employment in large corporations.

Historically South Africa has lacked a culture for entrepreneurial activity (Crafford, Moerdyk, Nell. O'Neil, Schlechter & Southey, 2006). The education and training system in the country has mainly placed emphasis on developing people to move into a specific job, rather than to create employment for themselves (Crafford et al., 2006). Growing up, people are taught to attain a good education and acquire a good job with a secure salary. In recent times there has been an increase in entrepreneurial activity in South Africa, even though there is still repugnance towards risk. Entrepreneurship is progressively being acknowledged as more of a genuine option as a career and there has been an increase in the encouragement that people take accountability for their personal empowerment. While loathing risk and the trepidation of not being a success are continuous, a preponderance of those who become entrepreneurs are not afraid to strive all over again (Crafford et al., 2006).

# **1.2 Problem statement**

Goetz et al. (2012) indicated that being one's own employer has noteworthy encouraging impacts not only salary employment but also on income expansion and decrease in poverty. Two major sources of paid employment for new graduates in South Africa are the private sector and the public sector. The Global Entrepreneurship Monitor (GEM) reported the youth unemployment rate in South Africa to be 48% (Turton & Herrington, 2013). It is believed that the introduction or the improvement of policies and/or programmes that have the potential to increase the number of people that pursue entrepreneurship as a career choice is very important (Simrie, Herrington, Kew, & Turton, 2012). It therefore comes as no surprise that there has been an increase in the focus on entrepreneurship and new venture creation by the South African government (Olufunso, 2010; Irma, 2011).

It has been stated that around 80% of newly created businesses fail within the first five years of opening in South Africa (Bruwer, 2012). This can be due to a number of challenges, barriers and complications that the entrepreneur is faced with on a daily basis within the country. It has been stated that the entrepreneur must have the necessary skills and competencies to run a business successfully. These competencies can be acquired through formal or informal education. The challenges, barriers and the competencies experienced by entrepreneurs have been explored in detail in the literature review.

## 1.3 Research Aims

The aim of this research was to investigate the entrepreneurs' experience, their reasons for becoming entrepreneurs, the barriers that they have overcome to be entrepreneurs and their current experience of running their businesses. The study was conducted in and around Durban, focussing on entrepreneurs that have had their businesses for between 0-5 years. Using the Discovery theory and the Action Regulation theory, the entrepreneurs' goals, competencies and skills were explored. At the same time the reasoning and identification of their entrepreneurial exploits were explored using the Discovery theory. The Action Regulation theory guided the research in understanding how the entrepreneurs' goals are achieved, their possible setbacks and how they overcome the challenges they encounter.

# 1.4 Objectives

The objective of this study was to identify opportunities and challenges that entrepreneur's experience to gain an understanding of their experiences of starting and maintaining a business as well as to gain insight into their entrepreneurial experiences. Another objective was to understand how participants manage the challenges of running their businesses. Insight was gained in understanding what entrepreneurs perceived as relevant qualities and resources for their profession.

# **1.5 Questions**

What are the experiences and perceptions of entrepreneurs with regard to starting and running a business?

What are the opportunities and challenges that entrepreneurs experience and how do they navigate this?

What in their view are the necessary qualities, resources and environmental supports for entrepreneurship?

What are the initiatives required to sustain entrepreneurship?

This section of the thesis provided an introduction to the aims and objectives of the study and presented the hypotheses that the study aimed to investigate. Following this section is the literature review, where key concepts and previous studies on the topic will be critically discussed and reviewed.

# **Chapter 2**

# **Literature Review**

# 2.1 Introduction

Entrepreneurship among small and medium-sized enterprises (SMEs) is a highly relevant topic in the country, chiefly due to the pragmatic developments of business venturing occurring both locally and globally, and the confirmed capability of SMEs to drive economic development at a countrywide, and international level. Goetz et al. (2012) indicated that entrepreneurship has significant positive economic impacts not only on wage and salary employment but also on per capita income growth and poverty reduction. South Africa's compared to African counterparts were found to be more developed in terms of the formal financial system. However, local entrepreneur's perceptions of business are more negative across many components. A study conducted by the Omidyar Network (2012) showed that South Africa underperforms both in Sub-Saharan Africa (SSA) and globally when assessed against most measures in the development of entrepreneurial activities. South Africa was expected to fare better than the rest of Africa when comparing the infrastructure of the country. However, this was not the case. Significant challenges, in the form of limited accessibility of fitting skills and capacity for entrepreneurial ventures as well as complex legislation are rife for business owners in the country. In contrast, the superiority of economic markets allows owners of business in South Africa to enjoy admission to a more assorted range of strategies pertaining to finances in comparison with those in SSA and global counterparts.

# 2.2 Entrepreneurship in South Africa

Entrepreneurship can be defined as the emergence and growth of new businesses (Nieman & Nieuwenhuizen, 2009). It is a process that brings about changes in the economic system through innovations of individuals who respond to opportunities in the market (Herrington, Kew, & Kew, 2009). Entrepreneurship is seen as a means of employing people (Herrington et al., 2009). Stats SA estimated that 4, 9 million people are still unemployed in the country (White, 2015). According to Ndedi (2009), entrepreneurship is viewed as central to growth in the economy, stimulation of ideas and creating employment. Thus, if the formation of businesses contributes significantly to generating income and provides employment for people, the exploration of entrepreneurship is a means of empowering South

Africans. Poverty alleviation policies are seen as the key to the future well-being of the nation.

In South Africa, an estimated number of 3,830,511 small medium and micro enterprises (SMMEs) were in operation in 2008 (Bruwer, 2012). Bruwer (2012) reported that SMMEs do not have a very good track record, as an estimated 80% have to close within a period of five years after opening (Bruwer, 2012). There are a variety of SMMEs. According to Falkena, Bamber, Llewellyn and Store (2001), survivalist enterprises are businesses where the income generated is less than the minimum income standard or the poverty line. This category is considered pre-entrepreneurial, and includes hawkers, vendors and subsistence farmers (Falkena et al., 2001). In practice, survivalist enterprises are often categorised as part of the micro-enterprise sector. Micro-enterprises refer to businesses where the turnover is less than the value added tax (VAT) registration limit (that is, R150, 000 per year) (Falkena et al, 2001). These enterprises usually lack formality in terms of registration. They include, for example, spazashops, minibus taxis and household industries. They employ no more than five people (Falkena et al, 2001). Very small enterprises are enterprises employing fewer than ten paid employees, except for the mining, electricity, manufacturing and construction sectors, for which the figure is 20 employees (Falkena et al, 2001). These enterprises operate in the formal market and have access to technology. Small enterprises refer to business where the upper limit is 50 employees. Small enterprises are generally more established than very small enterprises and exhibit more complex business practices (Falkena et al., 2001). For medium enterprise businesses the maximum number of employees is 100 or 200 for the mining, electricity, manufacturing and construction sectors. These enterprises are often characterised by the decentralisation of power to an additional management layer (Falkena et al., 2001).

It has been noted in studies conducted by Gorji and Rahamian (2011) and Crafford, Moerdyk, Nel, O'Neil, Slechter and Southey (2006) that there are barriers that potential entrepreneurs and entrepreneurs face in South Africa, such as unrealistic expectations by the owner, financial constraints, lack of the necessary skills, lack of role models, lack of an entrepreneurial culture in South Africa and potential gender barriers. These could have an impact on the reason that so many SMMEs fail in the country.

## 2.3 Perceived barriers to entrepreneurship

Perceived barriers to becoming an entrepreneur have been explored by researchers such as Crafford et al. (2006), Gorji and Rahimian (2011), Steenekamp, van der Merwe and Athayde (2011). These barriers are prevalent in South Africa today. The first barrier, according to Gorji and Rahimian (2011), is the family's influence and entrepreneurship. Gorji and Rahimian, (2011) claimed that "in traditional society where men work outside the home to earn money and women play an important role in doing housework and bringing up the children, men are more likely than women to transmit business" (P. 18). The recent arrangement of the family in society today is that as a result the role women outside the home may result in the materialisation of more creativity and innovation in both males and females (Gorji & Rahimian, 2011). Variables of a demographic nature have an impact on entrepreneurship activities include gender as pointed out by Kolvereid (1996) and Matthews and Moser (1995). Crant (1996) established that men are more likely to convey an objective or inclination for starting their own businesses, than women.

The proportion of female to male participation in business activity varies noticeably within the sample of Global Entrepreneurship Monitor (GEM) countries, indicating differences in culture and traditions regarding participation in the economy that females have. An unfailing discovery made in the GEM is that men are more probable to be implicated in business activities. However, GEM research in recent years, has made the revelation that entrepreneurial activity amongst females has been growing, especially in developing nations. In established businesses, Pines, Gurion, Lerner and Schwartz (2010) establish that masculinity and femininity differences were greater in the rate of existing entrepreneurial activities in comparison to emerging and novel entrepreneurial activities in different economies. This implies that the 'mortality' of women's entrepreneurial ventures is less in majority of countries and at different levels regarding the economy. These findings are confirmed by the GEM Women's Report (2010).

Factors which impact business ownership among women can be credited to socio-economic factors status as well as work (Chiloane & Mayhew, 2010). The scarcity of employment and social welfare services in South Africa and other third world countries can be seen as a reason as to why black women enter to the informal sector for jobs as a means of living (Chiloane & Mayhew, 2010). Many black women consider the informal sector as an involuntary general solution for poverty alleviation and the creation of jobs (Chiloane &

Mayhew, 2010). This is an unlicensed direction for living and it is consequently appealing to survivalist business owners. Instead of making a profit, the business owner becomes subsistence business owner. Majority of women take this option as it provides a proposal for earnings created for transactions on a daily basis for household purposes (Chiloane & Mayhew, 2010). It is alleged that with the drive and perseverance to become an entrepreneur, an individual will make a success of themselves no matter what (Chiloane & Mayhew, 2010). However, the literature on women entrepreneurship suggests that, women are more disadvantaged than men in terms of entrepreneurial options (Chiloane & Mayhew, 2010).

A second barrier is the education system. The education system regarding secondary level education within South Africa does not aid in the education of entrepreneurial skills required to create small to medium businesses (Fal, Daniels, & Williams, 2010). According to First National Bank (FNB), formal (primary, secondary and tertiary education) educational structures do not impart entrepreneurial skills in South Africa (Fal et al., 2010). If the premise that it takes 10 000 hours (five to six years) of practice to master anything holds true, then more needs to be done to build entrepreneurial skills (Fal et al., 2010). This corroborates with the statement made earlier that many businesses fail early because of the lack of necessary skills.

A matriculation certificate is no longer an assurance for job security for individuals that want to penetrate the job market following primary and secondary education. As a result of the socio-economic state of affairs of the country, many people are unable to attend tertiary institutions to further their education and training (Steenekamp et al., 2011). Horn (2006) presented a number reasons for this incident: an inferior schooling system; ill-prepared learners; teachers with inadequate incentive and familiarity to transmit the capabilities required for the contemporary working world; an economy that is not encouraging employment creation; and other causes such as increased mechanisation by industry and the invasion of global corporations such as Burger King entering South Africa in 2013 (Steenekamp et al., 2011). Adding to this, the "traditional classroom delivery" process of fundamental teaching in South Africa (Co & Mitchell, 2006) may not be helpful to the improvement of an innovative character among pupils. It has been projected that creative approaches to small companies training and education may be imperative for programmes aimed at promoting entrepreneurial activity (Steenekamp et al., 2011). This is not only aimed at secondary level education but at tertiary level as well.

In a study conducted on students in secondary schools in South Africa by Steenekamp, van der Merwe and Athayde (2011), the high levels of unemployment in South Africa were noted and the ever-increasing figure of unenthusiastic job hunters amid youthful South Africans (Stats SA, 2007). This can be correlated to a critical call for the encouragement of business creation as a possible answer to joblessness (Steenekamp et al., 2011). The lack of entrepreneurial education in the education sector results in a gap in which entrepreneurs do not have the knowledge and the necessary competencies to be effective.

Marketing is fundamental part to an entrepreneur (Crafford et al., 2006). The predicament that businesses encounter is that there is a lack of customers and not that there is a shortage of goods (Gorji & Rahimian, 2011). Many businesses have the inability to sell their goods and as a result find themselves insolvent. A research paper conducted by Analoui, Moghimi and Khanifar, (2009) found that scarcity of clients has an 80% contribution to a company going bankrupt. It was also found that a lack of suitable goods and products had an impact on 10% of companies that went bankrupt. This can be attributed to a business owner not knowing the market in the area in which he or she operates (Gorji & Rahimian, 2011).

Crafford et al. (2006) claimed that another barrier that could be seen in an organisation is unrealistic expectations of the owner. Owners of small to medium businesses make the mistake of thinking that owning a business is glamorous (Crafford et al., 2006). They have unrealistic expectations about the estimated wealth that the business can create. Individuals often underestimate how much hard work needs to be put in to a business and the time it takes to get the business up and running before making a profit (Crafford et al., 2006). In addition, it is expensive to start a business which can lead to financial problems (Crafford et al., 2006). Failure of businesses leads to increased pressure on the economy, as investments and loans are squandered leaving business owners in debt (Bruwer, 2012).

There is another barrier in the form of the environment. Environmental barriers can include socio-cultural factors, and rules and regulations in the form of labour laws of the state (Gorji & Rahimian, 2011). Socio-cultural factors include the attitudes, beliefs, and morals of the social order towards private enterprise and are identified as the entrepreneurial culture of the public (Gorji & Rahimian, 2011). The determinants of the culture of a society are dependable on the types of attitudes, values and morals. This fostering culture can result in progress inventions and improvement (Gorji & Rahimian, 2011).

According to Crafford et al. (2006), a shortage of entrepreneurial culture in South Africa exists. Historically the education and training system in the country has placed emphasis on developing people to move into a specific job, rather than to create employment for themselves (Crafford et al., 2006). Growing up, people are taught to work towards a good education followed by a good job with a secure salary. This leads to success (Crafford et al., 2006). An individual is then taught to be loyal and hardworking in order to earn a promotion and increase his/hers alary in order to buy the best things in life (Crafford et al., 2006). There appears to be little socialisation to become hardworking employers who create their own jobs and pay other people salaries (Crafford et al., 2006).

According to Atkinson, entrepreneurs tend to be successful in entrepreneurial activity when they have experience in the field, take risks and are able to bear the consequences (Atkinson, 2014). Any entrepreneurial activity will benefit from the advice and mentorship of those who have taken similar risks and have emerged as successful entrepreneurs (Atkinson, 2014). An essential issue revolves around the country's scarcity of promoting entrepreneurial culture which has been on the increase in recent years. South Africa's older age bracket characteristically creates the notion in the younger generation that not having a degree from a tertiary institution means impending failure, implying that if a person is untrained, he/she is destined to a substandard life (Atkinson, 2014). Pushing for degrees can lead to people being shackled to jobs (Atkinson, 2014).

Labour law in South Africa can also be seen as a barrier. For instance, an entrepreneur in the country must take into account Broad Based Black Economic Empowerment (BBBEE) and must consider employees' rights such as the right to protest for higher wages. Examples of this would be the Labour Relations Act (LRA), Act 66 of 1995, which states the conditions in which employees are able to participate in a protected strike and how they can become affiliated with a trade union, as well as the Basic Conditions of Employment Act (BCEA), Act 11 of 2002, which states the minimum wage that can be paid to an employee, the maximum or minimum working hours in a week and the state of working conditions in the workplace (Klerck, 2011). BBBEE and affirmative action was introduced to rectify and balance the transgressions of the apartheid regime. In essence, BBBEE allows previously disadvantaged individuals employment and the opportunity to up skill themselves. There are also rules for business regarding how many people employed in the company are from disadvantaged backgrounds, and how many hold positions in management. These have an

effect on business that is done with government. Entrepreneurs must take this into consideration when recruiting employees and when doing business with companies in order to gain BBBEE status (Klerck, 2011).

It has been highlighted that environmental differences, such as the socio-economic status of the individuals in the country, employment, statutes and laws, have had an impact on individual entrepreneurship (Fatoki, 2010). For example, South Africa has a much higher crime rate than most first world countries and may have a negative influence on business creation. Fatoki's (2010) study, for example, noted the fear of being held at gunpoint for earnings. For women entrepreneurs, it has been suggested that the risk is greater as they are vulnerable to crime, abuse and violence. Lack of education and other problems are associated with being in a traditionally male-dominated area.

Gorji and Rahimian (2011) have noted that the third type of barrier to independent entrepreneurship includes financing, physical resources and marketing. In terms of financing, a pivotal key to success and development in launching an entrepreneurial activity is to appeal and offer adequate resources to start up a business (Gorji & Rahimian, 2011). Numerous businesses start up when entrepreneurs gain finances from other businesses and bank loans. In order for the loans to be secured there has to be assurance of a return on investment. A large number of businesses fail in South Africa; thus in order to achieve a loan, an individual must be able to successfully run the business. Because of a lack of skills, it appears that this is a difficult task.

Financial problems are often a result of entrepreneurs not having enough capital or funding to cover their original costs and to keep the company running (Crafford et al., 2006). It is difficult to get funding from banks or donor organisations, especially for young entrepreneurs with no credit ratings (Crafford et al., 2006). Entrepreneurs must be able to show budgets and a thoroughly researched plan (Crafford et al., 2006). Entrepreneurs often lack these skills and thus need to spend money to employ people to do this for them (Crafford et al., 2006). Some entrepreneurs then get themselves into debt from loans from family, friends and the community (Crafford et al., 2006). Thus a central part complexity lies with the aversion of banks to grant loans combined with a shortage of support and negative cultural attitudes. In a study conducted in South Africa, Allie and Human (1997, p. 8) found that "although 72% of micro-enterprises were owned by women, both internal and external

barriers affected the success of these businesses. Internal barriers ranged from a lack of assertiveness, self-confidence and communication skills and an absence of role models to a lack of marketing skills."

The government of South Africa in partnership with the Department of Trade and Industry has taken note of the difficulty for entrepreneurs to find funding to start up their businesses. A number of companies have been introduced to assist entrepreneurs in gaining loans for capital and education to start up their businesses such as YEDS programme and SEDA. They aim to assist young and new entrepreneurs to gain the necessary funds. They also aim to alleviate poverty by creating more businesses which offer employment opportunities in small, medium and micro enterprises.

# **2.4 SEDA**

The Small Enterprise Development Agency (SEDA) is an agency of the South African Department of Trade and Industry (DTI). SEDA was established in December 2004, through the National Small Business Amendment Act, Act 29 of 2004. It is mandated to implement government's small business strategy; to design and implement a standard and common national delivery network for small enterprise development; and to integrate government-funded small enterprise support agencies across all tiers of government.

SEDA's mission is to develop, support and promote small enterprises throughout the country, ensuring their growth and sustainability in co-ordination and partnership with various role players, including global partners, who make international best practices available to local entrepreneurs. The establishment of SEDA was completed by merging three organisations, namely the Ntsika Enterprise Promotion Agency, National Manufacturing Advisory Centre (NAMAC), and Community Public Private Partnership Programme (CPPP).

SEDA provides business development and support services for small enterprises through its national network, in partnership with other role players in small enterprise support. It also implements programmes targeted at business development in areas prioritised by the government.

The business model of SEDA is based on a number of delivery points located throughout the country, supported by a national office located in Pretoria/Tshwane. While the national office is responsible for overall co-ordination and provision of support services and

systems to the provincial network, the various delivery points interface with the target market and are responsible for the provision of the products and services that the development agency offers clients. These delivery points currently take the form of Enterprise Information Centres (EICs), as well as technology supported business incubators. SEDA contributes to the training and development of entrepreneurial skills and provides direction for the growth of business. This allows for the fostering of the necessary competencies needed to become an entrepreneur.

# 2.5 Competencies of an Entrepreneur

Psychology as a field has moved away from a purely personality trait based approach and emphasises other variables (Baron, 2002). It has been argued that actions need to be studied from a psychological perspective and certain actions are necessary to start a firm (Rauch & Frese, 2000). The role that organisational psychology plays in understanding entrepreneurship is to contribute to understanding the process of starting and growing of a business. Not only do the founders of an organisation have an enormous role in shaping the structure and culture of the organisation (Schein, 1987), but the dynamics of growing, keeping a certain organisational size, overcoming barriers and the success or the failure of organisations need to be an important aspect in researching entrepreneurship. Entrepreneurs' actions need to be the starting point for theorising in entrepreneurship.

Research in entrepreneurship has traditionally relied primarily upon quantitative methods grounded in a positivist epistemology. Suddaby, Bruton and Si (2014) believed that this overreliance on quantitative methods has artificially constrained entrepreneurship research. They acknowledged that quantitative methods have produced considerable knowledge accumulation in entrepreneurship; the field of entrepreneurship research has, however, largely failed to develop an indigenous theory through the lack of qualitative research on the subject. Studies have been conducted using Action Regulation theory and focusing on the opportunities and challenges that entrepreneurs face (Bryant, 2009; O'Shea, 2011; Rauch & Frese, 2007; Shane, 2000). The purpose of this research is to gain insight and understanding into entrepreneurs' experiences. The reason for conducting the study using a qualitative methodology is to gain personal accounts of entrepreneurs' experiences and how they have overcome perceived barriers. Demographic variables such as race, age and gender are explored to ascertain differences in entrepreneurs' barriers.

For the purpose of this study the relevant attributes needed to be a successful entrepreneur will be explored. Some identified entrepreneurial attributes include having: the ability to make decisions in ambiguous situations, a high need for achievement, a high internal locus of control, risk-taking propensity and creativity (Crafford et al., 2006). According to Dej (2010) and Crafford et al. (2006), an entrepreneur must have the following attributes. Firstly, there is the need for achievement. Crafford et al. (2006) claimed that this indicates the individual's need to strive hard to attain success. Locus of control is an aspect of the cognitive style which represents the extension to which an individual feels in charge. It includes the perception of control over the environment by one's actions, as well as the belief that luck and fate do not totally determine what happens (Crafford et al., 2006). Risk taking describes the individual cognitive style with respect to taking risks. Risk takers actively seek risky assignments and have a greater propensity to take risks.

Personal initiative results in an individual taking an active and self-starting approach to work and going beyond what is formally required in a given job (Dej, 2010). Tolerance of ambiguity describes one's ability to make decisions with incomplete information and to make decisions in situations of high uncertainty. Creativity describes the tendency towards experimentation, trial and error, lateral thinking or thinking in non-conventional ways, challenging existing assumptions, flexibility, and adaptability in problem solving (Dej, 2010).

In a study conducted by Enuoh and Inyang (2009), certain competencies were found in successful entrepreneurs in Nigeria. These include time management, effective communication, business ethics, marketing management, decision-making and financial management. Entrepreneurial competencies have an important role to play in entrepreneurship.

## Time management

Time management has been an area of concern for individuals, corporate bodies and entrepreneurs in particular. Time management can be applied to any discipline; it is a transferable skill. In their study, Enuoh and Inyang (2009) used an analogy of time as an important commodity. It can be useful to look upon time as money because money is a widespread yardstick of value (Enuoh & Inyang, 2009). They went on to claim that time, like money, should be invested wisely; thus it is important to avoid wasting time and to invest it with energy to good effect. Some common time consuming activities include slow decision-

making, an inability to delegate, unnecessary interruptions, appointments that fail to take place, delays while travelling, poorly conducted meetings, and procrastination, to name but a few (Enuoh & Inyang, 2009; Sethi & Sexena, 2012). The suggestion is made that all entrepreneurs need to learn how to manage their time effectively by carrying out activities such as: quick decision-making habits, keeping diaries, delegating duties, avoiding unnecessary interruptions, properly conducted meetings, avoiding queues, selecting and following priorities (Enuoh & Inyang, 2009). In essence a successful entrepreneur is an effective time manager.

#### Communication

Communication can be defined as the transfer of ideas from the sender to the receiver. It is an essential tool. According to Inyang, Oden and Esu (2003, p. 2) the ultimate goal of communication is to influence, inform or to express feelings and to turn it into meaning. The entrepreneur therefore requires effective communication skills for several reasons:

- 1. Communication process helps the entrepreneur affect the functions of planning, organising, staffing, influencing, interacting, controlling, and co-ordinating.
- 2. It facilitates distribution of work to various categories of staff.
- 3. It is an effective tool for staff participation in decision-making and entrepreneurial effectiveness.
- 4. It enhances the development of actual understanding among staff.
- 5. It helps to create good public relations or image for an organisation.
- 6. It is an instrument for maintaining staff discipline and in asserting authority over subordinates.
- 7. It is a means of transmitting information, work instructions and feedback at the work place.

Thus communication is an important tool for getting things done and the foundation for understanding, and for co-ordinating action (Inyang, 2000). The entrepreneur must learn to communicate in a correct, clear, short and courteous manner in order to accomplish desired goals.

#### **Marketing**

Hisrich and Peters (2002, pp. 509-510) stated, "marketing skills in the growth stage of a new venture are also critical to a venture's continued success. As the company grows, it

will need to develop new products and services to maintain its distinctiveness in a competitive market". This should be a continuous procedure based on information regarding changing customer's needs and competitive strategies. Marketing is vital to the survival and growth of any business (Enuoh & Inyang, 2009). In its fundamental nature, all the funds generated by an entrepreneur are dependent on marketing. It has been suggested that marketing interrelates with almost all other functional areas of business such as accounting, finance, production, engineering and human resources (Crafford et al., 2006). The marketing function is central and strategic to a firm's success (Ebitu, 2005, p. 196).

#### **Business** ethics

"Ethics concerns the rules and principles that define right and wrong, good and bad conduct. Ethics also deals with moral ability and obligations" (Inyang, 2004, p. 136). Ethics can be viewed as a system of rules governing the ordering of values in society. Business ethics involves the application of ethical principles to business relationships and activities.

## Leadership

Leadership is the most important single factor in determining business success or failure in our competitive, turbulent, fast moving global economy. The quality of leadership is the decisive strength or weakness of organisations and institutions. The ability to produce the necessary leadership is the key determinant of achievement in all-human activities. According to Hisrich and Peters, (2009 p. 511) successful entrepreneurs are successful leaders; they have power and motivate the entrepreneurial venture. In other words, for an entrepreneur to succeed, he/she must have the ability to direct the organisation and persuade others to seek a defined objective enthusiastically (Frese, 2009). Like any set of skills, leadership is developed by practice and repetition. Entrepreneurs are creative individuals with unique leadership qualities and personal styles. As wise leaders, they seek opportunities, initiate projects, gather the physical, financial and human resources needed to carry out projects, set goals for themselves and others, and direct and guide others to accomplish goals (Ilesanmi, 2000 p. 188). Effective leadership is a potent tool in the hands of the entrepreneur, which helps him/her to turn his/her business vision into reality.

#### Decision-making

Decision-making is very important to the success of an entrepreneur. According to Enuoh and Inyang (2009), decision-making is at the core of entrepreneurial activities. Making

a decision is one thing and making the right decision given the circumstance is another (Frese, 2009). Many individuals have difficulty bringing their ideas to the market and creating a new venture. According to Enuoh and Inyang (2009), decision-making is a process of selecting among available alternatives. This selection process may be very difficult especially when the available alternatives are numerous. An entrepreneur makes decisions constantly and therefore has to acquire adequate knowledge and skills in decision-making to enable him/her make the right decisions (Crafford et al., 2006). The decision taken at any point in time could either make or break an enterprise.

It has been stated that the ability to make correct decisions is an important skill of any person. In studies where the careers of managers who were promoted rapidly were compared to those of managers who were passed over for promotion, researchers found that the one distinguishing behaviour of the more rapidly promoted managers was that they were more decisive in everything they did (Enuoh & Inyang, 2009). Making a decision is as important as implementing the decision. Sometimes the right decisions are made but the courage to implement them is lacking. An entrepreneur has to acquire adequate knowledge, skills and attitudes to making the right decisions and implementing them in order to achieve the optimum result in a given situation (Enuoh & Inyang, 2009).

According to Frese (2009) entrepreneurs should be able to accept feedback and self-correction. They need to take in new information and change direction if necessary. But they should always be decisive, always move forward, never be feeble or hesitant in their attitudes and their approaches to making a decision (Enuoh & Inyang, 2009). It can therefore be stated that an entrepreneur can be successful when the right decisions are made and when they are also able implement the decision as well as change it if necessary (Enuoh & Inyang, 2009).

## Financial Management

Every business enterprise requires capital with which to start its operations. Capital refers to money needed to start and operate the business and the assets needed to conduct the business, which represent the resources provided by owners and creditors of the business (Crafford et al., 2006). The extent of the need for capital must be determined at the outset and sources for the necessary capital must be found. A characteristic of successful entrepreneurs is the ability to source funds for their enterprises (Enuoh & Inyang, 2009). These funds have to be properly managed to ensure that at any point, there will be adequate funds to cater for

the day to day running of the enterprise (Crafford et al., 2006). Financial management refers to the planning, organising, directing and controlling of the company's financial resources (Enuoh & Inyang, 2009). An entrepreneur needs to acquire knowledge on financial management issues like anticipation of financial needs for the enterprise, acquisition of funds and allocation of funds in order to yield the most profit (Atkinson, 2014). To achieve these goals, he or she needs to maintain the correct proportion of the firm's finances in three key areas: savings, insurance and investments (Enuoh & Inyang, 2009). Most entrepreneurial failures are due to the inability of the entrepreneurs to effectively manage funds which they source for their ventures (Crafford et al., 2006). Having knowledge in financial management is therefore a necessary factor in entrepreneurial success.

According to Mann et al. (2001) the following competencies were viewed as important for being an entrepreneur: strategy, commitment, conceptual, opportunity, relationship, learning, personal. Strategy competency relates to entrepreneurs' ability to develop a vision and strategy for their business, to plan ahead, to set goals and standards and sell ideas (Mann et al., 2001). Commitment competency is demonstrated in a strong motivation to compete, a drive to see a venture through to fruition, as well as a capacity to make an impact and finally, in dedication (Mann et al., 2001). Conceptual competency is involves analytical competency to face addressing complex situations (Mann et al., 2001). It demonstrates the possession of cognitive ability and decision-making skill, the ability to weigh up risks, think analytically, be innovative, be creative, show reasoning, and the capacity to reduce risks (Mann et al., 2001). Opportunity competency relates to the ability to recognise opportunity, the ability to capture opportunity, as well as the ability to identify customer's wants and needs (Mann et al., 2001).

Relationship competency is another important competency for the entrepreneur. Through the use of good interpersonal and communication skills, the entrepreneur will have the ability to influence others and gain support (Mann et al., 2001). A key success factor for an entrepreneur has been found to be his or her capabilities to work with others such as employees, business partners, family, friends, and customers. Organising competency refers to the entrepreneurs' ability to direct, lead, delegate, motivate, plan and schedule work, develop programmes, and prepare a budget (Mann et al., 2001). Entrepreneurs should have the ability to lead, coordinate, control, monitor, and organise internal and external resources of the business such as finance and human resources (Enuoh & Inyang. 2009). Learning

competency is the ability to direct and utilise skills to be more successful in recognising and adapting to the changing roles of entrepreneurs (Mann et al., 2001).

Other competencies found in the study (Mann et al., 2001) include an entrepreneur's personal competency which refers to important personal qualities and abilities of the competencies that help in building up personal strength and enhance an individual's effectiveness in performing certain challenging tasks such as managing one's own business. In the personal competency, an entrepreneur should identify strengths and weaknesses and match them with opportunities and threats (Mann et al., 2001). Depending on the nature of the business, an entrepreneur should have technical competency. Technical competency includes the ability to use and adapt technical skills including the techniques and tools handling which are relevant to the particular business (Mann et al., 2001). This involves possessing knowledge of instruments and the functioning of tools, machines or search procedure as well as a mastery of tasks or content of work (Mann et al., 2001).

The entrepreneur has a social responsibility as well. Social responsibility competency has been referred to as "the positive activities a company undertakes in the society in which it operates" including responsibility towards customers, employee and the public (Mann et al., 2001). Finally, Mann et al. (2001) claimed that an entrepreneur should be ethically competent. Ethical competence in business means high ethical awareness, the ability to understand ethical problems, the power to communicate and argue at the organisation level and having confidence to run the business effectively (Mann et al., 2001).

It can be seen that the competencies required by successful entrepreneurs presented from these studies have many themes which overlap. The following section will explore Discovery theory and the Action Regulation theory in detail. Kirzner's Discovery theory (1973) and Frese and Sabini's Action Regulation theory (1985) have been utilised to explore the opportunities that exist for entrepreneurs, how they come up with plans to seize these opportunities and the possible risks and barriers that they must overcome to make their businesses a success.

#### **2.6 Discovery theory**

This study makes use of Discovery theory or the Opportunity Nexus theory which focuses on the existence, discovery and exploitation of opportunities and the influence of

individuals and opportunities (Alvarez, 2007). It recognises that opportunities exist when competitive imperfections exist in a market or industry (Alvarez & Barney, 2007). Discovery theory emphasises that opportunities, like mountains, exist as real and objective phenomena, independent of the actions or perceptions of entrepreneurs, and are waiting to be discovered and exploited. Competitive imperfections are assumed to arise from changes in technology, consumer preferences, or some other attributes of the context within which an industry or market exists (Alvarez & Barney, 2007). Also, this emphasis on exogenous shocks forming opportunities suggests that Discovery theory is predominantly about search where the entrepreneur systematically scans the environment to discover opportunities to produce new products or services.

Discovery theory has three assumptions. Firstly, it assumes that opportunities in the market for the entrepreneur exist whether the entrepreneur sees the opportunity or not (Alvarez, 2007). According to Alvarez (2007), opportunities derive from the industries or markets that the entrepreneur is looking to take action in. Thus it is assumed that if the entrepreneur understands the structure of the industry that they are attempting to get involved in, they will be able to anticipate the kinds of opportunities that exist (Alvarez, 2007). This may be to create new business ventures such as the creation of a new product or service or to refine products, and improve on products and services and enter the market at a lower price than the competition (Alvarez & Barney, 2007). The assumption contends that understanding the entrepreneurial environment is important.

The second assumption assumes that individuals are unique and able to seize the opportunity to become an entrepreneur. Because of their uniqueness, individuals are able to make different products and services (Alvarez, 2007). Added to this notion is that an individuals' uniqueness leads to the identification of opportunities in the market based on individual perceptions (Alvarez & Barney, 2007).

Finally, the theory assumes that there is a risk taken by the entrepreneur to take up business (Alvarez, 2007). The decision-making context within which entrepreneurs choose to exploit an opportunity is assumed, by discovery theory, to be risky, rather than uncertain. A decision-making context is risky if, at the time a decision is being made; decision makers can collect enough information about a decision to anticipate possible outcomes associated with that decision, and the probability of each of those possible outcomes (Alvarez & Barney,

2007). A decision-making context is uncertain if, at the time a decision is being made, decision makers cannot collect the information needed to anticipate either the possible outcomes associated with a decision nor the probability of those outcomes (Alvarez, 2007).

The decision-making context in Discovery theory is risky because it assumes that opportunities are objective in nature. As objective phenomena, entrepreneurs can use a variety of data collection and analysis techniques to understand the possible outcomes associated with an opportunity, along with the probability of those outcomes (Alvarez & Barney, 2007). This theory will assist the researcher in exploring the manner in which the entrepreneur came into creating their business by looking at the environment and how these entrepreneurs identified their opportunities to start their businesses. It will also assist the researcher in exploring the perceived risks that the entrepreneur faced in becoming an entrepreneur.

In a study conducted by Barringer (2010), interviews were conducted with entrepreneurs on the start-up of their businesses. The aim of the study was to compare findings of their research using the Discovery theory of entrepreneurship with that of the Creation theory (Barringer, 2010). It was believed that the business start-up process was conducted using a standard process. The process involves recognising an opportunity, collecting data, and launching the business (Barringer, 2010). More recently, researchers have argued that this description only applies when an opportunity is obvious (Alvarez & Barney, 2007). In this context, the role of the entrepreneur is to discover and exploit those opportunities that occur externally (Barringer, 2010). The study followed a grounded research methodology involving in-depth interviews with the founders of 20 entrepreneurial firms. The results of the study indicated that entrepreneurs followed both the Discovery theory and the Creation theories of entrepreneurial start-up (Barringer, 2010). Particularly striking was that the majority of the subjects in the study were quick to confirm that they felt that the opportunity they pursued existed independent of themselves (Barringer, 2010). Table 1 below outlines the differences between discovery theory and the creation theory.

**Table 1: Discovery and Creation Theories** (Alvarez, 2007)

	Discovery Theory	Creation Theory	
Nature of opportunities	Opportunities exist	Opportunities do not exist	
	independent of entrepreneurs.	independent of entrepreneurs.	
	Applies a realist philosophy	Applies an evolutionary	
		realist philosophy	
Nature of Entrepreneurs	Differ in some important	May or may not differ from	
	ways from non-	non-entrepreneurs, ex ante.	
	entrepreneurs, ex ante	Differences may emerge, ex	
		post.	
Nature of Decision-Making	Risky	Uncertain	
context			

# **2.7 Action Regulation theory**

Action Regulation theory attempts to understand how people regulate their actions to achieve goals actively (Frese, 2009). Action theory is utilised to explain certain phenomena, such as psychological action strategies or failures and errors by entrepreneurs (Frese, 2009). Table 2 below depicts Action Regulation theory.

**Table 2: Action Regulation Theory** (Frese, 2009)

Action	Self-starting	Proactive	Overcome barriers
sequence			
Goals/	- Active goal,	-Anticipate future	- Protect goals when
Redefinition	- Not only goals that are	opportunities and	frustrated or taxed by
of tasks	taken over from others	problems and convert	difficult environment
	- Setting higher goals	into goals	or complex goals
	(growth goals)		structure
Information	-Active search, i.e.,	- Search for potential	-Maintain search in
collection	exploration, active	problem areas and	spite of lack of
And prognosis	scanning	opportunities before	resources, problems,
	_	they occur	complexity, and
		-Develop knowledge on	negative emotions
		alternatives routes of	
		action	
Plan and	-Active plan	- Back-up plans	- Overcome barriers
execution	-High degree of self-	- Have action plans for	- Return to plan
	developing a plan	opportunities ready	quickly when
	- Don't imitate, don't	-Proactivity of plan and	disturbed
	just follow advisors	detailedness	
Monitoring	-Self-developed	-Develop pre-signals for	- Protect feedback
and	feedback and active	potential	search
feedback	search for feedback	problems and	
		opportunities	

Table 2 distinguishes different steps in the action sequence to becoming an entrepreneur and demonstrates three aspects of being an active entrepreneur: self-starting, long-term proactivity, and persistence in the face of barriers and obstacles that need to be overcome (Frese, 2009). First, entrepreneurs must start something; thus, they are self-starting. Being self-starting is related to being innovative implying that a new idea for that context is developed and implemented: Innovative products, services, production, or marketing strategies, all help to make firms to be successful (Frese, 2009). Second, proactivity means to have a long-term focus and not to wait until a demand is explicitly made to which one must respond (Frese, 2009). A long-term focus can be related to future opportunities and to stressors; preparing for opportunities now implies that an individual assembles resources now so that one is able to quickly make use of future opportunities (Frese, 2009).

Persistence has been conceptualised as an important part of entrepreneurship. When new ideas are pursued, adversity needs to be overcome (Frese, 2009). Persistence implies two processes. First, protecting self-regulatory processes; this implies to protect goals, plans, and feedback seeking when competing goals, plans, and feedback appear or when these are frustrated or taxed by difficult situations (Frese, 2009). Second, using self-regulatory processes to overcome external barriers; thus, when an active approach runs into difficulty, these difficulties are dealt with in an effective and persistent manner (Frese, 2009).

This theory will assist the researcher in exploring the perceived barriers that the entrepreneurs have faced and how they have overcome these barriers. It also helps in exploring possible future barriers that have not yet been faced by the entrepreneur. This theory assists in researching the actual running of the business and the perceptions and experiences of entrepreneurs during this process can be explored. This theory also explores the process of generating the ideas for their businesses. Both these theories can be applied to the individual in the establishment phases of an entrepreneurial venture. The Discovery theory does not only look at the individual but also at the environment in the form of the opportunity that the entrepreneur may be given.

For Frese (2009), an individual starting a business in a market niche and defending the niche is an active process, not passive. Most actions are geared towards the environment and take into account environmental conditions. However, the most important feature of entrepreneurial action is not that it is well adjusted to environmental conditions but that it changes the environment.

Action Regulation theory is related to goal-oriented behaviour (Frese & Sabini, 1985). Three aspects help to understand how humans regulate their actions: sequence, structure, and focus (Frese, 2009). Sequence refers to how actions unfold, while structure involves levels of regulation, and the focus of an action can be the task and needs to consider the social context of the task (Frese, 2009). Every action can be broken into these three components of actions; therefore a full understanding of entrepreneurs' action has to take all these aspects into consideration (Frese, 2009).

According to Frese (2009), the following steps of the action sequence can be minimally differentiated: goal setting, mapping of the environment, planning, monitoring of the execution, and feedback processing. For the entrepreneurial process, goal setting refers to an entrepreneur that has the goal to found a firm or not to work as an employee (Frese, 2009). The entrepreneur maps out the area in which the firm is supposed to operate (opportunity detection), plans how to achieve this goal, monitors the process of executing these ideas, and processes feedback from (potential) customers, banks, business angles, the public or in the case of some, approaching an agency such as SEDA or the Department of Trade and Industry (Frese, 2009).

Because goal orientation is linked with action, goals are of primary importance for this theory (Frese, 2009). Goals are anticipated future action results and they are used as set points (Hacker, 1985). Goals pull the action and thus, higher goals usually have a stronger pull and therefore lead to higher performance (Locke & Latham, 1990). Anticipated results can be visualised and thereby produce motivation. An example of this would be to sell a product or service. A better visualisation of a goal could possibly have a stronger pull function and is most likely to lead to higher levels of commitment (Frese, 2009). The development of a clear idea and visualisation of a goal is the specification of the goal in detail.

Empirical work has differentiated three principal ways in which people think about their goals (Oettingen, Hoenig, & Gollwitzer, 2000). One way is to fantasise about achieving the goal; another is to worry about not achieving the goal, and a third is to contrast the goal

with the current condition (Frese, 2009). Fantasising about goal achievement and worrying reduce the chances to achieve the goal; contrasting the positive goal fantasies with the current condition is most effective for high achievement (Oettingen et al., 2000). It follows that entrepreneurs who mainly fantasise or mainly worry about their goal achievement are less likely to either start a firm or be successful (Frese, 2009). A goal can only function as a motivator for performance if it has regulatory power over the action (Semmer & Frese, 1985).

Goals can be associated with higher or lower levels of commitment (Frese, 2009). Higher goal commitment leads to higher goal strivings (Locke & Latham, 1990). If goal commitment is high, owners are more likely to be satisfied with their situation (Maier & Brunstein, 2001). People usually pursue several goals at once. Some of these goals may be hierarchically related (e.g. starting a firm and getting money for the patent rights for an invention); some other ones are not related (e.g., planning a leisure time event for a day off and working on a business plan); and some may be conflicting and need to be compromised or in some way negotiated (Frese, 2009). Goals are organised into hierarchies. This does not mean, however, that are always take into consideration the whole hierarchy. Frese (2009) claimed that higher level goals, such as life goals and moral standards, are typically not in the foreground of an entrepreneurs' attention. An individual can only attend to those goals that are of immediate action relevance (Frese, 2009). Long-range life goals are typically of less action relevance than those directly related to daily life. Intermediate goals are in the foreground of attention. This is one of the reasons why time management techniques teach people to attend to the important long-range rather than simply the urgent short-range goals (Macan, 1996). Long-range goals often have less regulatory power than short- or mediumrange goals even if they are deemed to be more important (Frese, 2009).

Self-starting forms of information collection are based on active search, active exploration of the environment and the information available (Frese, 2009). Proactive information collection appears if owners search and scan for potential future opportunities or problems (Frese, 2009). Overcoming barriers in information collection implies continuation despite difficulties (Frese, 2009).

Planning and execution of entrepreneurial activities are evident when there is an active plan that has been self-developed; this must go beyond imitation of a product or service (Frese, 2009). Such a plan is proactive if it is oriented toward the longer term future

and if it is sufficiently detailed (Frese, 2009). Back-up plans show that there is a high degree of proactiveness of the plan and they also help in overcoming problems that may appear (Frese, 2009). Owners overcome barriers well, when they develop good and new ideas of how to deal with the problems and when they return to their action quickly if the flow of the action has been disturbed (Frese, 2009). Feedback signals can be developed by the owner, through indication of customer satisfaction, in developing and taking seriously potential early signals that something is not going well and in protecting one's feedback search (Frese, 2009). People do not like negative feedback, but it is particularly useful to keep up the search for negative feedback (Frese, 2009).

In concluding, from the information of the above, it is clear that South Africa's unemployment rate and the failure of new business ventures is of great concern. Through being educated and gaining competencies required by an entrepreneur, people can have the necessary skills and knowledge to being successful entrepreneurs. However, there are other external factors that can have an impact on the entrepreneur's success. The competencies that are necessary for entrepreneurship were discussed as well as the barriers that have an impact on entrepreneurial success. In exploring similar studies, it seems similar findings can be found in this proposed study. The use of Discovery theory can contribute to an understanding of how entrepreneurs started their businesses. The Action Regulation theory helps to understand the process and the difficulties that entrepreneurs face and how they will be able to overcome these difficulties.

The next section will explore the methodology used in the present study. In so doing the research aims, design, participant sample and the manner in which data was collected and analysed will be discussed in detail.

# Chapter 3

# **Methodology**

#### 3.1 Introduction

An explanation according to Weaver and Olson (2006) is that a paradigm guides the study and may well be impacted and lead by stating that paradigms are patterns of viewpoints that normalise investigation within a study on condition that focus and procedure through which exploration is done, can be accomplished. Hence, to illuminate the structure of the study and methodological choices, an examination of the paradigm utilised for this study will be discussed (Weaver & Olson, 2006). This chapter also describes the primary aim, research design and method, subject, research procedure, as well as data collection processes and analysis of this study.

According to Mackenzie and Knipe (2006), a paradigm is a structure based on speculative theory. Bogdan and Biklen (1998) defined the concept of a paradigm as "a loose collection of logically related assumptions, concepts and propositions that orient thinking and research" (p. 4). Hughes (2001) described a paradigm as a method of observing the world so as to 'frame a research topic' and manipulate the manner in which we postulate the subject matter. An interpretive paradigm assumes that the actuality being examined is made up of the individual's subjective experiences of the external world. This study adopts an interactional epistemological position towards this veracity and uses techniques like participant observation or interviews that are reliant on the rapport between the subject and the researcher (Terreblanche et al., 2006). Qualitative research studies attempt to describe and explain a relationship between the abstract nature of people, objects and situations. The research design of the proposed study will be done through an interpretive paradigm using a qualitative methodology (Terreblanche, Durrheim, & Painter, 2006). Qualitative research attempts to elucidate the individual reasons and meanings that position social action (Terreblanche et al., 2006). The interpretive paradigm views the nature of reality as an internal reality of subjective experience (Van der Stoep & Johnston, 2009).

Qualitative research attempts to provide multifaceted documented illustrations of how individuals experience a given research subject. Information in relation to the 'human' area of an issue – that is the often conflicting behaviours, viewpoints, opinions, feelings, and associations of individuals, is provided. Adding value, qualitative methods assist in

recognising insubstantial factors, such as community norms, socio-economic importance, masculinity/femininity roles, ethnicity, and religion. Qualitative research, in its rough distinction, is "any kind of research that produces findings not arrived at by means of statistical procedures or other means of quantification" (Strauss & Corbin, 1990, p. 17) in addition to, it is the manner of investigation that produces findings from authentic settings that the "phenomenon of interest unfolds naturally" (Patton, 2001, p. 39). It is contrasting from quantitative investigators who search for underlying factors, try to forecast, and make sweeping statements of findings; qualitative researchers attempt to elucidate, gain understanding, and extrapolation to analogous situations.

#### 3.2 Research design

Research design refers to the methodology of a study (e.g. data collection and analysis). The research design of the proposed study uses an interpretivist paradigm with a qualitative methodology (Terreblanche, Durrheim, & Painter, 2006). It was conducted using a semi-structured interview schedule to gain information on entrepreneurs' experiences, their perceptions surrounding the barriers that they face and how they maintain their business. Several studies on entrepreneurship have used a qualitative methodology (Lowder, 2009; Cuesta, 2007; Byrne & Shepherd, 2013; Singh, 2013). These studies explored entrepreneurial failures and how the participants perceived their state of failure and where they went wrong in their businesses. In contrast, this research looks at the business start-up process and the barriers that have had an impact on entrepreneurs.

# 3.3 Sample description

An interactional stance was taken through the use of semi-structured interviews. A semi-structured interview schedule was used to explore the pull and push factors of entrepreneurs in and around Durban and their experiences of being entrepreneurs. Entrepreneurs that have been running their business between 0-5 years were selected for the purposes of this study. A purposive sampling technique was used (Terreblanche et al., 2006). Purposive sampling refers to sampling that not only looks for the availability of participants and their willingness to participation but also for cases that are typical of the population (Terreblanche et al., 2006). Research subjects were selected via an agency (SEDA) that assists entrepreneurs. As the agency deals with small enterprises, the study looked at entrepreneurs who own small, medium and micro enterprises.

## 3.4 Validity and reliability

As this study is of a qualitative nature, the researcher needed to ensure that it is both credible and dependable. To ensure that the information gathered was trustworthy and reliable; the interviews were recorded and transcribed accurately (Terreblanche et al., 2006). Rich in-depth data was recorded and transcribed (Terreblanche et al, 2006). A number of participants took part in this study ensuring that saturation occurred. In terms of the generalisability of the study, the results of this study could be usefully transferred to entrepreneurs in any province in South Africa.

To ensure that qualitative research is valid and reliable, qualitative researchers can integrate measures that deal with issues that could potentially have a negative impact on the research. Many naturalistic investigators have, however, preferred to use different terminology to distance themselves from the positivist paradigm. Guba (1981), proposed four criteria that should be considered by qualitative researchers in pursuit of a trustworthy study. By addressing similar issues, Guba's constructs correspond to the criteria employed by the positivist investigator (described in brackets in the list below):

- a) Credibility (in preference to internal validity);
- b) Transferability (in preference to external validity/generalisability);
- c) Dependability (in preference to reliability);
- d) Confirmability (in preference to objectivity).

## Credibility

One of the key criteria addressed is that of internal validity: a study needs to measure or test what is actually intended. According to Merriam, the qualitative investigator's equivalent concept deals with the question: Are the findings congruent with reality? It is argued by Lincoln and Guba (1985) that ensuring credibility is one of most important factors in establishing trustworthiness. Researchers need to promote confidence that they have accurately recorded the phenomena by using research methods well established both in qualitative investigation in general and in information science in particular (Lincoln & Guba, 1985). Yin (1994) recognised the importance of incorporating operational measures for a study. Thus, the specific procedures employed, such as the line of questioning pursued during the data gathering and the methods of the data analysis, should be derived from those that

have been utilised in previous comparable projects (Yin, 1994). In terms of investigation of information-seeking behaviour, the work of Dervin (1976) has proved particularly influential in this regard. Dervin's respondents described in detail a particular instance within categories.

Guba (1981) recognised that there are tactics to help ensure honesty in informants when contributing data. In particular, each person who is approached should be given opportunities to refuse to participate in the project so as to ensure that the data collection sessions involve only those who are genuinely willing to take part and prepared to offer data freely (Guba, 1981). This study took this into consideration. Participants should be encouraged to be honest from the outset of each session, with the researcher aiming to establish a rapport in the beginning (Shenton, 2004). Shenton claimed that iterative questioning should also be utilised. These could include the use of probes to draw out data and iterative questioning, in which the researcher returns to matters previously raised by an informant and extracts related data through rephrased questions (Shenton, 2004). In cases where contradictions emerge, falsehoods can be detected and the researcher may decide to discard the data. Another strategy used to ensure that the information gained is credible is to use negative case analysis, as recommended Lincoln and Guba (1985), and Miles and Huberman (1994). One form of negative case analysis may see the researcher refining a hypothesis until it addresses all cases within the data (Lincoln & Guba, 1985).

## **Transferability**

External validity is concerned with the extent to which the findings of one study can be applied, or transferred to other situations (Guba, 1981). In positivist work, the concern often lies in demonstrating that the results of the work at hand can be applied to a wider population (Shenton, 2004). Since the findings of qualitative research are specific to a smaller number of particular environments and individuals, it is impossible to demonstrate that the findings and conclusions are applicable to other situations and populations. It has been noted that generalisability is never possible as all observations are defined by the specific contexts in which they occur (Shenton, 2004). A contrasting view is offered by Denscombe (1998), who suggests that, although each case may be unique, it is also an example within a broader group and, as a result, the prospect of transferability should not be immediately rejected.

It has been proposed that if researchers believe their situations to be similar to that described in the study, they may relate the findings to their own positions (Shenton, 2004).

Lincoln and Guba (1985) presented a similar argument, and suggested that it is the responsibility of the investigator to ensure that sufficient contextual information about the fieldwork sites is provided to enable the reader to make such a transfer. It is also important that sufficient thick description of the phenomenon under investigation is provided to allow readers to gain a proper understanding, thereby enabling them to compare the instances of the phenomenon described in the research report with those that they have seen emerge in their situations (Lincoln & Guba, 1985). Denscombe (1998) claimed that the researcher should demonstrate how, in terms of the contextual data, the case study locations compare with other environments.

# **Dependability**

In addressing the issue of reliability, the positivist employs techniques to show that if the work were repeated, similar results would be obtained. This can be problematic in qualitative research. Lincoln and Guba (1981) stressed the close ties between credibility and dependability, arguing that a demonstration of credibility goes some distance in ensuring dependability. This may be achieved through the use of overlapping methods. In order to address dependability, the processes within the study should be reported in detail, thereby enabling a future researcher to repeat the work and to gain the same results (Shenton, 2004).

# **Confirmability**

The concept of confirmability describes the qualitative investigator's concern with what the quantitative researcher would call objectivity. Here steps must be taken to help ensure as far as possible that the work's findings are the result of the experiences and ideas of the informants, rather than the characteristics and preferences of the researcher (Guba, 1981). The role of triangulation in promoting such confirmability must be emphasised, to reduce the effect of investigator bias. Miles and Huberman (1994) considered that a key factor for confirmability is the extent to which the researcher admits his or her own predispositions. Thus, beliefs underpinning decisions made and methods adopted should be acknowledged within the research, the reasons for favouring one approach when others could have been taken must be explained and weaknesses in the techniques actually employed should be made described (Miles & Huberman, 1994).

#### 3.5 Data collection

Data was collected using face-to-face interviews. The method interviewing in data collecting encompasses the staging of questions used in an oral manner. The reply occurs in the form of responses in a verbal form (Kothari, 2004). The process can be utilised in a personal capacity (Van der Stoep & Johnston, 2009). The personal interview method requires interviewer, the person asking the questions, in the flesh with the other person being the respondent, who answers the questions (Moerdyk, 2009). This kind of interrogation may be in the form of direct individual enquiry or it may be circuitous verbal enquiry (Kothari, 2004). In the case of direct individual examination, the interviewer is obliged to amass the information personally from the sources concerned (Kothari, 2004).

The process of collecting information through personal interviews is usually carried out in a manner that is structured. These are known as structured interviews (Moerdyk, 2009). Such interviews involve the use of a set of predetermined questions and of highly standardised techniques of recording (Kothari, 2004). The interviewer has topics and openended questions on which to focus discussion rather than a list of closed questions. Thus, the interviewer in a structured interview follows a rigid procedure, asking questions in a form and order prescribed (Kothari, 2004). The in-depth nature of the interviews lies in the intention of the interviewer to uncover details of the interviewee's experience that would be undisclosed in a questionnaire.

On the other side of the spectrum, the unstructured interview is characterised by a flexibility of approach to questioning (Moerdyk, 2009). Unstructured interviews do not follow a system of pre-determined questions and standardised techniques of recording information (Kothari, 2004). In a non-structured interview, the interviewer is granted liberty to ask, follow-up additional questions or may omit particular questions if the circumstance so requires (Moerdyk, 2009). The researcher may even change the sequence of questions (Moerdyk, 2009). The researcher has relatively greater freedom while recording the responses to include some aspects and exclude others (Kothari, 2004).

However, this sort of flexibility can result in lack of comparability of one interview with another and the analysis of unstructured responses becomes much more difficult and time-consuming than that of the structured responses obtained from structured interviews (Kothari, 2004). Unstructured interviews also require deep knowledge and greater skill on the

part of the interviewer (Moerdyk, 2009). Unstructured interviews, however, are the central technique of collecting information in case of exploratory or formulative research studies (Kothari, 2004).

A compromise between the flexibility of the unstructured interview and the rigidity of structured interviews is found in the semi-structured interview (Moerdyk, 2009). In this approach, predetermined questions are listed and utilised by the interviewer (Moerdyk, 2009). This approach allows for the interviewer to change the order of the questions listed and allows for follow-up questions to be asked where necessary, in order to probe for more information (Moerdyk, 2009). It is important that the interviewer asks the pertinent questions needed for the study (Moerdyk, 2009).

#### 3.6 Data analysis

The recorded interviews were transcribed and data was analysed and processed using a thematic narrative analytical approach, as set out according to Braun and Clarke (2006). The following examination was based on a frequent doctrine utilised by Braun and Clarke (2006): transcribing the interviews; the researcher's immersion in the information to achieve comprehensive understanding into the phenomenon under enquiry; the development of a system to code the information; and connecting codes units of information to structure overarching themes that can direct the researcher to the development of theory (Morse & Richards, 2002). Thematic network analysis will now be explored further.

According to Frith and Gleeson (2004), the use of thematic analysis allows for flexibility in terms of approaching research patterns be it in deductive or inductive research. This is a broad procedure in which researchers have the ability to identify numerous cross-references among the researcher's ever changing themes and the data (Hayes, 1997). The process of thematic analysis is appropriate for the analysis of data when the intention is to gain information and to make comparisons between dissimilar sets of evidence that impinge on diverse situations within the same study. For the purpose of this study, a deductive thematic analysis was utilised whereby the theoretical frameworks of this study defined the themes that were explored in the data analysis of this study. Thematic analysis is a means for identifying, analysing and exposing patterns within the information. It austerely gives structure and describes the data set in detail that is affluent. Nonetheless, habitually it goes

further than this, and interprets a variety of aspects of the research topic (Braun & Clarke, 2006).

It has been suggested by Denscombe (2014) that there are three principles which should be followed when using qualitative data analysis in order to reach an effective outcome. Firstly, the researcher should condense raw data into a succinct formation in the form of charts or tables which allow the researcher to easily identify, compare and distinguish the crucial aspects of the data. The researcher then places the data into themes. A theme captures something important about the data in relation to the research question, and represents some level of patterned response or meaning within the data set. Following this process, the researcher must ensure that the connection between the objectives and sum-up are instantly recognisable. Finally, the researcher concludes the analysis by developing a model or improving the conceptual basis of the research. According to Braun and Clarke (2006), there are six steps to follow when conducting a thematic analysis. These are represented in Table 3 below.

**Table 3: Thematic analysis steps** (Braun & Clarke, 2006)

Phase		Description of the process	
1.	Familiarizing yourself with your data:	Transcribing data (if necessary), reading and re-reading the data, noting down initial ideas.	
2.	Generating initial codes:	Coding interesting features of the data in a systematic fashion across the entire data set, collating data relevant to each code.	
3.	Searching for themes:	Collating codes into potential themes, gathering all data relevant to each potential theme.	
4.	Reviewing themes:	Checking if the themes work in relation to the coded extracts (Level 1) and the entire data set (Level 2), generating a thematic 'map' of the analysis.	
5.	Defining and naming themes:	Ongoing analysis to refine the specifics of each theme, and the overall story the analysis tells, generating clear definitions and names for each theme.	
6.	Producing the report:	The final opportunity for analysis. Selection of vivid, compelling extract examples, final analysis of selected extracts, relating back of the analysis to the research question and literature, producing a scholarly report of the analysis.	

Thematic analysis is used to analyse and interpret data classifications and present themes or patterns which relate to the data. Thematic analysis allows for understanding the data in a wider context as well as for determining the relationships between concepts and makes comparisons with other research. It is seen to be appropriate for research that aims to uncover patterns through interpretations. This allows the researcher to relate an analysis of the occurrence of a theme with that of the entire content (Denscombe, 2014).

Thematic analysis allowed leeway to connect various concepts, perceptions and opinions of the participants and compare this with data that has been collected in different situations and at different times throughout the project (Denscombe, 2014). The participant's interpretations are important on condition that the most suitable explanations for their behaviours, actions and thoughts are given. This fits in well with the features that are involved in the process of thematic analysis (Hatch 2002; Creswell 2003). The flexibility of thematic analysis using a deductive approach enables the researcher to compare the data collected with the perceptions of the participants as well as other comparative methodologies and theoretical frameworks that have been employed (Denscombe, 2014).

Thematic networks are achieving more reputation due to the systematic and unequivocal application of the principles regarding the undertaking of qualitative analysis to a series of consistent stages that direct the process (Attride-Stirling, 2001). Generating themes from data is a common feature of qualitative methods and a widely used analytical method (Attride-Stirling, 2001). Thematic analysis is an interpretive procedure by which information is methodically explored for patterns to provide a revealing account of the phenomenon (Attride-Stirling, 2001). This results in the development of meaningful themes without explicitly generating theory (Smith, 2011). The provision of rich insights into complex phenomena is achieved through the usage of thematic analysis and can be aptly applied across numerous epistemological and theoretical approaches. This allows for the expansion of established theory (Braun & Clarke, 2006). However, thematic analysis has been criticised for lacking depth (Attride-Stirling 2001). The approach can in consequence, allow sections of information to be disjointed from the original information, which can lead to the misinterpretation of data (Smith & Frith, 2011). As a consequence, findings can be subjective and be deficient in precision in how themes are developed (Smith & Frith, 2011).

#### **3.7 Ethics**

Every researcher is accountable to protect research participants in a study (Drew, 2007). Consent involves the practice by which a person may choose whether or not to partake in a study (Jones, 2000). The researcher's task is to ensure that participants have a complete understanding of the rationale and methods to be used in the study, the risks involved, and the demands placed upon them as a participant (Jones, 2000). The participant must also understand that he or she has the right to withdraw from the study at any time (Drew, 2007). Thus, consent letters were drawn up for the purpose of this study. The consent form also

states clearly the aims of the research and what information shall be used. Provision of feedback must be given to the participants if they request it. The relevant gatekeepers were also given a letter stating the nature and the reason as to why the research was to be conducted. This allowed for the relevant sample to be contacted by the researcher in order to conduct the interviews and gain information pertaining to the research.

The above section examined the techniques that would be used for the analysis of the data. The ethics, validity and reliability of the study were examined and the confidentiality and anonymity were also discussed. The participant and how the researcher gained participation for the study were also discussed. Qualitative methodology was employed and semi-structured interviews were conducted. A non-probability convenience sample, comprising nine participants, was selected from a single organisation. Thematic analysis was used to analyse the data. The results and discussion of the findings are presented in the next chapter.

# Chapter 4

# **Results and discussion**

#### 4.1 Introduction

The research conducted, highlighted and brought to the forefront critical emergent themes pertaining to entrepreneurs' experiences in KwaZulu-Natal. Fundamentally six crucial and pertinent themes emerged from the data that was obtained and each has a set of subthemes that were found within the themes. Each of these themes will be discussed in detail below. The themes that emerged are as follows:

- 1. Entrepreneurship
- 2. Challenges
- 3. Competency
- 4. Education
- 5. Family influence
- 6. Resilience

The sub-themes help in providing a richer explanation and discussion of the results of the study. A brief background to the research context will be presented. The brief background is intended to provide a better explanation of the emergence of certain themes and the importance of these themes.

#### **4.2 Context**

Entrepreneurship is not yet recognised for the impact, growth, and possibilities it can offer the South African economy, or for the impact it can have on unemployment and other social tensions in the country (Fal, Daniels, & Williams, 2010). The most competitive nations are those that have the highest level of entrepreneurial activity (Fal et al., 2010). Small and medium size businesses tend to be the greatest creators of jobs and collectively, the greatest creators of wealth in emerging economies (Fal et al., 2010). Entrepreneurial activities around the world accounted for about 70% of the global GDP on average. However, in South Africa entrepreneurial activities only share 40% of the country's GDP (Witbooi, Cupido, & Ukpere, 2011). With an unemployment rate of approximately 25%, accelerating entrepreneurial activity becomes crucial in a developing country like South Africa (Witbooi et al., 2011). Many stakeholders from different elements of society have made attempts to foster greater

entrepreneurship in South Africa like government bodies such as the Department of Trade and Industry and the Small Enterprise Development Agency (SEDA) as well as academic institutions like University of Cape Town, Gordon Institute of Business Science (GIBS) and the University of Witwatersrand, who offer skills towards entrepreneurship (Fal et al., 2010). However, these fragmented approaches do not appear to be producing acceptable results and greater effort should be put into trying to combine the various support structures (Fal et al., 2010). South Africa's financial and operating environment is not supportive of entrepreneurs, particularly in terms of regulations, policies and access to capital (Fal et al., 2010). All of the participants that were interviewed for the present research had used their own finances and savings to pursue their dreams of being business owners. The banking system remains the main source of capital to start and grow businesses, whereas in other countries, different financial structures play this support role (Fal et al., 2010). Both formal (primary to tertiary education) and informal (home and social networks) educational structures do not impart entrepreneurial skills in South Africa.

Entrepreneurship is a challenging life choice; thus, in order to cope with the problems that come with being an entrepreneur, business owners must often be innately frustrated with normality and hold a strong belief that they can offer beneficial products and services (Fal et al., 2010). This is not always the case and in order to succeed, entrepreneurs must know they can provide a special form of capital, be it a special relationship with a person, access to a critical piece of information, or a unique knowledge and experience that gives them a 'leg up' in the pursuit of a specific opportunity (Fal et al., 2010). What is an important factor for their business is what they do with that capital and how they use it to create a more competitive business (Fal et al., 2010). South African entrepreneurs, unfortunately, tend not to create new products and services but rather emulate those that are already being used (Fal et al., 2010). All the entrepreneurs that were interviewed had not created a new product but had rather found a gap in the market into which they could introduce their product or service that was different to other similar products or services.

People start businesses for different reasons; some to make money, others because they feel that they have something different to offer, many because they do not like the controls in corporate environments (Fal et al., 2010). According to Fal et al. (2010), "money should not be the main motivating factor in starting a business. People should go into business to work on something they enjoy and the money will follow". On the other hand,

there is a notion that people who have been extremely successful in business were never solely motivated by money but by passion (Fal et al., 2010). The participants in the research study indicated that they were passionate about what they were doing and that they were motivated by the money but at the same time were motivated by more than making a profit. They were motivated by making a difference in people's lives and experiences and were trying to improve situations with other people.

South African society does not appear to support entrepreneurs who have failed (Fal et al., 2010). People disassociate themselves from them, banks shut them down and the press demonises them. It was indicated by the participants that they had struggled through tough times to ensure that their businesses did not fail (Fal et al., 2010). Some of the participants took reduced salaries to ensure that their businesses stayed afloat. This culture is not conducive to fostering entrepreneurial activity. In other parts of the world, entrepreneurial failure is viewed as honourable and a commendable achievement that is sought after by the community (Fal et al, 2010). Venture capitalists take pride in supporting people who have learnt from their mistakes.

In South Africa there is a countrywide intention and effort to support certain entrepreneurship, which is apparent, among other things, through the Black Economic Empowerment (BEE) policies and other similar initiatives. South African society still, by and large, honours maths and science academic achievement and corporate careers (Crafford et al., 2006). Social science academics and entrepreneurial careers are not considered to be an option in choosing a career and as such do not always attract the best and the brightest (Crafford et al., 2006). Such values and behaviours need to be confronted and changed at homes, in schools, and at universities (Fal et al., 2010). They restrain entrepreneurial activity and entrench stereotypes about the kinds of backgrounds entrepreneurs should or should not have. The reality is very different from the perception.

The respondents for this research were all entrepreneurs that had started within the last five years. Half of them were males and the other half females and they all came from diverse cultural and racial backgrounds. The majority of the respondents had worked for companies and had some work experience before they went on to their business ventures.

#### 4.3 Theme 1: Entrepreneurship

Entrepreneurship is defined as the materialisation and development of original company (Nieman & Nieuwenhuizen, 2009). It seeks to bring about change in the financial system in the course of new ideas of people who react to opportunities (Herrington, Kew, & Kew, 2009). Within this theme the reason that the participants chose the entrepreneurial route was explored. At the same time the realisation of the opportunities that they perceived were out there for them was also discovered. This is aligned to the Discovery theory in that it assumes that opportunities in the market for the entrepreneur exist whether the entrepreneur sees the opportunity or not (Alvarez, 2007). According to Alvarez (2007) opportunities derive from the industries or markets that the entrepreneur is looking to take action in. Thus it is assumed that if the entrepreneur understands the structure of the industry they are attempting to get involved in, they will then be able to anticipate the kinds of opportunities that exist (Alvarez, 2007).

Many of the respondents had previously worked in the corporate arena and had found opportunities either through purposive action or by accident or no other choice. Opportunity is the first sub-theme to entrepreneurship. Respondent 1explained as follows:

So our company... started in 2010. It was birthed from an idea that Durban didn't... well really it was birthed from a little adventure. My former business partner decided he had some free time and he wanted to see Durban the way that tourists saw it. So he went to Tourist Junction in town and was looking through brochures, him and his wife, to see how they could explore the city for a few days and they were just like appalled. It was just the most... it was drivel, it was boring, it was never stuff that they would do. They were young, they were full of life, they wanted to have this experience in the city and they realised that the way the city was selling itself just, it was worse than boring, it was just a waste of time. The thing that shocked them was that that wasn't the way that they saw Durban. So that was kind of where the idea started, like showcasing the city the way we saw it, and not the way that it was being portrayed.

Respondent 6 explained the idea behind their entrepreneurial activity as follows:

... the idea came from a personally frustrating yoga session where I looked at my mat and thought if only you looked better and from there the process went as follows: I conducted research for what possible competitors were doing for the same product... It took around 5 to 6 months and during this period I looked at the feasibility and where I could get stuff from in terms of supplies and what it would cost if I ordered from abroad...

As seen from these two respondents, both found an opportunity in the market from the dissatisfaction that they experienced from a service or a product they were using. Both respondents felt that they could improve the product or service by identifying the current weaknesses and exploring how they could make that experience better for the next person. The third respondent found an opportunity in a different manner and was able to bring a product into the South African market and to local mothers:

I had my first child and it was quite an intimidating experience, you know. I was a new mom and didn't really know what to expect. So I just kinda like went with what the doctor said, you know. But since I've had my first child I've learned X Y and Z. And then do completely different things with my second child. Or there's also information that's kinda floating around in the world out there. And everyone's learning to do motherhood more naturally... so the product is more support of those parents and it seems like we're lagging a bit behind because apparently Germany has been using this type of product. I mean, look, it's not a new thing. Traditionally people with their babies. And I found it online one day when I was pregnant with my son. So I was researching everything. I'm not a kind of person to take any information for granted. I question everything. So I was looking online and I saw this thing and I went to YouTube and learnt how to make one, and I made one.

A fourth respondent found an opportunity in the market in a completely different manner to other respondents:

So I'm an accidental business owner. Just due to the way my life turned out. I started freelancing because... I started doing that because I was going to come to

South Africa. You know, see the World Cup and spend a year in Europe. After two years I was freelancing and then once we got married I came here on the best visa that I could get was the, the two visas that I could get was a spousal visa with my own company, starting my own company for a spousal visa with employment of a company and that visa was only valid as long as I was employed by that company.

In attempting to understand these entrepreneurs and their decisions to move into the field of entrepreneurship, the use of the Action Regulation theory can illuminate the achievement of their gaols and help understand how they planned to go about reaching their goals. All the respondents had completed some form of research in terms of how they were planned to introduce their product or service to the market. Once this was completed they were able to gain insight into the plausibility of becoming an entrepreneur and what it would cost for them to start up their businesses. This is aligned to Action Regulation theory's first step which is to look at the goals and the achievement of tasks. In this step, during the self-starting phase, the entrepreneur seeks out an active goal and personalises it to their own situation and attempts to set higher goals for themselves. They take a proactive approach and anticipate future opportunities. In these instances, the entrepreneurs all noticed that they could improve products and services with their ideas.

With regard to Discovery theory, it is evident that the entrepreneurs identified opportunities that were out there for them. It is also evident that the entrepreneurs were all uniquely individual. All the entrepreneurs had different ideas and different sets of skills that allowed them to identify different opportunities in differing markets regarding their products and services. Discovery theory also assumes that there is a risk taken by the entrepreneur to take up business (Avarez, 2007). In the context of decisions being made; business owners decide to take advantage of an opportunity. This is supposed, by the Discovery theory, which presumes to be risky, as opposed to being ambiguous. The circumstance can be risky if business owners can't gather sufficient information to anticipate possible outcomes associated about a decision (Alvarez & Barney, 2007). A decision-making context is dubious if the business owner cannot amass the information required to predict the likely outcomes associated with a decision nor the probability.

The second sub-theme of entrepreneurship considered what made entrepreneurs want to be entrepreneurs. It was helpful to gain insight into how entrepreneurs discovered how they could get into the market with their products or services. What was of equal importance was gaining an understanding of what drove them or motivated them to take the risk of becoming entrepreneurs.

#### Respondent 8 stated:

I went from being completely happy in my job to having the blinkers being pulled off in the space of one day and just knowing that this is what I had to do, and I haven't looked back since... the ability to determine the path that you've followed to have that... I think it's the good and the bad is also knowing that at the end of the day the buck stops with you. So there isn't anyone else that you need to check with, there isn't anyone else that you need to run it past.

#### Respondent 4 stated:

...my involvement in entrepreneurship stuff came, was an understanding that there wasn't another option for me. I think what every entrepreneur will say is like the money at the end of the day, the paycheque isn't there unless you make it be there. You don't just draw your salary because... you don't just ask for a raise because... It's yours, you need to take ownership of it, you need to be the thing that makes it tick. I think that's probably the independence of the role... I prefer to run a business because of the flexibility, because of the fact that I have more credit influence, more, what's the word? I have more a say of what happens. Which direction I take my work in. So for me creative ability of freedom is one of the things that I am happy for.

# Respondent 6 gave the following as a reason for wanting to become an entrepreneur:

Entrepreneurship allows you to express varying aspects of yourself, be it both in a creative and strategic capacity. It suits my varied interests and skill set... I enjoy the sense of being creatively free.

#### Respondent 5 gave this reason:

My father then founded the company in 1998 on a very small scale just to help make ends meet at home, the hard work and long hours started to pay off and I started to take interest as I was growing up, going to site on school holiday I enjoyed this field of work and what made me take further interest was seeing the growth, growth as a person, growth as a company and growth financially.

#### Respondent 7 stated:

To be able to bring in my own income without having an employer to dictate my ways of working and time constraints ...the responsibility behind every decision I make, playing by my own rules and the opportunity to learn every day.

# Respondent 3 gave this explanation:

I can't say that it's really something I wanted to do all my life. But I've always been entrepreneurial, trying to do things. I used to sell baked goods at varsity. Always wanted to do that kind of stuff, like homely kind of products. My mom was thinking about starting like a little bakery, so I offered to help. We did the branding and everything and then she decided to not work. So I'm always thinking that oh this would really be good, that would really be good if we did this, or that person only had to do this and this and this, it would be great, you know. Well, I'm always encouraging people to become more entrepreneurial. I'm looking at what's going on around me and I'm like, what is it that you know, and what need can be met? Or how do you build on something that's already there... I think for me it's watching the ladies use the baby wraps. In the way I envision this, is not really to go the factory route. I don't wanna go the factory route. I would want to have other moms to get involved.

This sub-theme was indicated by the majority of the respondents for a number of reasons. Most respondents valued being able to be creatively free and not hindered by constraints of working for someone else. Creativity describes the inclination towards trial and error, experimentation, out-of-the-box thinking or non-conventional thinking, contesting established assumptions, malleability, and problem solving in an ever changing environment (Dej, 2010). They had the sense that any decisions began and ended with them and they did not need to go through processes to have something done or completed. This links with the Discovery theory that suggests some form of risk is taken into consideration by the entrepreneur when a decision is to be made. This is especially so as the decisions are not made by anyone else but the entrepreneur. Respondents also shared a sense of flexibility. Another aspect that was considered was growth. A minority of the respondents were

motivated by the possibility of growth both in an individual capacity and an economic capacity. Some of the respondents felt they had been closed off or not been able to see different perspectives and opportunities because of their situations of working for someone else.

## 4.4 Theme 2: Challenges

The second theme that emerged from the interviews was that all participants faced challenges in being an entrepreneur in some way or another. It is understood that there are many challenges for entrepreneurs in South Africa. A key challenge is to improve the rate of new businesses' ability to survive and succeed. White and Kenyon (2000) observed that the expansion of an established enterprise is an area often overlooked in enterprise the promotion of enterprises. It requires specific attitudes, skills and familiarity. There were challenges that were identified within their businesses that were external to their businesses.

The first sub-theme identified here was age. Seven of the eight respondents were under the age of 30. Of this number, four of the respondents identified challenges with regard to their age from customers and the members of their organisation. According to Respondent 5:

... that project ended with us not being on talking terms and it's very difficult to speak your mind to your elders. I personally feel that age is a big challenge but you have to make your mark in the industry today rather than tomorrow.

In this instance it is evident that age became a challenge for the respondent within the workplace between him and an older employee. Respondent 7 stated the following with regard to age and being an entrepreneur:

Definitely not on very many occasions... It's not a constant problem but it certainly has at times come to the fore that my age has been an issue... It's like they don't think I have enough experience but it's my business...

#### Respondent 8 stated the following:

Yes I have experienced people not trusting my judgment when I have made a decision... people presume that a young entrepreneur has no wisdom or know how.

From the responses it is evident that the notion is still entrenched in South Africa that entrepreneurs should be older, wiser and more experienced. Young entrepreneurs just starting out in life on their own have the challenge of having to choose what they want to do. All the respondents had previously worked and gained experience in corporate South Africa. They realised they wanted to be the owners of their own businesses. 'Selling' the notion that business is for the benefit of one and all possesses an element of risk and it is often overlooked that business establishments start with inventiveness from the youth (White and Kenyon, 2000). Youth that fall within this bracket in this category need consciousness and comprehension of what entrepreneurial activity is and what is required of them to manage and own a company in order to pragmatically consider entrepreneurship as a means of making a living.

Another sub-theme within challenges faced by the entrepreneurs was that of finances. It has been highlighted that it is not simple for new entrepreneurs to attain capital for their business ventures in South Africa. Many the respondents used personal finances and small loans from family and friends to start up their businesses. It was not only financial issues that had an impact on the start of their businesses but also with regard to expanding the business, paying salaries to themselves or to others or getting paid by their clients. Six of the eight respondents had faced challenges regarding finances as entrepreneurs.

# Respondent 1:

Finances were very slow. When we started, I could have bought a very average second hand car for that amount of money, you know probably an unsaved second hand car. When I joined it was still a baby, a lot of the processes weren't in place. For example, we didn't factor any petrol with our tours. Or no, we factored in petrol but we didn't factor in wear and tear in the vehicles. Our bank account couldn't afford to pay us all three at the end of the month so we would have to draw smaller salaries going through as the money came in and we were earning baby salaries. Like I went from, I think at the time like five years ago, I was earning like fifteen thousand and I think my first salary in my company was like two thousand, it was a big, it was a huge drop.

#### Respondent 3:

Attaining capital was a big issue...Capital... to expand we need capital and as white girls it's tough to attain this... You usually knocking on every door that you can possibly find just to be turned down over and over and over again.

#### Respondent 5:

We had to operate with our own personal funds while the estate froze company funds and that for me was the hardest period... Obstacles I have faced are dealing with non-loyal people, when money is involved, people show their true colours.

#### Respondent 4:

... that's probably been one of the biggest challenges that I have experienced. Financial. You know, the first two years made very, very little money. Getting paid by clients. That was a big one. Still two people who owe me from, you know, the first year of business...

#### Respondent 6:

Finances was a huge issue especially start-up capital... But I saved up to start this business...Consistency in income, your service relies on the public to use your company, as there are many salons and people in this industry, so you need to be better and be able to give something unique that the client will want to come back.

#### Respondent 2:

So I was working with... about ten years ago, no, no ten/eleven years ago. I was working for my ex's mom. Then turns out they literally gave me R700 000 as a payout for all those years of work. And that was all after tax. So I didn't have to pay tax and everything. So that's kind of how I got the funding.

#### Respondent 7:

I needed to have a certain amount of capital to start this business, so I asked my parents to give me a loan and I am slowly paying them back for it... It's like a thousand bucks every month... small for now but I will clear the debt...

#### Respondent 8:

No bank loans. The only loan we had was to... I mean when we started, my personal laptop became my work laptop. We put together what we could, we worked out of my friend's flat, was our first office. So it was really in incremental process and then we bought our first vehicle, financed, got through and paid that off, have been growing ever since and now we're at a barely healthy stage. We also restructured things...We had very good transport partners and using their vehicles meant that we could, like suddenly your cost was fixed, you didn't have any variables to take into account. You didn't have to think in six months' time I'm going to have to service it and then in nine months' time. I've got to look at the wear and tear of this engine, or change the tyres or do this. You knew that to do this tour cost X amount in terms of transport and once you've paid that, that's your worry about it gone. So there's been a lot of shifting in terms of everything.

As seen from the evidence of the above the entrepreneurs used personal finances to start their business ventures. They used money that could have been used for other matters to help start their businesses. Some used finances from family members to start them off. This was resounding as none of the respondents applied for loans to start their business. This could be due to the pressure to perform to achieve a specific amount of profit every month in order to pay off the loan and any interest. Another factor linked to finances was that the respondents in the beginning of their venture were not earning large amounts of money every month. Some had reduced their monthly income to ensure that their partners were paid equally and to ensure that their business was still up and running. The respondents also mentioned that there were issues when it came to being paid on time by their clients and the volatility of the market that the business finds itself in. As there are many businesses with similar services, there can be an inconsistency in the amount of money that can be earned by the entrepreneur. Entrepreneurs know that their products or services need to be not only of the highest quality but also better or more unique than other businesses.

The entrepreneurs took the risk of using their own finances to start their businesses. According to the Action Regulation theory, the respondents were able to be actively aware of the issues linked to start-up capital for their businesses, thus a majority were able to save and use those finances to start their companies. Thus alternative routes were sought during their information collection and prognosis. A minority of the respondents (three of the eight) are

continuing their entrepreneurial activities in spite of a lack of resources and the problems they have encountered with financial complexities. Thus it can be seen that some of the barriers have been overcome by the participants. Some barriers are still in the process of being overcome, such as dealing with employees during month end, developing a better competitive advantage and paying off small loans to family members.

The third sub-theme of challenges experienced by the entrepreneurs was linked to the external forces that had a tendency to have an impact on the entrepreneur's performance within a market. Of the eight respondents, three expressed that they found the external environment had an impact on their business performance. This can be viewed from an external locus of control perspective. Locus of control is an aspect of the cognitive style which represents the individual's feelings of being in charge. Entrepreneurs generally have the perception of control over the environment by their own actions and believe that chance and fortune do not influence a result (Crafford et al., 2006). An individual that possesses an internal locus of control strongly feel that their future outcomes are a consequence of their actions (Caliendo, Fossen, & Kritikos, 2011). Individuals with an external locus of control believe their consequences be it successful or unsuccessful are as likely due to haphazard events or by the indiscriminate environment, but not by their conduct (Caliendo et al., 2011). Decisions need to be made by entrepreneurs on a continual basis so as to influence their business outcome. Thus, it can be assumed that the locus of control of an entrepreneur is an important trait that should be developed (Caliendo et al., 2011).

# According to Respondent 1:

Just over a year ago we had two of our annual events fell under an Ethekwini programme called Celebrate Durban. Basically that campaign completely flopped. No, it's the City Manager, completely screwed up the entire project. A lot of service providers didn't get paid and it just left us kind of in debt and without this big earner that we were expecting to come at the end of the year. It just becomes stupidly expensive. The bureaucracy and the mismanagement of municipalities sort of... just municipalities in general really, is a huge impedance [sic] to what's going on.

#### Respondent 5:

... getting work has not been easy as it is made out to be, the tendering process works on a scoring basis which should be fair but what I have learnt is that nothing is fair.

Respondent 1 experienced mismanagement of funds from the municipality. There is also the sense of frustration in that paperwork and getting the go-ahead is a difficulty in itself. What was supposed to be an annual event was prevented by the city manager. The business owner had no influence on what the municipality decided. For respondent 5 it was the difficulty of getting work and with the tendering process. When an entrepreneur is unable to attain work fairly, this can have a negative impact on the business.

Regarding the external environment's impact on business, Respondent 7 noted:

... the Rand / dollar exchange rate. As our currency depreciates, so too goes with it the ability to import products at fair rates.

As can be seen, Respondent 7's frustration with the volatility of the economy has had a negative impact on business. Entrepreneurs could look for alternative suppliers or may have to increase the price of their products. This has repercussions on the market in which the company finds itself and on potential clients.

#### Respondent 4:

I had no contacts here and it was hard for me to get a job in order to get my visa because to get the visa, you need a job offer. And no one wants no one in South Africa, it's hard, it's really hard to employ someone who's not from South Africa.

The main issue that Respondent 4 experienced was that South African business want to employ and utilise skills that are South African. As the job entails providing a service for the client, the client would prefer to use the skills of a fellow South African rather than a person from another country.

The final sub-theme for the challenges experienced by the entrepreneurs is constant fear. Of the eight respondents, two expressed fear for their businesses.

#### Respondent 5:

The long working hours can really affect you. So I think I fear being burnt out and taking too much on my plate is occurring more and more often and I'm afraid that it could have a serious impact on me... My biggest fear in my life has always been

failure, so when I started becoming an entrepreneur, the fear heightened and there have been tough times and I have thought of giving up but then I think why would I give up now, without even reaching my goals. So I work harder and one day it will pay off.

## Respondent 3:

I would rather start small than get into any kind of debt, because we have literally no debt, you know...It's a fickle market. But, because you don't kinda... it's actually a simple product we make. You don't know who's coming up next. Who's going, who's just about to jump into the market and take over because they've got more money than me, you know. If it like dies in two years, then it's fine. I really will not feel some sort of massive loss, even though it has costed money. I would have recovered all my costs.

The respondents expressed fears of incurring debt from making their goals too big. Another fear expressed was that the market could change; new competitors could enter the market with a competitive advantage because of their capital and modification of the product. Respondent 3 expressed no fear of losing either the company or money. But Respondent 5 expressed a deep fear of failing as an entrepreneur and allowing the business to fail. This can be attributed to the business being started by the father and the feeling that it was a duty to see that the business succeeds. To prevent failure, more work is done and more hours are spent trying to improve the business. As more and more time is spent on the business, the entrepreneur fears that it may have an impact on him/her personally and on relationships.

For positive results, entrepreneurs often feel they must take an active and self-starting approach to work and go beyond what is formally required (Dej, 2010). Tolerance of ambiguity can be defined as an individual's capability to formulate decisions with an insufficient data and to make decisions in situations of high uncertainty. Environmental differences, such as the socio-economic status of individuals in the country, employment, statutes and laws, have all had an impact on individual entrepreneurship.

#### **4.5 Theme 3: Competency**

Competencies for entrepreneurs constitute a significant part in entrepreneurship and its subsequent success. It was found that certain competencies were consistently found in successful entrepreneurs (Enuoh & Inyang, 2009). These include time management, effective

communication, business ethics, marketing management, decision-making and financial management. There were three sub-themes within competencies as emerged from the respondents. These were relationship building, marketing and social responsibility. For the first sub-theme, relationship building, five of the eight respondents felt the need to give back to communities. According to Mann et al. (2001), the entrepreneur often feels a sense of social responsibility. This competency is expressed in the affirmative activity a business undergoes in the community in which it is active. This includes accountability towards consumers, and employees (Mann et al., 2001).

# Respondent 1 made the following statement about social responsibility:

I'm selling an experience. That experience is not even like a generic like go skiing. It's the experience that we're trying to sell and what we're trying to imbue in people is a passion, is a re-igniting of that passion for one's city and in doing so, is a betterment thereof.

It is evident that Respondent 1 has a passion for changing people's perceptions for those that live in the city, by wanting to take them on a special tour that is something different and which will have a positive impact on how customers can experience their city. Respondent 1 demonstrates both social responsibility to the client as well as the community at large.

#### Respondent 5:

I have even adopted a school to help those that are less fortunate become a success.

Respondent 5 supports a local school that indicates that he feels a sense of social responsibility towards the community in which the business operates. The aim for the respondent is to enable young students to be given opportunities and to help them mature into successful members of society.

#### Respondent 3:

We're trying to work out some sort of strategy to start you know more awareness on when the kid is at the back, and what that does to the child's growth. Their legs start to grow like that. Why this is a better product instead of doing that, your child's legs will grow. They are free to do whatever they wanna do, but they're growing in a

natural position which is just kind of up like this...she's got this big child that she's carrying. And like a big child. And I'm like girlfriend can I please just give you this wrap. She's like, 'Oh, no I don't have some money.' I'm like no, you need it. So I gave it to her.

Respondent 3 shows social responsibility to both the client and to the community. The respondent gave away her product to a person who needed it at no cost. At the same time there is an attempt for the respondent to let the community know of the pros and cons for using her product with newborn babies.

#### Respondent 4:

... see the impact that your work has on your client or the people that you are doing the work for, here you can see on their face or in their e-mails that they're really happy or if I call them I can tell that the service I gave them were really good and you made an impact on them positively.

Respondent 4 has indicated social responsibility towards the customer or client. By ensuring that work is done timeously and that good quality work is done, Respondent 4 ensured that the client was happy and that a positive impact was created.

The second sub-theme in competency is that of relationship building. Relationship competency is an important competency for entrepreneurs. Through the use of good interpersonal and communication skills, the entrepreneur will have the ability to influence others and gain support (Mann et al., 2001). An instrumental factor for an entrepreneur is their ability for co-operative working with individuals such as business colleagues, friends, acquaintances and clients. This is closely linked with communication. Communication can be defined as the transmission of thoughts in various forms from the correspondent to the recipient which is of great importance. Inyang, Oden and Esu (2003), state that the ultimate goal of this process is to influence, inform or to express feelings and to turn it into meaning.

#### Respondent 1:

So it was a way of bringing people into other cultures, that we thought was really important for this concept of a rainbow nation and a true amalgamation to exist. So where we couldn't showcase where it existed, we created platforms to enable the

showcasing of stuff, music, art, culture, those sort of things...it was our excuse to shine the spotlights on them and make people see them as more than just beggars, make people realise that they're artists. Yes, I think with all partnerships, I think the partnership itself can be a struggle at times. Then it's either acceptance of that stalemate and you move on or that becomes a point of contention and a point of conflict. So I think the interpersonal is always a strong possible hindrance.

#### Respondent 3:

... also what I do best is talk. I meet a lot of people and I'm always really friendly to everybody. And that opens a lot of doors...she says well I've spoken to the sister who deals with the prenatal care and you can come and show the ladies how to use the wrap and advertise...I want it to be more personable, more ... It's not another thing that you can buy in the store. It should be like a whole relationship building exercise and that sort of thing. That's how I see the product. It's not just to make a living, money.

# Respondent 4:

I started to, you know, take the business, you know, step by step, little by little to the next level you know. Like going to networking, and the reason why it's been successful to this day is relationships. I would you say in my opinion and bragging, which is how people try and get business, the biggest assets that I had was myself and my relationships.

#### Respondent 6:

...government connections and a huge network are really important for businesses especially mine.

#### Respondent 7:

Yes, always having to be in a good space we are all human and people come to me to relax and talk about their problems, so there are occasions when life happens to the therapist and you need to uphold a front and put the client first... Definitely dealing with different clients, helping people with emotional problems as well as physical (sports injuries). As a whole you are helping the Physical, Emotional and Mental Body. Flexibility of my own time is also a bonus. The money comes, the success comes and people are drawn to your love and passion for life and the way you present yourself.

From the above evidence it is clear that these entrepreneurs value relationship building and further communicating with their clients. This allows for more customer loyalty and will allow a better understanding to be created between the business owner and the client. It also allows the entrepreneur to understand the wants and needs of their customers. Relationship building between the entrepreneurs and their clients was not the only issue discussed as participants also made mention of relationships with their employees or business partners. It was mentioned that entrepreneurs needed to make connections with bigger stakeholders and to make more networking connections so as to allow them to gain more business. Thus for Respondent 7 it was crucial to network as it was imperative for the business. The relationships discussed were also between the entrepreneur and the community at large. Respondent 1 allowed for those that were also small survivalist entrepreneurs to be involved and allowed them to showcase their work. Through this involvement social responsibility occurs within the relationship building sub-theme and it allows for empowerment not only of the entrepreneur but to the survivalists as well.

The final sub-theme for competency was that of marketing. Marketing is vital to the expansion and continued existence of any business (Enuoh&Inyang, 2009). In its fundamental nature, all the resources made by an entrepreneur are reliant on marketing. It has been suggested that marketing is linked with most of the other purposeful areas of business such as finance, human resources, accounting, and production (Crafford et al., 2006). The marketing function is pivotal to the success of a business.

# Respondent 3:

I just walked around wearing it. People saw it and they like, 'Uh, that's really cool. Is that a t-shirt?' And I'm like no. And they like, 'So where did you get it?' And I'm like, well I made it, you know. Would you like to buy one? And they like, 'Yeah, sure give me a number.

#### Respondent 4:

The use of word of mouth—giving people a good quality experience can lead to them actually passing on my business to someone else.

#### Respondent 2:

...now we have a Facebook page. We tend to really dominate the social media pages because it's free.

#### Respondent 6:

The use of social networks has been a great help in advertising for me and the company.

#### Respondent 7:

I find it easier to use sites like Facebook and Twitter to let people know about this.

# Respondent 8:

Advertising is not easy to do, especially in a competitive environment such as this one.

Marketing is of vital importance to the entrepreneur (Crafford et al., 2006). The predicament experienced by most companies is a lack of clientele and not a lack of goods (Gorji & Rahimian, 2011). Many businesses lack the ability to trade their products or services and this results in economic failure. As can be seen from the evidence of the above, six of the eight respondents had used marketing techniques to sell their business. A majority of these respondents indicated that they had used social media to advertise as this would reach many potential clients at a very low cost. Those respondents that used word of mouth looked to display their products to the public in a useful manner that would intrigue their potential customers. They also provided good quality work so as to ensure that people would tell others thus expand their client base.

# 4.6 Theme 4: Education

There is compelling evidence that indicates that entrepreneurs are more learned than the layman. It has been argued that formal education in general does not have an impact on entrepreneurs, despite there being a correlation demonstrated between level of education and business ownership (Robinson & Sexton, 1994). Tertiary institutions have made specialised courses more regular with regard to entrepreneurial edification in an effort to encourage entrepreneurial activities (Gasse, 1985). Evidence has been provided (McMullan et al., 2002) that such programmes are successful in the encouragement of entrepreneurs to commence their activities or improve the performance of entrepreneurial activities.

In this research, participants all made mention of education, either of taking courses or doing degrees for their business, or not having any formal education and training but learning on the job. The first sub-theme that will be discussed is that of formal education. Two of the respondents had done courses or degrees in entrepreneurship.

# Respondent 6:

I did a Business Science marketing degree from UCT and it primed me to think in an entrepreneurial manner ... A business degree is not imperative, but it certainly helps you. Having a degree helps cause, it gives you the courage, or stupidity, to at least try succeed on your own.

#### Respondent 5:

Yes, I studied Electrical Engineering and Business and Entrepreneurship. Education has helped me a lot, I have a greater foundation and understand of business and if ever things were to not workout I will always have something to fall back on.

Both respondents indicated that having had formal education in entrepreneurship allowed them to have a better grasp of business and allowed them to think in an entrepreneurial manner. It seems to also have provided a sense of belief in what they were doing. Having formal education brought out confidence and courage to take the risk of becoming an entrepreneur. A formal qualification was further viewed as a backup plan that would allow entrepreneurs to change their paths if their businesses were to fail. Respondents implied that having had formal education in entrepreneurial activities was beneficial in some way.

The next sub-theme is that of informal education. Six of the eight respondents had not received any entrepreneurial education or training and had learned to handle their business through on the job training.

#### Respondent 1:

... all of our stuff has been on the job training. Make mistakes, learn from mistakes, get those mistakes fixed for the next one and try better them.

#### Respondent 2:

... things learnt from previous experience in other jobs or a tertiary institute or whatever we had, but no formal entrepreneurial training whatsoever.

#### Respondent8:

... we didn't know the way it was supposed to be done.

I read many textbooks in my spare time – e-commerce and so on...

#### Respondent 4:

I had no training. The only training I had was from my actual skill which was just design.

#### Respondent 7:

I have had no formal training, but I have had lots of experience working with the public and have made logical decisions and ways of thing that have allowed me to be where I am.

#### Respondent 3:

The best training is to dive in —the working experience of actually being an entrepreneur...

From the above evidence, it is clear that the entrepreneurs believe that they can successfully run their businesses without formal entrepreneurial education. Their belief is that it is better to learn and make mistakes and gain the experience needed to rectify them. It appeared that experience gained from their previous working environments could be used by the entrepreneurs and applied to their businesses. Through on the job, experiential or reading materials, the entrepreneurs felt that they had the capabilities to run their businesses successfully.

#### 4.7 Theme 5: Family influence

It has been found that the family's influence on an individual's entrepreneurial activities has an impact on the individual's belief in what they are doing. Support from the family, the first sub-theme, was clearly important to six of the eight respondents. Having the support of the family was helpful to many entrepreneurs that were able to seek advice, gain

finances and get encouragement during difficult times. In some cases, the family influence can be a barrier for the entrepreneur. For some, the family's influence was not always positive.

#### Respondent 1:

Super supportive. Ja, I mean in the years that it's gone on, they've always backed it, they've always supported it, they've always been quite proud of what the company is trying to do. I think that's also, it's helped a lot.

#### Respondent 5:

... the support shown was amazing, especially from our mother as she had seen the business develop from nothing to what my dad left it and to what we have made of it today. Support is everything.

# Respondent 3:

... my stepfather is very financially inclined. I mean he's all about budget, you know how to manage your budget. Invest your money here, and all that kind of stuff. I work completely opposite. I don't say too much, because I don't want to get told what to do. I don't talk about it much.

#### Respondent 4:

My family aren't too phased about it really. I think they just want me to be there. They don't really care too much about the South African business.

#### Respondent 8:

My family have been very supportive and have always offered to help out where they can... I have never asked them to but it's nice to know that if things go pear shaped that they will be there to help out.

#### Respondent 7:

I needed to have a certain amount of capital to start this business, so I asked my parents to give me a loan and I am slowly paying them back forit.

For some of the respondents, families have been very positive regarding what the entrepreneurs are trying to achieve. This support has had a positive impact on the entrepreneurs' lives. For others, the role of the family can be perceived as an interference. Entrepreneurs can feel a loss of control if families demand that business be conducted in a certain manner. For one such respondent there is a close link with the Action Regulation Theory in the third stage of entrepreneurship. Having a plan as to how to operate a business and being clear regarding its intentions is of vital importance. It is important to not merely imitate and listen to advisors, but to act according to one's own feelings. Thus each business is unique.

The next sub-theme was that of support for the family. Only three of the respondents mentioned that they used their business to help their families, either to support them financially or to aid in some or other way. Two of the respondents indicated that they started their business with the intention of helping their immediate family financially.

#### Respondent 4:

I try to help out, I try to help out a lot with the kids. I think also having a family you kind of don't have a choice, but they do say like, you know, it's some crazy statistic that like nine out of ten businesses fail after like the first year or something.

#### Respondent 5:

My brother and I took over the family business and the support shown was amazing... reaching all his goals in life and from that moment I realized that that is the life that I want for myself and my children. A legacy that can continue for generations in the family.

For these entrepreneurs it is important for them to do well as they are attempting to help with children and future children to come. For them, having a quality product that will gain clients is of vital importance. As described by Respondent 5, the legacy of hard work today can have an impact on future generations. For Respondent 4, the option of failure is not a possibility as there are dependents in the family that are relying on the entrepreneur's income.

#### 4.8 Theme 6: Resilience

Resilience is an expression that is often related to making a comeback from a difficult situation or having the fortitude to cope through difficult periods of life and seeing things through to the very end. All these definitions involve a sense of being sturdy in a mental capacity, to maintain a sense of well-being in the face of adversity. Resilience encompasses expansion and continued existence for entrepreneurs. It is the capability of the entrepreneur to muster special qualities that enable communities, individuals, and groups to tolerate, prevent, be enhanced and overcome adversity (Mowbray, 2011). Resilience in entrepreneurial activity is closely linked to the notion of persistence.

According to Frese (2009), persistence is an important part of entrepreneurship. When original ideas are pursued, hard times can occur as a result. The entrepreneur needs to rise above this (Frese, 2009). Persistence implies two processes. First, entrepreneurial processes need to be protected. This implies that goals be protected by the entrepreneur, and should search for feedback on competing goals and plans, during times of frustration or when the difficult situations occur (Frese, 2009). Second, self-regulatory processes are used to rise above external challenges; hence, when an active approach is directed into a complex situation, through the use of effective and persistent solutions the entrepreneur can overcome the trying situations (Frese, 2009). The respondents indicated that they were resilient, even though they felt the urge to give up. There are two sub-themes that stem from resilience. The first is wanting to give up and the second is linked to the tough times that make entrepreneurs want to stop their business exploits and seek other employment opportunities. Four of the eight respondents indicated that they wanted to 'throw in the towel'. Four of the eight respondents shared their tough times that had led to them wanting to give up being entrepreneurs.

# Respondent 1:

If you're okay green lighting something and you have the willpower to follow that through, I think that's something that's great. I've never been the entrepreneur... I've always battled to be like I run my own business, I'm going to get in at twelve o'clock today, I'm going to go for a swim at two, I'm not that guy.

#### Respondent 5:

I have thought of giving up but then I think why would I give up now, without even reaching my goals.

#### Respondent 4:

Many times I just wanted to give it up and just look for a job. Many times. Even, you know, to this day I still think about it...It hasn't been easy to be honest... but I know that it's the start and hopefully if I can get through this rough patch I can start enjoying being a business owner.

#### Respondent 7:

It has taken a lot of sacrifice and a lot of time for me to just give up now.

For the respondents, giving up became an option when times became challenging. But as a result of being driven to achieve their goals, the entrepreneurs demonstrated that they had become resilient and were determined to be better business owners to achieve those goals. There is a belief in several of the respondents that their situations will change if they work hard through the difficulties that they have faced. There is also the belief that with the correct attitude, hard work and willpower, the entrepreneurs will overcome their difficulties and have successful businesses. The tough times and challenges that have been noted earlier are an indication that all the entrepreneurs have had difficult situations in their businesses. Not all wanted to give up, but many did have challenging times that influenced their desire to stay on as entrepreneurs.

#### Respondent 5:

I reached a point where I just wanted to register a new business and just start from scratch... When deals are done illegally... but at the end of the day the hardship builds character.

# Respondent 4:

In the first two years, I wasn't even paying myself a salary. I was just taking money out when there was money when I needed to pay a bill. And it got us by but it was really tough. This is the first year, which is the third is the first year that I'm actually

paying myself a salary. So I know exactly how much I am earning each month and it's not where I should be. It's in terms of my experience and skill level.

## Respondent 7:

...it's been really tough trying to learn how to manage a business and juggle all the elements of running a business... Sometimes it just feels too much.

#### Respondent 8:

I've rarely taken sick leave. I work even when I am sick you know. Should I get sick or take annual leave, it's really difficult without a team to work with.

Difficult situations often lead to an urge to quit. Entrepreneurs sacrifice sick leave and salaries to ensure that they still have a business to run. It is evident that the environment too plays a role in the thought of giving up, be it through an incorrect tendering process or the inability to network as a result of nationality.

In concluding, the above chapter indicated that six themes emerged from the interviews with the participants. All the themes were bolstered by excerpts from the interviews with the participants. The chapter has indicated that there are many challenges faced by entrepreneurs within the KwaZulu-Natal area. The entrepreneurs in this research have demonstrated certain general competencies required by entrepreneurs who are successful. Both the Discovery theory and the Action Regulation theory are applicable to the respondents in this research. In accordance with the Action Regulation theory, the entrepreneurs in this research set themselves goals and have done what they could to ensure realisation of plans and goals. With regard to the Discovery theory, it is clear that entrepreneurs are unique and that all the respondents were able to find opportunity in the market that has existed there. There are clearly risks in the decision taken to be entrepreneurs. The following chapter will conclude this thesis with a discussion on what our country may need to help encourage entrepreneurship and a consideration of future solutions to starting businesses.

# Chapter 5

# **Conclusion**

#### **5.1 Introduction**

The aim of this research was to investigate the experience of a number of entrepreneurs, their reasons for becoming entrepreneurs, the barriers that they have overcome to be entrepreneurs and their current experience of running their businesses. Through the use of an interpretive paradigm, the entrepreneurs' experiences were explored through face-to-face interviews. Six main themes emerged from the participant interviews, namely their reasons for choosing an entrepreneurial route, their challenges, the required competencies, their education, the influence from their family members and the resilience shown in wanting to be an entrepreneur. The entrepreneurs were considered in terms of the Action Regulation theory and the Discovery theory. The most pertinent findings are mentioned in the summary below.

#### **5.2 Summary**

From the above discussion it is evident that entrepreneurs face many challenges. The majority of the respondents indicated that they had financed themselves through the use of savings, small loans from family members having not been able to acquire the required capital to start or expand their businesses from more formal areas. The respondents also made it clear that they wanted to be entrepreneurs as this allowed them to make their own decisions and cut down on bureaucratic practices. The respondents, in majority, had also indicated that they were wanting to uplift their communities and emphasised the importance of networking with people.

There was a general consensus in terms of the challenges that the entrepreneurs experienced. Apart from the financial constraints, such as money for start-up and expansion and getting paid for services rendered, there were issues concerning the environment of the entrepreneurs. A weakening Rand/dollar exchange meant increasing costs linked to importing products and thus an inability to increase profits. The corruption in tendering processes, as noted by some respondents, had a negative impact on getting business. The young entrepreneurs had also experienced some issues with regard to their age which had an impact on customers' confidence.

The majority of the respondents had indicated that they had never been formally educated for the entrepreneurial profession and that their training had occurred on the job. Those that had formal education said that it was an advantage to them. However, they had been experiencing similar challenges, within the business and outside of the business, much like the informally trained entrepreneurs. The skills needed by the entrepreneurs included their ability to create relationships and effectively communicate with clients and employees, the ability to manage their finances, market their products and services, network, and develop a sense of social responsibility to the community. Some of the respondents indicated that they had struggled with balancing time between business and leisure. This was as a result of being new to business and were striving to ensure that their business stayed afloat. Thus the respondents had demonstrated that they had the competencies needed for entrepreneurship and to successfully run a business.

A sense of persistence and resilience was evident in the entrepreneurs in this research. The individuals understood that they had to make sacrifices in some or other way to ensure that their businesses stayed afloat and that they were able to achieve their goals. For instance, taking a cut in their pay, not having office space as an unnecessary expense, using their savings for their business start-up, not earning a salary and using their money for the betterment of the business. All these indicate that there was, to them, necessary sacrifice to ensure the success of their businesses. The majority of the respondents indicated that their families had indeed been very supportive of their business ventures. Some got support from family in the form of moral encouragement, whilst others received either financial or advisory support. Some entrepreneurs emphasised their uniqueness in that even when given advice from family members, they made the decision to do certain tasks their own way and thus run their business their way and not how the family may want them to do this.

The respondents' entrepreneurial activities were closely linked with those described in the Discovery and Action Regulation theories. The entrepreneurs indicated that they were in agreement with Discovery theory which proposed taking advantage of business opportunities. They were able to identify the gap in which their product or service would have an impact on the market. They incurred the risk of using their savings for their businesses. The entrepreneurs also demonstrated that they were unique. The ideas that they had for their businesses, their hopes and dreams for their businesses and the businesses themselves,

highlighted the individuality of each respondent. The entrepreneurs seemed to believe there were opportunities for their businesses and it was up to them to grab these opportunities.

The Action Regulation theory assisted in understanding how entrepreneurs take action to prevent failure and how they go about achieving their goals. It was observed how the entrepreneurs came up with their businesses including their goals. It also helped to observe the proactive stance that the entrepreneur would take with regard to issues of opportunity and any future problems. This further assisted with understanding the entrepreneur's determination regarding overcoming barriers that are as a result of the environment that he or she finds themselves in.

#### **5.3 Recommendations**

South Africa should make a concerted effort to foster a culture of entrepreneurship in the country. This can be achieved through the development of entrepreneurial courses within the different stages of the schooling systems. Through fostering entrepreneurial skills at school level, potential entrepreneurs gain skills that will allow them to create businesses. Government should also make an effort to make financing more readily available for entrepreneurs. A mentorship programme should also be made available for an entrepreneur. Through this, the entrepreneur is able to learn from someone who has made similar decisions and has been in similar situations to the entrepreneur. This will allow for guidance and ensure that the entrepreneur is capable of making important decisions in a correct manner. Another recommendation to be mentioned is that the country must attempt to stabilise the economy and make it easier for people who import goods to sell in the country. Corruption should also be eradicated. The tendering process should be made more fair for smaller business to be given the opportunity to compete with bigger organisations.

#### **5.4 Limitations**

Although particular attention was paid to the content, literature and the method of this study, a number of limitations may be identified. The research design was cross-sectional, qualitative and non-experimental as data was collected at one point in time; no variables were manipulated. As this was at a single point in time, this may have had an impact on the participant's responses to the questions and the state of the business at a particular point in time. Another limitation was the difficulty in getting in touch with the entrepreneurs. As they were constantly working, there was difficulty in securing time for the interviews. Due to the

limited sample size, and the use of a convenience sample, this study makes no claim for generalisability. Therefore, the findings of this study are restricted in application to the participants studied.

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# **APPENDICES**



SEDA eThekwini 127 Alice Street Durban, 4001

20 March 2015

To whom it may concern

Dear Sir / Madam

## Request for Permission to Recruit Research Participants from SEDA

I am a Masters student in the Psychology Department at the University of KwaZulu-Natal under the supervision of Miss Shaida Bobat. My research aims to investigate, entrepreneurship, business owners experience in becoming an entrepreneur. I intend to conduct interviews with relatively new business owners. I would very much appreciate being given permission to recruit participants from SEDA. Ethical clearance has been granted for this research project on the (xx date) by University of KwaZulu-Natal.

I hope to interview business owners, in which I seek to gain insight from the participants about their perceptions and experiences surrounding entrepreneurship in KwaZulu-Natal. The following procedures will be adhered to:

- Participants will be not be forced to answer any questions that they may feel are of a personal nature;
- Participation will be entirely voluntary and participants will have the choice of withdrawing from the study at any time if they wish;
- The names of the participants will not appear in any document of the research, unless the participant wishes to disclose their name.

If you have any queries or concerns, please do not hesitate to contact me or my supervisor Ms Shaida Bobat 031 266 2648 or Ms Phumelela Ximba, the applied Humans Sciences Ethics officer at 031 260 3587 if there are any queries regarding the ethics of this study.

If you are in favour of my recruiting participants from SEDA please kindly sign in the space provided
below. I very much appreciate your help in this regard.
Signature

# Yours sincerely,

\_\_\_\_\_

Mr Jonathan Bell Organisational Psychology Masters Student

Tel: 0832257358

Email: jbell9556@gmail.com Email: Bobats@ukzn.ac.za

Ms Shaida Bobat

Project Supervisor

# Participant letter

Dear Sir / Madam

I would like to invite you to participate in a Master's research project aimed at investigating entrepreneurial experiences. The project involves an interview with you the owner of the business and has to do with your perceptions of being a business owner. The interview will be between 40 minutes to an hour to complete. There are no right or wrong answers. The interview will be recorded and transcribed.

Please note that your participation in this study is voluntary and that your responses will be treated as confidential. All the data will be used for research purposes only and the privacy and confidentiality of your opinion will be respected. I can assure that anonymity will be granted unless you are willing to use your real identity; a pseudonym will be used for protection of your identity. Once the research has been conducted the data will be saved on the researcher's laptop and will be protected by a password. Once the interview has been transcribed all documentation and recordings will be kept in a safe in the School of Psychology for five years and only the researcher and supervisor will have access to this. The data will be destroyed after the five years. The information obtained during this study may be published in scientific journals or scientific meetings; however the details not include any personal details of the participant. There will be no monetary compensation for participating in this research. Please feel free to contact my supervisor Ms Shaida Bobat 031 266 2648 or Ms Phumelela Ximba, the Applied Humans Sciences ethics officer at 031 260 3587 if there are any queries regarding the ethics of this study. If you are willing to participate in this study please sign at the bottom of the page. Please note that signing in the space provided means that you understand the conditions of the study, what the study entails that you volunteer to partake in this study.

Signature

Thank you for your assistance

Jonathan Bell

Post graduate student Department of Psychology University of KwaZulu-Natal Durban

# **Interview Schedule**

Good day to you. My name is Jonathan Bell. As you may know I am a masters student in psychology at the University of KwaZulu-Natal. The purpose of asking you the questions below is to gain an understanding of your entrepreneurial experiences. In order for me to gain as much information as possible, I ask that you elaborate on each answer to the best of your ability.

1Describe what your business does?

**2**What made you want to become an entrepreneur?

- 2 Have you been able to cope with legislation and the South African work environment?
- **3** Would you say that your business is in the correct area in relation to your customers?
- **4** Have you ever felt that a customer of fellow entrepreneur did not take you seriously because of your gender?
- 5 What do you perceive to be a successful business?
- **6** Would you say your business is a success?
- 7 Could you describe the process of how you started your business?
- **8** What were your challenges you faced in starting your business?
- **9** Did you obtain any educational qualifications or partake in any courses in order to run your business? Or did you receive any training to become an entrepreneur?
- 10 If yes, would you say that the educations has helped you become an entrepreneur? Why?
- 11 Have you had experience in running a business before?
- 12 What are the obstacles you face as a business owner?
- 13 How did you go about getting funding for your business?
- 14 How did your family feel during the start-up of your business?
- 15 Could you describe a typical day in your work life?
- **16** Do you have any employees working for you?
- 17 Did you work before you became an entrepreneur?
- **18** If so, were you satisfied at your job?
- 19 Have you ever worked in an entrepreneurial environment before you started your business?
- 20 Have you found any difficulties in being an entrepreneur?
- 21 What is it that you enjoy the most in being the owner of your own business?
- 22 Did this always appeal to you?
- 23 Have you at any point in time had a role model in entrepreneurial activities?

- **24** What are the possible influences that have had an impact on your decision to be an entrepreneur?
- 25 Many potential entrepreneurs cannot start business up because of barriers that they face, are you aware of any of the barriers that people face?
- 26 Did you have any fears before becoming an entrepreneur? Do you still have fears now?

Thank you for participating in this research. Do you have any questions or any additional comments you would like to add?

#### DECLARATION OF CONSENT

**PROJECT TITLE:** A thematic analysis of entrepreneurial experiences in KwaZulu-Natal: A qualitative study

#### **RESEARCHER**

Full Name: Jonathan Bell School: Psychology

College: Applied Human Sciences

Campus: Howard

Proposed Qualification: MSSc Industrial Psychology

Contact: 0832257358

Email: jbell9556@gmail.com

#### **SUPERVISOR**

Full Name of Supervisor: Ms. Shaida Bobat

School: Psychology

College: Applied Human Sciences

Campus: Howard

Contact details: 031 266 2648 Email: Bobats@ukzn.ac.za

# **HSSREC RESEARCH OFFICE**

Full Name: Prem Mohun HSS Research Office Govan Bheki Building Westville Campus Contact: 0312604557

Email: mohunp@ukzn.ac.za

I, Jonathan Bell, Student no. 215075810, am an industrial psychology masters student, at the University of KwaZulu-Natal. You are invited to participate in a research project entitled: A thematic analysis of entrepreneurial experiences in KwaZulu-Natal: A qualitative study. The aim of the study is to investigate the entrepreneurs' experience, their reasons for becoming entrepreneurs, the barriers that they have overcome to be entrepreneurs and their current experience of running their businesses. Through your participation, I hope to understand your perceptions and challenges. Your participation is voluntary and there is no penalty if you do not participate in the study. Please sign on the dotted line to show that you have read and understood the contents of this letter. The interview will take approximately 45 minutes to an hour to complete.

#### **DECLARARTION OF CONSENT**

I(Full Name) hereby
confirm that I have read and understand the contents of this letter and the nature of the research project has been clearly defined prior to participating in this research project.
I understand that I am at liberty to withdraw from the project at any time, should I so desire.
Participants Signature
Date
Duv

#### INFORMED CONSENT LETTER

# Dear Participant

My name is Jonathan Bell. I am a masters student in the field of Industrial Psychology studying at the University of KwaZulu-Natal, Howard College Campus, South Africa.

I am interested in investigating the entrepreneurs' experience, the reasons for becoming entrepreneurs, the barriers that have been overcome to be an entrepreneur and the current experience of running a business. To gather the information, I am interested in asking you some questions.

#### Please note that:

- Your confidentiality is guaranteed as your inputs will not be attributed to you in person, but reported only as a population member opinion.
- The interview may last for about 1 hour and may be split depending on your preference.
- Any information given by you cannot be used against you, and the collected data will be used for purposes of this research only.
- Data will be stored in secure storage and destroyed after 5 years.
- You have a choice to participate, not participate or stop participating in the research. You will not be penalized for taking such an action.
- The research aims to investigate entrepreneurs' experience, their reasons for becoming entrepreneurs, the barriers that they have overcome to be entrepreneurs and their current experience of running their businesses.
- Your involvement is purely for academic purposes only, and there are no financial benefits involved.
- If you are willing to be interviewed, please indicate (by ticking as applicable) whether or not you are willing to allow the interview to be recorded by the following equipment:

	willing	Not willing
Audio equipment		
Photographic equipment		
Video equipment		

I can be contacted at:

Email: jbell9556@gmail.com

Cell: 0832257358

My supervisor is Ms Shaida Bobat who is located in the Psychology department, Howard College campus of the University of KwaZulu-Natal.

Contact details: email: Bobats@ukzn.ac.za Phone number: 031 266 2648

You may also contact the Research Office through:

P. Mohun HSSREC Research Office, Tel: 031 260 4557 E-mail: <a href="mohunp@ukzn.ac.za">mohunp@ukzn.ac.za</a>
Thank you for your contribution to this research.

<u>DECLARATION</u>	
I participant) hereby confirm that I understand the contents of this nature of the research project, and I consent to participating in the I	
I understand that I am at liberty to withdraw from the project at a desire.	any time, should I so
SIGNATURE OF PARTICIPANT DA	ATE

# **AUDIO PERMISSION**

Participant name
Name of researcher: Jonathan Bell
<b>Brief title of project:</b> A thematic analysis of entrepreneurial experiences in KwaZulu-Natal: A qualitative study
Supervisor: Ms Shaida Bobat
Declaration
<ol> <li>The nature of the research and the nature of my participation have been explained to me either verbally or in writing.</li> <li>I agree to be interviewed and to allow tape recordings to be made of the interviews</li> <li>I agree to take part in and to allow tape-recordings to be made.</li> <li>The tape recordings may be transcribed</li> </ol>
I give permission for the tape recordings to be retained after the study and for them to be utilised for the following purposes and under the following conditions:
I
I understand that I am at liberty to withdraw from the project at any time, should I so desire.
SIGNATURE OF PARTICIPANT DATE



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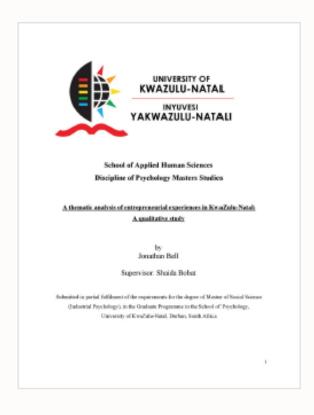
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30 June 2015

Mr Jonathan Andrew Bell 215075810 School of Applied Human Sciences **Howard Campus** 

Dear Mr Bell

Protocol reference number: HSS/0585/015M

Project title: A thematic analysis of entrepreneurial experiences in KwaZulu-Natal: A qualitative study

Full Approval – Expedited Application

In response to your application received on 28 May June 2015, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and the protocol have been granted FULL APPROVAL.

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

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

The ethical clearance certificate is only valid for a period of 3 years from the date of issue. Thereafter Recertification must be applied for on an annual basis.

take this opportunity of wishing you everything of the best with your study.

.....

Yours faithfully

Dr Shamila Naidoo

On behalf of Dr Shenuka Singh (Chair)

Humanities & Social Sciences Research Ethics Committee

/pm

Cc Supervisor: Ms Shaida Bobat

Cc Academic Leader Research: Professor D McCracken

Cc School Administrator: Ms A Ntuli

Humanities & Social Sciences Research Ethics Committee

Dr Shenuka Singh (Chair)

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