

UNIVERSITY OF KWAZULU-NATAL

***HIGHER EDUCATION AND ENTREPRENEURSHIP: A
COMPARISON OF BASIC AND TERTIARY EDUCATED
ENTREPRENEURS IN THE eTHEKWINI MUNICIPALITY OF
KWAZULU NATAL***

By

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***A dissertation submitted in partial fulfilment of the requirements for
the degree of Master of Business Administration***

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Year of submission

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Abstract

Seven of the top 10 Billionaire entrepreneurs in South Africa all have something in common. They have dropped out of school, not attend college, or dropped out of college. This raises the question of next generation of entrepreneurs'. Is formal education necessary for entrepreneurs? Entrepreneurship plays a vital role of a countries economy and is a direct contributor to the standard of living in that country. The objective of this study was to find the success factors of entrepreneurs and make comparisons of entrepreneurs with a basic education and a tertiary education. The business success factors were their management skills, leadership characteristics, risk propensity, macro-environmental challenges, and their business culture. The number of entrepreneurs in the eThekwin Municipality is said to be in the hundred thousand, it is impossible to know the exact population. Therefore, a non-probability sampling approach was adopted. A quantitative cross-sectional survey was sent to 160 entrepreneurs in the eThekwin Municipality. The entrepreneurs were profiled to ensure a 50-50 split between basic and tertiary educated entrepreneurs. An online questionnaire made up primarily of a 10-point numerical scale type questions was used to obtain responses from the sample which received a response rate of 89.55%. The results indicated that tertiary educated entrepreneurs have better financial management skills than BE entrepreneurs. Basic educated entrepreneurs were more vulnerable to the external macro-environment than TE entrepreneurs. BE display leadership traits of a servant leader while TE display leadership trait that are more autocratic. BE entrepreneurs preferred working in a creative business culture while TE prefer working in a result driven goal orientated culture. TE entrepreneurs are willing to risk paying bribes for business while BE are willing to risk their products and services, and their personal assets to gain finance. It is recommended that BE need training in financial management. TE entrepreneurs need training in people management and ethics.

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Abbreviations

BE	Basic Educated
BER	Bureau of Economic Research
CBD	Central Business District
CSR	Corporate Social Responsibility
DCCI	Durban Chamber of Commerce and Industry
DTI	Department of Trade and Industry
FET	Further Education and Training
GDP	Gross Domestic Product
GSBL	Graduate School of Business and Leadership
JSE	Johannesburg Stock Exchange
LIFO	Last In First Out
NQF	National Qualifications Framework
SAQA	South African Qualifications Framework
SEDA	Small Enterprise Development Agency
SEFA	Small Enterprise Finance Agency
SMME	Small Medium and Macro Enterprise
TE	Tertiary Educated
UKZN	University of KwaZulu Natal

Chapter 1: Introduction to the study

1.1 Introduction

This dissertation is presented over six chapters. Chapter one introduces the study through the building of an argument with the presentation of the background and the motivation behind the study. The problem statement this study seeks to solve is going to be discussed followed by the objectives and research questions the researcher seeks to answer. Chapter two focuses on conducting an in-depth review of the literature focusing on educated and uneducated entrepreneurs in South Africa and around the world. The literature review then focuses in on the management skills, external environment difficulties, cultural difference, risk behaviour and leadership traits. Lastly, the literature review strives to critically analyse and debate the contemporary knowledge available on any comparisons and characteristics of uneducated and educated entrepreneurs. The literature review highlighted import factors, skills, characteristics and traits of entrepreneurs and chapter three explains the detailed research methodology chosen and compares and analyses basic and tertiary educated entrepreneurs. This chapter explains the research design and process, data collection instruments, and data analysis techniques used. Chapter four begins with a description of basic and tertiary educated profiles before presenting analysed data. In chapter five, the kurtosis and skewness was discussed followed by the major findings of this study. Chapter six presents the conclusion of this study including the recommendations and limitations. Limitation are presented at the end of the dissertation to reflect their continued emergence through data collection and analysis.

1.2 Background to the study

The persist trend of low entrepreneurial activity is a concern for South Africa given the high unemployment rate of 27.7% in this country (StatsSA, 2017). Entrepreneurial initiatives in South Africa have dropped by more than one third (from 15.4% to 10.1%) when compared to 2013 and to almost half when compared to 2010. The

regional average is currently four times higher than South Africa's and double the average for efficient emerging economies (GEM Report, 2016).

Entrepreneurship remains the key factor to the south economy. A weak job creating capacity has led to an increase in the high employment from 26% in 2016 to 27.7% in 2017(StatsSA). Underemployment has been a significant factor in the country's persistent poverty and inequality (Burnette, 2014). According to the GEM Global Report 2016/17, slightly over 50% of adults surveyed in the factor and efficiency driven economies believe that they have acquired knowledge and skills to start a business (GEM Report, 2016). Considering this findings south Africa score of 38% is particularly worrying, South Africa is in fact ranked 55th out of the 62 economies surveyed with respect to this measure. There is thus an urgent need to focus on entrepreneurship especially, the education of the entrepreneur in South Africa.

Having the acquired knowledge and skills to start a business doesn't guarantee business continuance. South Africa has a very high discontinuation rate of 71% in business start-ups and this rate has jumped up by 62.2% in 2015 and 67.11% in 2016 to the current rate (Harrington, Kew & Kew, 2016). Business exists for positive reasons such as planned retirement, pursuing another opportunity and opportunity to sell which account for just 12% of the discontinuation rate while the other 59% was due to financial reasons either because they were non-profitable or they encountered problems trying to access finance to keep the business growing (GEM Report, 2016).

There is no guaranteed formula to business start-up continuation and success (Alvesson & Sullivan, 2015). The SEDA business growth initiative which focuses on helping entrepreneurs grow their business was introduced in the 1st of January 2013. This initiative provides a variety of technical and educational support. The educational support ranges from financial administration and management, coaching and mentoring, strategic planning, turnaround strategies and business optimization, and listing on the AltX or JSE. This provides a one size fits all support system for entrepreneurs. Different entrepreneurs have different sets of skills and abilities (Piperopoulos & Dimov, 2015). Educated entrepreneurs with a MBA for example might not see the benefit of this initiative and, if SEDA came up with this initiative for

uneducated entrepreneurs than one can question its effectiveness from the high business start-up discontinuation rate in South Africa. Various factors can contribute to the success and growth of a business start-up. These can be influenced by the level of education of the entrepreneurs (Mjoli, 2007).

1.3 Motivation for this study

Some self-made billionaires on the Forbes 50 rich list in South Africa all have something in common. They either have not completed school, attended college or dropped out of college (Nsehe, 2016). This could help spur a debate that continues amongst the next generation of entrepreneurs: Is formal education necessary for entrepreneurs? What intrigued the researcher is that some of the world's richest men and women are school dropouts (Farrell, 2016). On the other hand, people that drop out of university don't do well and their average salary is much less than someone with a bachelor's degree (Nsehe, 2016). People that drop out of college and become billionaires have something about them that drives them to become successful and rich. This is what motivated the researcher to compare how educated and uneducated entrepreneurs run the companies they have created.

The insights into this study can help financial institutions better understand the financing requirements of educated and uneducated entrepreneurs. It will provide a better understanding to venture capitalists and angel investors in providing more accurate tailored support to entrepreneurs. Government agencies such as the DTI and SEDA will be able to improve the effectiveness of their current policies and to the creation of new ones. Lastly, tertiary learning institutions can integrate these findings to offer tailor-made curriculums for entrepreneurs.

1.4 Problem statement

Ninety percent of business startups fail globally (GEM Report, 2016). This is the hard truth and many researchers claim that the reasons behind this are due to lack of funding, bad planning, and poor products (Laszlo & Autio, 2016); (Giardino & Palimoster, 2016) & (Maron & Robert, 2014). No study has been done on the level of education the entrepreneur possesses and what type of an effect it will have on his

business success. This study has not been conducted in South Africa before and more specially in the eThekweni Municipality. Thus, the study sought to solve the problem of what are the differences between entrepreneurs with a basic education and entrepreneurs with a tertiary education. The study made comparisons in terms of their management skills, leadership and cultural traits, business risk propensity and vulnerability to the macro-environment.

1.5 The focus of the study

This study focused on comparing the difference between basic and tertiary educated entrepreneurs within the eThekweni Municipality. Comparisons were made on the entrepreneur's own management performance, their vulnerability to the external macro-environment, their leadership style, their business risk propensity and the business culture in which they operate.

1.6 Research objectives

There are five research objectives that this study seeks to accomplish, in no particular order of importance:

1.6.1 To compare the management skills between basic and tertiary educated entrepreneurs.

Research Questions

- 1.6.1.1 Are there any differences in management skills?
- 1.6.1.2 What are the differences in management skills based on their level of education?

1.6.2 To examine the difficulties experienced by basic and tertiary educated entrepreneurs in the external macro- environment.

Research Questions

- 1.6.2.1 Who is the more vulnerable to changes in the environment, basic or tertiary educated entrepreneurs?
- 1.6.2.2 Who experiences the most difficulties in the macro-environment?

1.6.3 To compare the leadership traits of basic and tertiary educated entrepreneurs.

Research questions

1.6.3.1 *what type of leaders are basic and tertiary educated entrepreneurs?*

1.6.3.2 *Why is there a difference in leadership between basic and tertiary educated entrepreneurs?*

1.6.4 To determine the cultural differences in SMME's run by basic and tertiary educated entrepreneurs.

Research questions

1.6.4.1 *What are the differences?*

1.6.4.2 *Does the education level of the entrepreneur influence the culture?*

1.6.5 To examine the risk propensity of basic and tertiary educated entrepreneurs.

Research Questions

1.6.5.1 *Who is the riskier entrepreneur, basic or tertiary educated entrepreneurs?*

1.6.5.2 *Is there a difference in their approach to business risk taking?*

1.6.5.3 *How much are they willing to risk?*

1.7 Expected limitations of the study

This study is limited to the geographical locational in which it was conducted. This study focuses on the Phoenix Industrial Park and the Durban CBD. Other business parks in the eThekwin Municipality were excluded in this study. Furthermore, other bigger size metropolitans such as Johannesburg and Cape Town where were not included in this study. Therefore, the result could not be generalized to all basic and tertiary entrepreneurs in South Africa. This study does not include entrepreneurs from the informal sector. The factors used to compare basic and tertiary educated entrepreneurs in this study is by no means collectively exhaustive. There are other factors and criteria that could be used to compare basic and tertiary educated entrepreneurs.

1.8 Conclusion

This chapter has stated the background and motivation of this dissertation. The purpose of this study and how it would contribute to the production of new knowledge in this field was stated, including which stakeholders in society will be able to benefit from this study. The research problem it seeks to solve was stated followed by the objectivities and questions that the researcher seeks to find answers to. The expected outcomes or limitations were stated upfront. The literature review follows in chapter two.

Chapter 2: Literature Review

2.1 Introduction

Education is believed to be the most important factor which gives children the basic skills to survive and thrive as adults, however education importance may also go beyond basic survival skills (Wagner, 2014). Education also contributes to good citizenship, allows people to contribute positively to their community and their country.

The literature review first takes a holistic consideration of the education levels around the world then hones into South Africa. Then the literature review considered the contribution of entrepreneurs in terms of business start-ups (SMME's) to the South African economy. Lastly the literature review critically analysed the skills and factors required of a successful entrepreneur such as management skills, external environmental factors, leadership skills, risk factors and cultural factors.

2.2 Defining entrepreneurship

Entrepreneurship can be traced back to 20 000 years ago in New Guinea where locals would exchange volcanic glass which was prized for its use in hunting tools for animal skins, tools and food (Jalali, 2014). According to Praag & Gerd Kempermann (1999) Richard Cantillon was the first economist to acknowledge the entrepreneur as a key economic factor with the invention of money as one of the key developments for entrepreneurship. This provided a path for entrepreneurs to store value and facilitated long distance trading. Capitalism was thus born and became entrenched in societies around the world. Adam Smith (1977) argued that self-interest was the driving force in societies around the world while still improving society as a whole. The word entrepreneurship is derived from the French word 'entreprendre' which means to undertake (Rattan, 2014). An entrepreneur is defined by Jones & George (2014, p.216) "as an individual who notices opportunities and decides how to mobilize the resources necessary to produce new and improved goods and services". Entrepreneurship is defined by Jones & George (2014, p.218) "as the mobilization of

resources to take advantage of an opportunity to provide customers with new or improved goods and services”.

2.3 Education level of an entrepreneur

According to (Millan, Congregado, Roman, van Praag & van Stel., 2014), countries with a higher educated population enjoy higher earning and they go further to say that entrepreneurs with high levels of education perform better than entrepreneurs with low levels of education on all measures of individual entrepreneurship performance. This does not mean that uneducated or basic educated entrepreneurs don't make good successful entrepreneurs. Many entrepreneurs use a method called bootstrapping to help them successfully build their start-ups. Bootstrapping entrepreneurs don't attend college, they start their business and live off the money they saved for college until their business begins to make a profit (MacVicar & Throne, 2016).

Informal education can be defined as a form of education that takes place in a non-organized, unstructured way and not in a classroom setting while formal education typically happens in a classroom setting (Robinson & Latchan, 2003). Entrepreneurs with a formal education are mostly found in the formal business sector while entrepreneurs with an informal education can be mostly found in the informal business sector (Millan, 2014). Education, formal or informal provide entrepreneurs with the cognitive skills to exploit and take advantages of entrepreneurial opportunity, increases their confidence in taking chances which in turn lessens the perceived risk therefore making becoming an entrepreneur a not so scary path to walk on. Recognizing business opportunities isn't easy and sometimes social capital such as who you know rather than intellectual capital can be the difference between entrepreneurial success or failure (Jimenez, Jimenez, Camara, Santos, Bernal., 2015).

2.3.1 The National Qualification Framework of South Africa

The Minister of Education had appointed a 29-member panel in consultation with the Minister of Labour to develop what is known now as the South African Qualifications

Authority (SAQA, 2017). The implementation of the NQF ultimately lies in the responsibility of the SAQA. The National Qualifications Framework Act 67 of 2008 P.87 states that the objectives behind the NQF are to:

- Create a single integrated national framework for learning achievements.
- Facilitate access to, and mobility and progression within, education training and career path.
- Enhance the quality of education and training.
- Accelerate the redress of past unfair discrimination of education, training and development opportunities.
- Contribute to the full personal development of each learner and the social and economic development of the nation at large.

Walter (2015) describes the NQF as going beyond playing the role of a classifier, by also providing direction of how qualifications relate to one another and how they are valued in society. For the NQF to achieve these objectives someone had to be responsible implementing and maintaining the high standards set out. Therefore, the objectives of the SAQA is to:

- Watch over the development of the NQF
- Build-up, publish policies and guidelines for the registration of parties responsible for establishing education and training standards or qualification and,
- Oversee the implementation of the NQF

According to the International Standard Classification of Education report by (van der Pol, 2016) basic education comprises of two stages, the first being primary education and the second stage being secondary education.

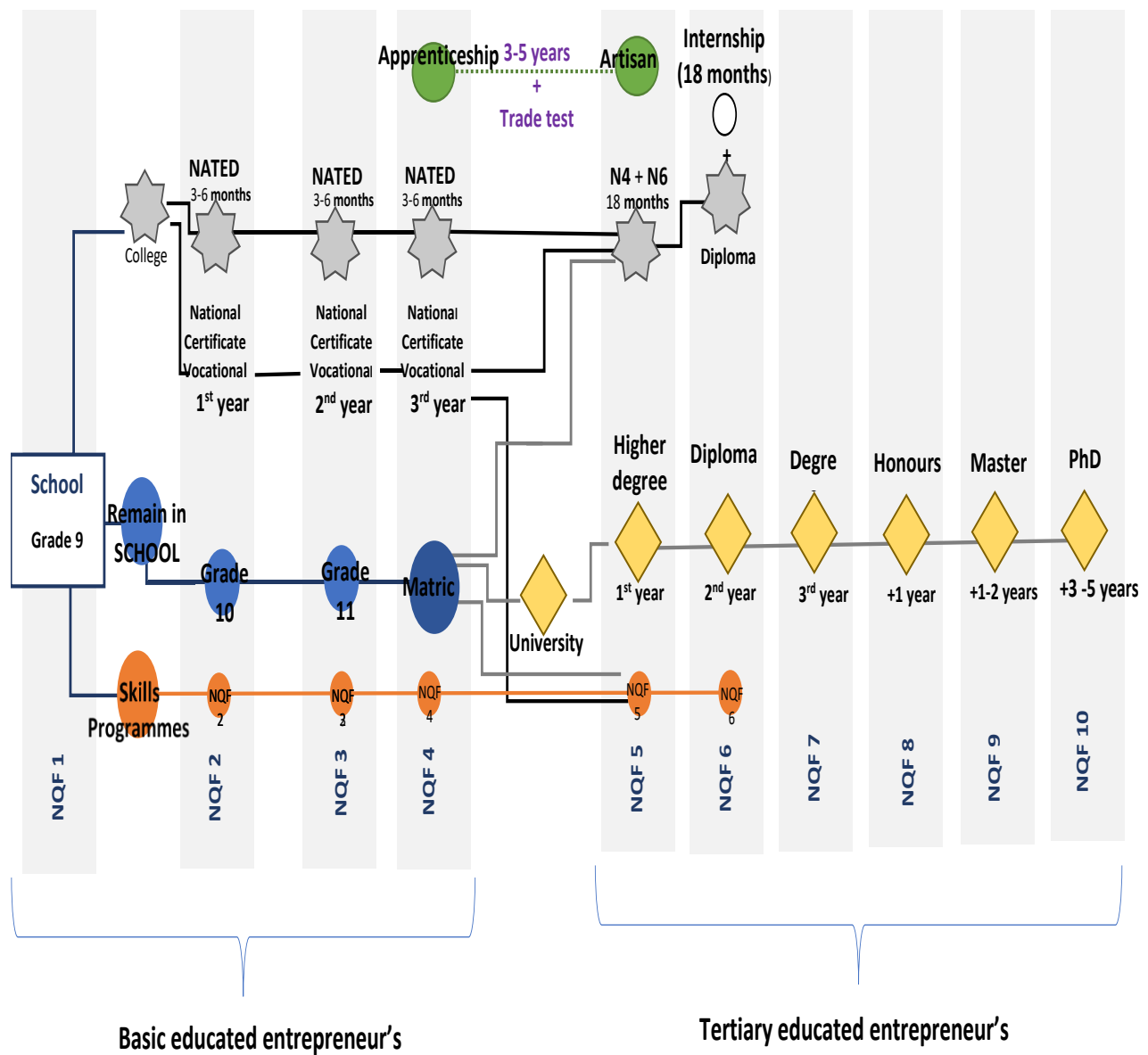


FIGURE 2-1: THE NQF FRAMEWORK INDICATING BASIC AND TERTIARY EDUCATION

Source: from the SAQA (SAQA, 2015)

The above figure 2-1 shows the ten NQF levels which is broken down into 2 groups, the first one is basic educated entrepreneurs NQF 1 to 4 followed by tertiary educated entrepreneur's NQF 5 to 10.

A basic educated entrepreneur will have the minimum of a grade 9 with the highest qualification of a grade 12/matric or 3 years at a FET college (Mjoli, 2007).

A tertiary educated entrepreneur would have a minimum of an attending first year at a university studying towards a higher certificate, diploma, qualified artisan or degree and a maximum of a post-graduate studying (Mjoli, 2007).

2.3.2 The education level demographic of entrepreneurs

Table 2-1: The percentage of entrepreneurs with established businesses by their level of education

Country (2015)	Primary education (%)	Matric/Secondary Education (%)	Post-Secondary Education (%)	Graduate (%)
Italy	17.7	19.5	22.4	40.4
France	17.3	21.4	30.5	30.8
United Kingdom	27.3	22.4	26.8	23.5
Canada	22	23.2	31	23.8
Japan	6.5	14.5	67	12

Adapted from Global Entrepreneurship Monitor report (2015. p54)

Table 1 indicates that the highest percentage of entrepreneurs that have completed matric and have some tertiary education followed by entrepreneurs that have graduated. The above countries are part of the G7 group excluding the United States of America. These countries have advanced highly industrialized economies. Tertiary educated entrepreneurs that have not completed their degree or diploma but have at least a Matric seem to be more successful in establishing their business. The unweighted average indicates that 18.2% of entrepreneurs in Europe have a primary education, 20.2% of entrepreneurs have a matric or some sort of secondary education, 35.5% of entrepreneurs have a post-secondary education and 26.1% of

entrepreneurs are graduates. Globally, the highest number of entrepreneurs are between the ages of 18 to 34 years old and the lowest being 54 years plus (Herrington, Kew, Mwanga., 2016).

Table 2-2: The education levels of early stage entrepreneurs in South Africa from 2001 - 2016

Year	2001	2009	2013	2014	2015	2016
Primary education	0.0%	0.0%	13.2%	5.1%	5.8%	4.4%
Matric/Secondary Education	45.5%	42.5%	29.9%	33.4%	34.2%	25.2%
Post-Secondary	43.2%	44.6%	42.5%	48.2%	43.4%	47.6%
Graduate	11.3%	12.9%	14.4%	13.3%	16.6%	19.8%

Adapted from the GEM South African report (2016, p.36)

The above table indicates that from 2013 to 2016, early stage entrepreneurs have fallen from 13.2% to 4.4%. In 2001, 45.5% of early stage entrepreneurs have fallen to 25.2% in 2016. Post-secondary early stage entrepreneurs have increase from 43.2% to 47.6% in 2016. Graduate early stage entrepreneurs have increased from 11.3% to 19.8% in 2016. The unweighted average for primary education is 4.75%, matric/secondary education is 35.1%, post-secondary education is 44.97 and graduates with 14.7 %. This tell us that most entrepreneurs between the ages of 18-64 in South Africa have post-secondary education and the least have a primary school education. According to the GEM global report (2016/17) the average entrepreneur has an average of 8 years work experience before making the transition into entrepreneurship. There is a strong correlation between poverty and level of education in South Africa, further tertiary education may increase the chance of employment which directly impacts the outcome of expected earnings (Mariotti & Meinecke, 2015). Poverty is known as a catalyst to creativity and that creates

innovative ways of earning a living which in turn creates entrepreneurship (Jalali, Jaafar, Ramagal., 2014).

2.4 The importance of SMME's to the South African economy

Small and medium businesses are productive drivers to economic growth and development in South Africa. SMME are known for reducing unemployment in South Africa, they absorb tertiary educated, high skilled employees that have been retrenched from big corporate firms as well as hire semi- skilled and unskilled labour including those with no education (Clark & Filimonova, 2014). While most tertiary educated people are attracted to big corporate company's due to high salaries and perks, SMME's employ most of the basic and non-educated workers. However, when big corporates begin to downsize or retrench some highly-educated workers get employed by SMME as they have no other alternatives (Clark & Filimonova, 2014).

2.4.1 Defining an SMME

It is extremely challenging trying to define a SMME. According (European Commission, 2016) to there is no universal definition of what a constitutes of a SMME, however when defining a SMME most countries seem to use their own judgement based the following criteria:

- The number of employees in the organization
- Amount of turnover
- Balance sheet total

The Small Business Act No 102 of 1996 states that a “small business” means a distinct and separate entity which includes corporate organizations and non-government organizations managed by one owner or more, which includes its branches and subsidiaries. Depending on the industry, a medium sized organization has (Small Business Act No 102 of 1996)

- Fewer than 100 to 200 employees
- Less than 4 to 50 million annual turnovers and;
- Less than 2 to 18 million gross assets excluding fixed property.

A small sized enterprise has (Small Business Act No 102 of 1996)

- Fewer than 50 employees,
- An annual turnover of less than 2 to 25 million depending on the industry and
- gross assets excluding property of less than 2 to 4.5 million depending on the industry.

A very small size organization depending on the industry has (Small Business Act No 102 of 1996)

- fewer than 10 to 20 employees,
- an annual turnover of less than R200 000 to R500 000 annual turnover and
- less than R150 000 to R500 000 gross assets excluding property.

A micro sized organization has (Small Business Act No 102 of 1996)

- fewer than 5 employees,
- less than R150 000 annual turnover and
- less than R100 000 gross assets excluding property.

2.4.2 The contribution of SMME in terms of GDP to South Africa

Table 2-3: SMME sectors and their share of GDP

Sector	Approx. share of GDP
Agriculture	40%
Manufacturing	40%
Trade	50%
Transport	43%
Community and personal services	62%
Construction	45%

Adapted from the Bureau of Economic Research on the Small, Medium and Macro enterprise research of South Africa (BER,2016)

The table above shows us the SMME contribution to the GDP of the South African economy. Trade sector has an even 50/50 split in terms of contributing to the South

African GDP than large organization, while SMME's operating in the community and personal services sector contribute more to the GDP than large organizations. The data contained indicates an unweighted average of 48.3% which means that SMME's has a very significant contribution to the South African GDP. It just falls short of 1.7% to be equal to big corporate organizations. Entrepreneurship success are positively related to economic growth by creating employment and providing diverse goods or services (Aparicio, 2016). A lack of SMME development will result in a big drop in GDP and a decrease standard of living (Dube & Mavimbela, 2016). The more innovative entrepreneurs are, the more SMME's begin to form as well as new sectors and industries such as aquafarming which will have a positive effect on the GDP growth levels of that country (Galindo & Mendez, 2014).

Potential GDP increases or decreases will indicate different unemployment rates in different economies, depending on the natural rate of unemployment for that economy (Dosi, Marcelo, Andrea, Maria., 2016).

2.4.3 SMME contribution to South Africa in terms of unemployment

Table 2-4: The employment creation in the SMME sector

Average 2012 - 2015	Macro %	Very small %	Small %	Medium %	Unspecified/Don't know %	Total %
Agriculture	40	9	40	10	1	100
Manufacturing	10	18	21	47	4	100
Trade	43	30	10	11	6	100
Transport	50	17	14	25	3	100
Community and personal services	35	40	11	12	3	100
Construction	40	35	12	13	2	100
Financial Services	15	28	20	33	3	100
Mining & quarrying	1	8	4	85	2	100

Adapted from the Bureau of Economic Research on the Small, Medium and Macro enterprises of South Africa (BER,2016)

Table 3 indicates that SMME's contributes more than 70% of the total country's employment. Being such a high employment contributor indicates the high importance of SMME in South Africa.

2.5 The factors that makes a successful entrepreneur

The next task of the literature review is to perform an examination into the success factors of being an entrepreneur. The literature findings are going to be structured by first looking at managing a start-up. Managing a start-up is a critical success factor in ensuring the business is sustainable and the entrepreneurial venture becomes a success. The longer the number of years the person is in business the lower will be his chances of failure (Sikomwe, Kandafa, Giga & Mudzurandende, 2014)

2.5.1 Managing a start-up

Managing your own start-up can be exciting and the most rewarding work that you will ever do if you decide to follow your entrepreneurial dream (Schaper, Vebery, Weber, & Gibson, 2014). However, those that have excellent innovative ideas fail because they lack good management skills. Putta (2014) stated that trained entrepreneurs have better management skills than entrepreneurs that have no entrepreneurship training in management while according to (Teece, 2014) in a dynamic and ambiguous environment. Only effective entrepreneur managed firms will last, while efficiency alone isn't enough for survival and growth. The various combination of managerial skills in customers, time, sales and finances equip the entrepreneur with capabilities to be successful, therefore a deeper understanding of this needs to be discussed.

2.5.1.1 Customer management

Customer equity is a strategic driver of business growth and financial return (Rice, 2014). Innovation takes time and an entrepreneur that understands their customers well will be a better innovator which will reduce their chances of failure (Jimenez, et al., 2015). knowing your customers well decreases risks and increases innovation. Small businesses have now changed the way they think and have now adapted hospitality into their business operations as part of their strategic approach to their entrepreneurial activities by ensuring they take actions based on customer needs (Seilov, 2015). Only focusing on customers can be time consuming and this can cause other important management duties being neglected (Rice, 2014). CSR

initiatives are good when trying to create a good image of your organization to the public, thus attracting customers (Cha, Youjae & Richard., 2016). However, the impact in terms of customer value of these initiatives are difficult to measure therefore, it needs be done on account of large profits (Hanssens & Koen, 2016). As an entrepreneur, you got to make conscientious decisions every day, therefore time management is an important factor in allowing more time to doing things that are important and valuable to you (Bell, 2014).

2.5.1.2 Time management

Time management is an important factor that should be taken seriously by many entrepreneurs, as having a balanced time perspective improves well-being and productivity on many levels which are work related, social and personal (Boniwell, Evgeny & Sircova., 2014). A study conducted on Japanese women entrepreneurs showed that the reason many women entrepreneurs fail is due to them not having the right time balance between running a business, running a household and taking care of their children (Welsh, Memili, Karciah & Ochi., 2014). However, a study conducted by (Agaruval & Lenka, 2015) stated that working women executives have no time to devote to their family responsibilities and this problem of work life balance creates conflict in their families, therefore many highly-educated women are ditching working for large corporations and starting business from home to gain more flexibility and control over their work and personal obligations. Entrepreneurs that can manage their time effectively and efficiently was more successful in running a business and they achieved this by setting out clear priorities and making sure they were achieved right when they needed making them highly effective (Nag & Niladri, 2015). Time management training programs are shown to be an important facet to performance and has led to long term business growth (Trese & Hass, 2016).

2.5.1.3 Sales management

For a business to survive, it must make a profit by selling goods and services and to grow the business entrepreneurs instil within them proactive value selling capabilities which proves better than hiring people with an expertise in sales (Puthanen, Parvinen & Toytari., 2014). People that have been educated and trained in sales management

do improve in their performance (Chonko, Tanner & Weeks., 2014). This implies that basic educated entrepreneurs might be at a disadvantage. Usually start-ups with founders/innovators that have dropped out of school rely on patents to drive their sales therefore, entrepreneurs must not be fooled into thinking that patents guarantee sales (Agostini & Caviggivli, 2014). However, a study conducted by (Agostini, Caviggivli, & Filippini., 2015) on SMME's indicated that corporate trademarks and marketing expenses do have a positive association to sales performance. (Lehto, 2015) stated that an entrepreneur must have direct buyer-seller interaction, which is conducive of gaining customer and contextual understanding, development and validation of the offering and building long term relationships with customers.

2.5.1.4 Financial management

Table 2-5: Realities of financial planning and management for entrepreneurs

Reality 1	<ul style="list-style-type: none"> • Haste leads to poor business planning • A good business plan lays a proper foundation for a successful business • Pre-business expenses must be part of that plan
Reality 2	<ul style="list-style-type: none"> • A complete of all fixed assets needed must be determined and financed with long term sources of funds
Reality 3	<ul style="list-style-type: none"> • It is not necessary to own fixed assets just control them • Conserve personal resource for working capital and survival needs • Saving and other time deposits are good collateral: avoid using these to buy fixed assets • Good used equipment will often do the job. Avoid trying to go first class

Reality 4	<ul style="list-style-type: none"> Finance “permanent” current assets with longer term equity of debt “Variable” current assets can be financed with short term sources of funds
Reality 5	<ul style="list-style-type: none"> Credit card should be used only for efficient purchases and should be paid monthly
Reality 6	<ul style="list-style-type: none"> Survival cash needs must be determined and arranged when financing a start-up
Reality 7	<ul style="list-style-type: none"> Sales and expense estimates and timing must be realistic Breakeven analysis (income and cashflow) is a very useful tool for entrepreneur’s
Reality 8	<ul style="list-style-type: none"> Cash disbursements and cash receipts must be realistically in amount and timing to avoid cashflow problems.
Reality 9	<ul style="list-style-type: none"> Personal and family needs must be included in financial planning new ventures “Don’t quit your day job”
Reality 10	<ul style="list-style-type: none"> Finance fixed and “permanent” current assets for growth with long term sources of funds. Price can be used to control growth
Reality 11	<ul style="list-style-type: none"> Conserve initial liquidity in marketable securities to ensure long term survival

Adapted from, Fallacies versus Realities in Financial Planning and Management among entrepreneurs by Dunn & Chyi-Lyi, (2015 pg. 103).

The above table shows the breakdown of common realities that entrepreneurs will encounter and what should be the best way to manage your businesses finances. The GEM Report (2016) indicated that access to finance is not a Problem in South Africa. Poor financial management is the main cause in business failure in SMME’s (Karaday, 2015). Entrepreneurs with a strong finance skills can use debt to their favour also called ‘good debt’ by having a balance of borrowings and assets giving them the financial leverage to exploit opportunities (Jones & George, 2014).

According to Dunn & Liang (2015) entrepreneurs must avoid erroneous, imprecise, flawed and inaccurate thinking and should instead focus and take in the realities of the situation when financial planning. Many entrepreneurs lack financial training and the services of a financial expert is very costly to the business.

2.6.1 Macro-environmental context of entrepreneurship

The macro-environment is said to be volatile, uncertain, complex and ambiguous and in this environment managers/owners have the least amount of control (Juma & Sequeira, 2016). The macro-environment is made up of five elements namely political, economic, social, technological and legal. These elements can have a positive or negative effect on firm's performance according to Juma & Sequeira, (2016) and goes further to say that the microenvironment can destroy business ventures and industries and create new opportunities that entrepreneurs can exploit. Below are five macro-environmental factors that effects the business sectors and the industries SMME's operate under.

2.6.1.1 Political environment

Government around the world have implemented a variety of different policies and strategies to create an environment that incubates and nurtures entrepreneurship including business activities (Cheraghi, Settie & Schott., 2014).

Table 2-6: Governments role to foster entrepreneurship around the globe

Government	Policy/strategy	Plan
1. Namibia	Interventionism	More direct involvement and expenditure by government
2. Austria	Limited environmentalism	Focus on investing and building infrastructure
3. Taiwan	Egaletarianism	Based on credit policy
4. Germany	Top- down reform	Designed for rapid, radical change
5. Vietnam	Doi-Moi	To help small business operate within a socialist system
6. South Korea	Interest rate model	Government subsidized interest rates
7. China	Open door policy	An open-door policy coupled with major reforms of the complete economy.

Adapted: Role of entrepreneurial marketing in improving market share for small business facing external environmental or resource challenge. (Schott, 2014)

The (GEM,2016) reported that South African government bureaucracy is a major problem to entrepreneurial and business activity. The South African public views its current Government as infected with corruption (Munnik, 2016). According to Munnik (2016) to it is now compulsory that ethics be taught and added to all higher education curriculum in South Africa. Furthermore, Government developed a ten plan anti-fraud

and corruption strategy/policy to help root up the plague scarring off and preventing the growth of entrepreneurs, small business and investors alike (Department of Trade and Industry, 2016). The plan principles are described briefly

1. Zero tolerance to offenders
2. Accountability
3. Duty to implement effective anti-fraud controls
4. Duty to implement report and reporting mechanisms
5. Duty to protect whistle-blowers
6. Report to police and other relevant authorities
7. Mandate to investigate fraud
8. Instituting disciplinary proceeding
9. Training and awareness
10. Fraud risk assessment

Aware of the impotence of eradicating corruption. The South African Government needs to develop the economy, create employment and provide infrastructure and services. The DTI has developed a list of government grants which unlike a loan, is an award of money that is non-refundable however, there are very strict criteria and huge amounts of paperwork need to be done before the grants are awarded to the small firms. Some of the Government grants available are (Department of Trade and Industry,2016):

1. **Aqua-Culture Development and Enhancement Programme-** Qualifying entities include primary, secondary and ancillary aquaculture project for both marine and freshwater.
2. **Automotive Investment Scheme-** designed to grow and develop the automotive industry.
3. **Black Business Supplier Development Programme-** Cost sharing grant provided to black owned businesses to improve their competitiveness and sustainability.
4. **Business Process Services** – To attract investment and create employment through offshore activities

5. **Capital Projects Feasibility Programme-** To sponsor the study for projects that will lead to increase local experts.
6. **Critical Infrastructure Programmes** – Improving the infrastructure.
7. **The Co-operative Incentives Scheme** – To Improving viability and competitiveness based on a 90:10 cost sharing ratio.
8. **Incubation Support Programme** – Designed to create and develop successful entrepreneurs.
9. **The Manufacturing Competitive Enhancements Programme** – Provides enhanced support to manufacturing facility and upgrades.
10. **National Youth Development Agency** – Grants available funding to youth entrepreneurs.
11. **People Carrier Automotive Investment Scheme** – Cost up to 20 to 30 percent investment in assets.
12. **SEDA Technology Programme** – Focus of technology business incubation.
13. **The Sector Specific Assistance Scheme** – Cost sharing grant offered on 80:20 principal to qualifying business.
14. **Support Programme for Industrial Innovation-** aim to promote technology development in South Africa
15. **Technology and Human Resource for Industrial Programme-** To enhance industry competitiveness and production capacity through the application of new technology

In countries that have a high uneducated population, Governments that establish well set up business incubators can promote small business development, growth and sustainability (Lofsten & Linderlof, 2003). Business incubators closes the gap between entrepreneurship knowledge and uneducated entrepreneurs providing them will the necessary skills and know-how of running, developing and sustaining an SMME (Smith & Judge, 2016).

2.6.1.2 Economic environment

The South African economy has four phases, which are expansion phase, peak phase, contraction phase and trough phase (Sikomwe, et al., 2014)

- a) Expansion Phase: During expansion business, will to grow due to an increase in consumer spending, therefore business start to produce and manufacture more goods and services which is proven by analysing the CO2 emissions over business cycle recessions and expansions (Layton, 2015). The economy grows and urban expansion occurs which creates employment and in turn increase spending by consumers and small businesses start to see average to above average growth in profits (Yue, Fan, Yeshua & Qi., 2014). Small business and entrepreneurs that are innovative and introduce new products will expand the economy, therefore innovation is the key economic expansion with small, medium, and macro business (Archibugi, 2017).
- b) Contraction Phase: The weak Rand to the dollar and high inflation are serious problems South Africa is facing. These problems cause the economy to contract and during this phase unemployment, interest rates and inflation increase (StatsSA, 2016, Q3). Depending on the severity of the contraction, it can take a long or short time for the economy to recover however, (Styn, Aghan & Eggi., 2016) findings show that a contraction associated with financial disruptions take longer for the economy to recover while advanced countries recover faster than emerging countries where the contraction is more costly and proactive. Those staff that are highly skilled staff and educated and have fell victim to last in first out (LIFO) principle, are employed by small business with a cut in pay benefits just to survive (Dosi, et al., 2016).
- c) Peak Phase: An economy in a peak phase is the highest point between the end of an expansion (climb) and start of a contraction (Downfall). The peak phase of an economy is the best operating environment for new business venture (Sikomwe, et al., 2014), however, caution should be exercised as after a peak comes a downward fall and firms that are most efficient are usually at the least risk of failure during the trough phase.

- d) Trough Phase: The trough phase of the economy usually marks the end of a declining period and signals that the economy is going to grow. The trough phase also referred to as the recession phase.

2.6.1.3 The social- cultural environment

(Spigel, 2015) states that the socio- cultural environment is made up of beliefs and attitudes of society as to what constitutes acceptable behaviour. Societies that incubate and provide better training and education for entrepreneurs have higher levels of entrepreneurial activity (Gastano & Mendez, 2015). These factors have shown to persuade individuals to have an entrepreneurial intention. A study conducted by Singh & Verma (2016) on United Kingdom show that citizens are becoming more diverse as immigration being the main cause, have highly skilled workers due to their diverse backgrounds coming together with the result of workers that push the strongest force of business start-ups which boosts the economy.

The joint ventures of two or more cultures play an important role in economic development and starting new businesses (Luckeus & Middleton, 2015). In South Africa, we are lacking when it comes to socio-cultural entrepreneurial intentions compared to developed countries, this is due to cultural differences left behind by the apartheid legacy, however scholars and practitioners are very interested in finding solutions that promote cultural sustainability through entrepreneurial initiatives (Swanson & DeVereaux, 2017).

2.6.1.4 Technology environment

Technology has played a major role in India and China in the economic growth of their country heavily moved their focus into knowledge intensive industries. African countries have failed to fully utilize and integrate technology to become more innovative and advanced and have instead focused more on tourism and natural resources like mining (Rattan, 2014). The South African technology environment is not so advanced and supportive as Europe and North American therefore we lag in terms of operational efficiencies and we also don't produce many high-quality technology individual entrepreneurs like Silicon Valley (van Stel, 2014).

Advances in the technological environment can gift some entrepreneurs opportunities to exploit, while those entrepreneurs already in business need to be adaptable to change to the fast pace technological environment or risk losing it all (Suddaby, Braton & Si., 2015). The south African Government with an objective of improving the delivery of small business support services to entrepreneurs created three DTI technology incubators called the:

- National Technology Transfer Centre(NTTC),
- Technology Advisory Centre(TAC),
- Technology Transfer Activities of The Technology for Women in Business Programme and the South African Quality Institute(SAQI) in a single programme called the SEDA Technology Programme(STP).

The STP will provide support to:

- Increase the accessibility to, and utility of technologies and management support through tech business centres
- Facilitate the buying and transfer of technological assets to SMME's
- Promote quality and standards in SMME
- Upgrade SMMEs performance and productivity
- Improve SMME's competitiveness
- Promote youth and women entrepreneurial activity and success
- Try and reduce failure rates amongst SMMEs

2.6.1.5 Legal Environment

The legal system is very important in performing several functions for society and when functioning properly counter selfish behaviours, provide asset protection and allows entrepreneurs to conduct business transactions and enter economic agreements and use the law if they feel that their rights have been compromised and to resolve grievances(Kim & Li, 2014), however, a study conducted by (Zhou, 2014) states that not only the legal protection of assets matter but also development of market systems promotes entrepreneurship. The political and legal environment are mostly studied and analysed together mainly due to Government being the entity that

writes the law. Studies conducted in China show that activities which promote innovation will help the firms become more innovative if government operations and legal environment is effective (Jiao, Koo & Cui., 2015). There are many poor black entrepreneurs in South Africa mostly in the informal sector due to the high cost of registering a company including extensive people work which resulted in less formal firms being established (Shaker & Wright , 2016).

2.6.2 The role of good leadership in an entrepreneurial context

Entrepreneurial leadership are extremely important especially organizations that foster and innovate behaviours will better equip themselves to changing environments and so to seize new opportunities, employees at every level of the organization should embrace entrepreneurial behaviours and attitudes (Nenko, Tarabishy, Carsud & Brannback., 2014). There have been various theories of entrepreneurial leadership which constantly changes and evolves from generation to generation.

Table 2-7: Evolving definition of entrepreneurial leadership

Cunningham and Lischeron (1991, P.85)	"Entrepreneurial leadership involves setting clear goals, creating opportunities, empowering people, preserving organizational intimacy, and developing a human resource system."
Ireland, Hitt, and Sirmon (2003, P.320)	"Entrepreneurial leadership entails the ability to influence others to manage resources strategically to emphasize both opportunity-seeking and advantage-seeking behaviours."
Gupta, MacMillan, and Surie (2004, P 145)	"Leadership that creates visionary scenarios that are used to assemble and mobilize a supporting cast of participants who become committed by the vision to the discovery and exploitation of strategic value creation."
Thornberry (2006, P.98)	"Leadership requires passion, vision, focus, and the ability to inspire others. Entrepreneurial leadership requires all these, plus a mindset and skill set that helps entrepreneurial leaders identify, develop, and capture new business opportunities."
Surie and Ashley (2008, P42)	"Leadership capable of sustaining innovation and adaptation in high velocity and uncertain environments."
Nenko, Tarabishy, Carsrad and Brannback (2014, P.66)	"Entrepreneurial leadership entails influencing and directing the performance of group members toward the achievement of organizational goals that involve recognizing and exploiting entrepreneurial opportunities."

Evolving entrepreneurial leadership linked to personal skills and competencies have a huge role to play in the leadership style an entrepreneur adopts (Jones, Bamiabji, Mithelmore & Nokolopoulos., 2015). Managers and employees innovative behaviours are indeed influenced by the CEO or founders' transformation and transactional leadership styles (Hyeury, Soloman & Choi., 2015).

2.6.2.1 The entrepreneur traits as a leader

Table 2-8: The leadership styles of entrepreneurs.

Autocratic leadership	This is a wherein one-person control all the decisions and takes very little input from other group members. These leaders make decisions based on their own beliefs and don't asks or take suggests and advice from others.
Transformational leadership	Leadership characterized by the ability to bring significant change in followers and the organization.
Transactional leadership	Transaction or exchange process between leaders and followers. Usually operational and task focused.
Charismatic leadership	Having a clear vision and sense of purpose, these leaders can win follows' trust and respect. They build a base for future missions by showing people they can achieve more than they felt possible and in turn obtain extra effort from their people.
Servant leadership	The concept of servant leadership takes management and personal interaction away from controlling activities and more towards a synergetic relationship between parties.

Adapted: An Integrative Theory of leadership. (Martin M. Chemers, 2014)

A study conducted by Hayres (2015) has revealed a dark side to entrepreneurial leadership which consists of greed and hubris, especially new start-ups who have the greatest challenge of overcoming this behaviour. To increase their probability of survival and success, the entrepreneur as a leader must monitor his/her behaviour and avoid greed and hubris, by surrounding themselves with mentors and advisors who are prepared to exercise their voice if needed. Many entrepreneurs battle to find the balance of work family-relations but a study by (Guiyo, Kwan, Zhang & Thu., 2016) found that a servant leader has the best work-family relation due to him/her trusting his/her employees with important operations and running of the business. This gives the entrepreneur spare time to spend with the family and by empowering

his/her subordinates also increase their motivation levels as they feel important to their leader.

2.6.2.2 The leader as a relationship builder

(Bird & Mendhall, 2013) identified relationship management as a personal orientation toward the importance of relationships in general. By developing close strong bonds with others who are different from you, will allow you as the leader of the start-up to better understand and relate to your subordinates, whether it be cultural difference or personality differences this mutual understanding builds a bond that positively impacts the individuals work performance (Bird & Mendhall, 2013). Entrepreneurs that have a desire to initiate and maintain relationship with their subordinates and all stakeholders of their business have been found to increase their start-up chances by 30% (Bullough, de Luge, Abdelzale & Heim., 2015).

A relationship is built on trust and trust between the leader and the subordinate is strongly related to job satisfaction because a good leader can influence ones' actions in a positive way (Mak, 2016). Transformational leadership positively influences the way managers and employees communicate internally and this has a positive effect on their relationships at work by using information rich face to face channels such as emails, on policies, events, or changes which is then followed by general employee meeting and interpersonal communication (Men, 2014). An organization that can communicate effectively with employees as much as they do with customers can positively affect the way an employee will behave towards customers and this type of culture can only be created and implemented by the entrepreneur /founder of the firm (Popli & Rizou, 2015). A huge emphasis is placed on importance of building a resourceful environment which in turn provides a strong foundation for employees work engagement and job performance (Breevaart, Bakker & Demeroute., 2015).

2.6.3 The entrepreneur's cultures and values

Leaders across the globe have different culture and values which is an important factor in terms of how they run their business. A study conducted by (Lui & Almar, 2014) indicated that entrepreneurs influenced by western cultures tend to respond to

perceived uncertainty by analytical-strategic thinking, whereas entrepreneurs influenced by eastern cultures are more likely to connect multiple factors holistically and handle uncertainty by getting involved with the bigger community. As cultures change from country to country so does the type of entrepreneurs therefore when companies look to outsource some of their operations, they look for companies that have similar cultures to them (Joardar & Wu, 2014). National culture is very important not only to organizations looking to outsource but also companies looking to become a global player. Firms that are seeking to compete internationally should consider the culture fit between their brand and that of the country including their product and service offering (Joardar & Wu, 2014). Managers and even marketing gurus have no control nor can they change the culture of a country, the only option they have is to change to that of the country and/or select markets which will provide the perfect match for their organizations' culture (Eisend, Ewanschitsky & Gallilard., 2015).

In South African there is a vast number of different cultures and usually people with the same culture attract and cater of customers of a similar culture and therefore their growth is very limited especially in micro-businesses (Aparicio, Urbano & Audrelsol., 2016). Entrepreneurs should move away from the one size fits all mentality and be more open- minded to cultural diversity and create services and products that attract and provide for all demographics (Altinay, et al., 2014).

Entrepreneurial culture is an important environment factor in corporate entrepreneurship. A culture that values innovation will put itself at an advantage by being able to adapt to any environment and industry shifts (Turro, Urbano & Ortiz., 2014). SMME's that foster creativity and innovation out-perform big business that have economies of scale and better efficiencies. A study done by (Aklin, Drnovsek & Hisrich., 2014) have proven that culture plays a role in entrepreneurial creativity and entrepreneurship self-efficacy in the innovations outcomes of SMME's with the end results of the production of better quality and highly desirable products and services.

Every entrepreneur is a leader and sometimes even at home and a study conducted by Karadakil (2015) concluded that the family culture an entrepreneur grows up in is usually the same culture the entrepreneur will use to run his business. Entrepreneurs

that grow up in family culture that are collectivistic in nature are usually seen as the head of the family and when it comes to resolving conflicts prefer to avoid it at work and expect co-operative style of conflict resolution (Karadakil, Nagalingappa & Thomas., 2015). This is a downside to entrepreneur's that have an autocratic leadership style which they usually adopt from their strict family upbringing, however successful entrepreneurs can be born from personal shortcomings and found that there is no relationship proving the early hardships of the entrepreneur, results in more ruthless behaviour (Miller, 2014).

The values of a person can explain the tendencies of that person to start a business and in particular may be instrumental in overcoming the difficulties and barriers toward effective start-ups (Tayolle & Linan, 2014). A study by (Carland & Carland, 2015, P.9) states “that a dance takes on the personality of the dancer who interprets the dance, where each artist makes the process their own”. With this in thought it we can see the importance of the mentality of the entrepreneur as the leader of the firm. Schein (1983,. P.47) wrote “an organizations culture begins life in the head of its founder – spring from the founder's ideas about truth, reality and the way the world works. This means an organizations' culture is a mirror reflection of the vision of the founder/s who pass their skills of managing their business to top level management (Bedorkar & Pandita, 2016).

2.6.4 Risk propensity of entrepreneurs

There is a clear reason to assume that the interplay between risk taking and venture survival is more complex than just a monotonic positive relationship (Nieb & Biemann, 2014). Since risk propensity increases with age with all things being equal so too does entrepreneurial activity and since owning and managing a business requires a huge amount of time and effort the acceptance of being rewarded later and risking it now, will cause an increase in entrepreneurial income over time (Kautonen, Doion & Minniti., 2014).

Some entrepreneurs possess higher risk tolerance and uncertainty than non-entrepreneurs (Ebrahim & Schott, 2014). The reason behind this is due to entrepreneur's need of achievement and need to be innovative at the same time and

willing to risk it all if they feel that the work they do will benefit society as a whole (Carland & Carland, 2015). Entrepreneurs are less bothered in the risk in the risk their face and many see their actions as “not so risky”. However, even though highly driven by the need of achievement, the intuitive type makes better change agents while the type that are more aware of the risks opt to focus on the concrete and the here and now (Carland & Carland, 2015). Those motivated by creativity seem to be more accepting and tolerating of risk than other entrepreneurs, and opportunity entrepreneurs are more willing to take risks than those who think it’s necessary to become an entrepreneur for the money and wealth. (Block, Sander & Spiegel., 2015).

Entrepreneurs that are extroverts are more likely to take risks while those that have high levels of conscientiousness are more likely to avoid risk (Nieb & Biemann, 2014). This is due to entrepreneurs with high conscientiousness and agreeableness can control themselves better so they tend to be more risk avoiding (Wang, Su & Zhang., 2016). An entrepreneur with high levels of extroversion may be more assertive, energetic and enthusiastic therefore has this belief that he/she is invincible and able to deal with any risks (Wang, et al., 2016). However, this study did not consider environmental stability and openness to experience. (Zhang & Owen, 2015) stated that those with psychological well-being such as emotional stability is more likely to start a business than those that are not. So, can your genetics determine your risk profile, according to (Procher & Bante, 2015) prenatal testosterone exposure in males and females have shown them to be riskier in relation to financial investment and their selection into entrepreneurship. Examining the relationship between personality and entrepreneurial success must not be downplayed and ignored but all it does is say the person with the above traits are riskier than others but it is unknown if they are likely to be successful entrepreneurs or even satisfied entrepreneurs (DeNise, 2015).

2.7 Conclusion

The literature review looked at the education levels of entrepreneurs from global perspective and a local perspective. Much has been written about the importance of entrepreneurs to a country in terms of GDP and employment. An analysis of the key skills and factors of entrepreneurs aside from formal education was looked at, which indicated that education is not the only factor to entrepreneurial success.

Entrepreneur must have the right attitude towards business and the determination and grit to succeed (Botes, van Gensen, Botha, Naiker & Isaacs., 2014). The strong ability to manage people, make smart choices, take calculated risks, manage your money appropriately and have a strong drive to keep going no matter what the circumstances were the main points uncovered in this literature review (Clark & Filimonova, 2014).

There are various ways entrepreneur's get their skills and many studies have compared formal educated entrepreneurs to informal educated entrepreneur and very little research has been done on comparing entrepreneur's skills based on the South African National Qualification Framework which is the gap in the literature that I want this study to uncover and explore. Literature out there shows no clear formula for entrepreneurial success. What has worked for one entrepreneur will not work for another (Agostini, Caviggivi & Filipini., 2014). This study therefore attempts to understand the differences between educated and uneducated entrepreneurs rather than determining which of the two are more successful. The next chapter talk about the research methodology selected for this dissertation.

Chapter 3: Research methodology

3.1 Introduction

This chapter further describes how this study was concluded and includes, the research process, research design, scaling of the questions, the pilot study, data collection instruments and procedures, data verification and cleaning, questionnaire construction and samples size selection and sampling methods. This chapter ends with the ethical issues that occurred during the research process. The research methodology chapter provides a detailed outline of the methodology and research design that is going to be adopted in this study (Lombard, 2016). The research methodology adopted in this study was specifically designed to measure the perception and opinions of entrepreneurs in the eThekweni Municipality.

3.2 Conceptual Framework

The conceptual framework adopted in this study was developed from the literature review and was created to guide the empirical research. The results presented in chapter four of this study were related to this theoretical concept model to generate relevant recommendations from this study. The conceptual framework consists of entrepreneurial factors such as management performance, the external macro-environment, leadership traits, business culture, and risk propensity. These factors were used to make comparisons of entrepreneurs based on their level of education and provide an output of their differences. The main idea behind this conceptual framework is that the management skills, the external macro-environment, leadership traits, business culture and risk propensity are all thought to be factors that will present a significant difference between BE and TE entrepreneurs. These differences needed to be tested for accuracy and significance.

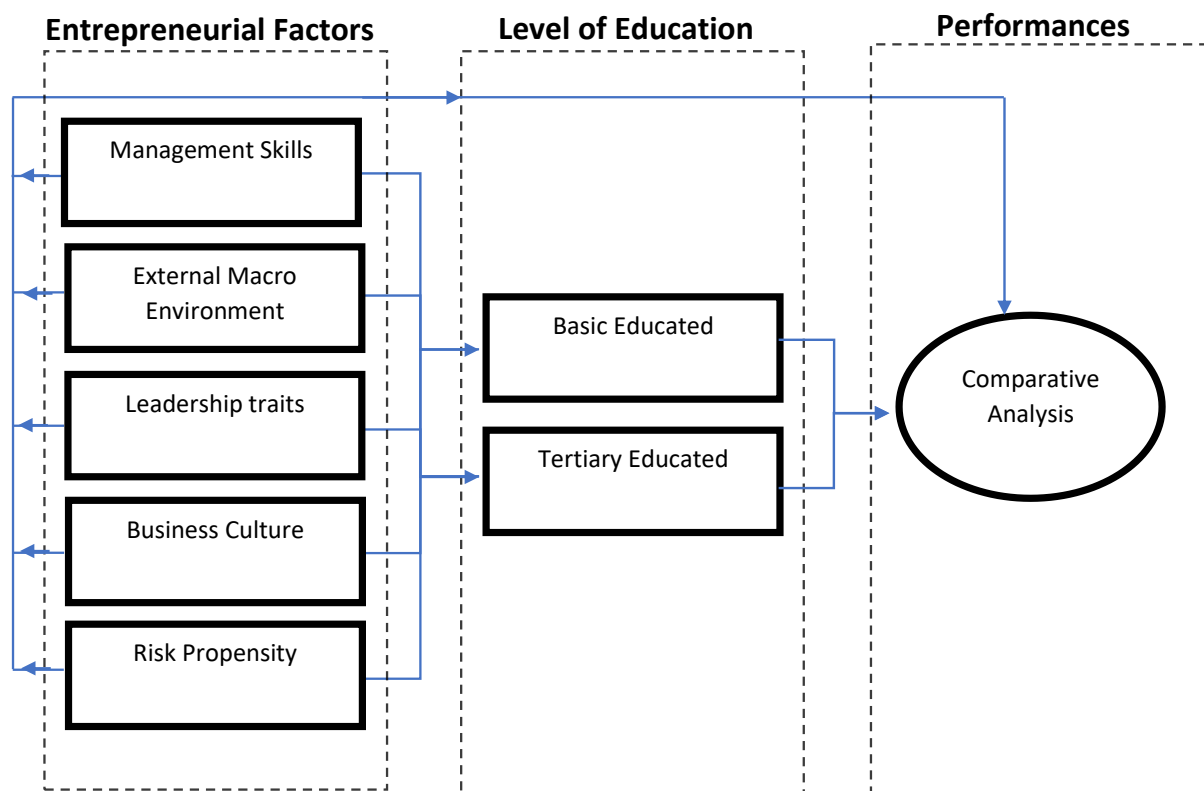


FIGURE: 3-1 CONCEPTUAL FRAMEWORK

The above conceptual framework clearly provides the research questions/ comparisons that are going to be examined in this dissertation project.

3.2 The Research Process

The research process consists of no set procedure because of the wide variety of possible research projects. The aim of this process is to place the research process in perspective. The research process is a sequential process involving many clearly defined steps with the purpose solving a problem (Cooper & Schindler, 2016). Each step will be discussed in detail in this chapter. No one claims that research requires completion of each step before going to the next. Some steps are carried out of

sequence, some done simultaneously and some can be left out (Bryman & Bell, 2015).

The research population of entrepreneurs in the eThekweni Municipality is estimated to be in the several thousand. There are no primary or secondary sources of data indicating the exact number of entrepreneurs in any business park in the eThekweni Municipality. An alternative method will be to walk every street of the business park and take a census of each SMME, however due to time constraints this method could not be accomplished. This meant it was impossible to know the exact population. The Phoenix industrial park and the Durban CBD was selected as the population size as it was the most convenient. 120 entrepreneurs from the Phoenix Industrial Park and Durban CBD were selected and profiled ensuring a 50-50 split of 60 basic educated and 60 tertiary educated entrepreneurs. In full cognition of the relatively small sample size it is noted that this research doesn't have enough responses to be statistically sound, however if there were more than 30 respondents the work is statistically sound (Saunders, Lewis & Thornhill., 2015) (Cooper & Schindler, 2016). The method used was non-probability sampling. The sub branch was purposive homogenous sampling.

According to Sekaran & Bougie (2013) a detailed structure of the research process followed, increases the accountability of the research. They go on to say that the following are of great significance in any research namely:

- a) **Population used:** The population in this study are entrepreneurs in the eThekweni Municipality.
- b) **Sampling Method:** The sampling method adopted was non-probability purposive sampling.
- c) **Communication approach used:** A questionnaire was created with eSurveyCreator and electronically distributed via email.

The population, sampling method and communication approached used will be discussed in detail further down the chapter.

3.3 Research design

The two types of studies usually undertaken are qualitative and quantitative (Sekaran & Bougie, 2013). Quantitative research “is the collection of data that involves larger, more representative respondent samples and the numerical calculations of results” (Wiid & Diggins, 2015, p.86). Qualitative research “is the collection, analysis, and interpretation of data that cannot be meaningfully quantified, that is, summarized in the form of numbers” (Wiid & Diggins, 2015, p.85). Sometimes a mixed method approach is used which is combination of qualitative and quantitative. This study adopts a quantitative research design.

There has been much debate on which data collection and analysis method is the most appropriate (Wild & Diggins, 2015), therefore the design ensures the relevant problem is addressed in the most cost effective and accurate way. The number of entrepreneurs in this location can be estimated to be in the hundred thousand, therefore, with an unknown population a high merit was placed on credibility, validity and practicality.

A suitable research instrument was developed that would be able to extract information in a brief amount of time in a widely disperse location. The data collected was cleaned, organized and statistically analysed where material conclusions were extracted. The research methodology chosen, desired to quantify and scrutinize the research objectives in a meticulous manner to draw logical conclusions for the research questions. The chosen methodology had to be credible and will ensure that the researcher obtains the data in a manner that's professional, reliable, timely and a correct approach.

This approach makes it easier to measure and analyse the responses in a short period of one month. The collection of data results in numerical and standardized data which can be manipulated accordingly to provide meaning. According to (Sekaran & Bougie, 2013) numeral data is more quantifiable and more precise than categorical data. This will allow for a more wider range of statistics which can be applied due to the nature of the data. In this study, the subcategory of numerical data

used is interval data because the “difference between two data points can be stated but not the relative differences” (Wiid & Diggins, 2015 and Sekaran & Bougie, 2013).

3.4 The general theory on sampling

According to Cooper & Schindler (2016. p.179), “The general theory of sampling is that by selecting some of the elements in a population, we may draw conclusions about that entire population”. The following reasons are given for the need of sampling (Wild & Diggins, 2015):

1. The costs are lower
2. The results are more accurate
3. Data is collected faster
4. The population elements are available

To have a sound sample, the sample must be valid. A valid sample is a true representation of the population and its elements (Cooper & Schindler, 2016).

Validity of a sample depends on two considerations: accuracy and precision

3.4.1 Accuracy

Accuracy is a degree to which bias is absent from the sample (Welman & Kruger, 2001). A properly drawn sample will have some sample elements that underestimate the population values being studied while others overestimate them. An accurate sample is thus drawn in a way that favour neither overestimation nor underestimation (Cooper & Schindler, 2016). In this study accuracy was achieved through investigator triangulation from multiple researchers that used that same methodology when encountered with unknown population size and ‘member checks’ was conducted by contacting the entrepreneurs telephonically and viewing public background information of the entrepreneurs on the internet. Only entrepreneurs that fitted the criteria for this study were considered to take part in the survey.

3.4.2 Precision

The second criterion of a good sample design is the precision of the estimate. We can expect random fluctuation inherent in the sampling process therefore numerical

descriptors that describes samples may be expected to differ (Cooper & Schindler, 2016). This is phenomena is called the sampling error. After all known sources of systematic variance have been accounted for what is left over is the sampling error. It is therefore concluded that sampling error consists of random fluctuations only, although there some unknown systematic variance included when too many or too few sample elements have very similar characteristics (Cooper & Schindler, 2016). Precision can be measured by the standard error of the estimate. The relationship between standard error of estimate and that of the precision of the sample is an inverse relationship (Bryman & Bell, 2015).

3.4.3 Non-probability sampling

Non-probability sampling approach is used when the probability of selecting population elements are unknown (Cooper & Schindler, 2016). According to Wiid & Diggins (2015.p196) “A sample frame is a list of all sample units available for selection at a stage of the sampling process”. Since this study does not have a sampling frame non-probability is used. When adopting a subjective approach like non-probability sampling, the probability of selecting elements in the population is unknown. This type of sampling is well suited for exploratory work, but it will not allow for the extent of the problem to be determined (Cooper & Schindler, 2016). When a sample is selected using probability sampling, findings from that research are only applicable and generalized to the population from where the sample was taken from (Cooper & Schindler, 2016). If we must take a study on broader applicability such a skill development among employees of a company, any finding will be generalized to that company only and caution should be exercised, because those finding can be different at another company and there are so many factors that apply to skills development.

For this survey, the population size was too large. It was impossible to determine the exact number of entrepreneur’s in the eThekweni Municipality. The number of entrepreneurs in the eThekweni Municipality are said to be in the hundred thousand therefore, limited resources prevented pursuing the probability sampling route. There were also no statistical inferences made about the population in this study. It can

then be concluded that this method isn't able to estimate a sampling error. The sampling error measures the difference between the population value and the sample value (Wild & Diggins, 2015).

The advantage of non-probability sampling is that sampling methods take less time, are more convenient and cheaper than probability sampling methods to implement. This then led to non-probability sampling methods being the most preferable, in market research and opinion surveys, where speed is of the essence (Wild & Diggins, 2015).

3.5 Purposive sampling/ Quota Sampling

This type of sampling is used to improve preventiveness. The logic behind quota sampling is that certain characteristics describe the dimensions of the population (Cooper & Schindler, 2016). According to Cooper & Schindler (2016, p201) "If a sample has the same distribution on these characteristics, then it is most likely to be a true representative of the population". When a researcher uses control sampling he/she may specify more than one control dimension. Assume we consider the following:

Gender: Two categories- Male, female

Class level: Two categories – graduate, post graduate.

Transport: Two categories – Plane, ship

Many researchers consider purposive sampling as a tool where initial data collections provide the background on how to proceed in future sampling exercises, also called the grounded theory strategy. The logic behind selecting purposive sampling is dependent on the research questions and the objectives of the research being conducted (Saunders, et al., 2015). Saunders, et al., (2015, p138) go on to say that "information rich respondents is to purposive sampling what statically representative is to probability sampling".

There are 5 different types of Purposive sampling:

1. Heterogenous or maximum variation sampling

2. Homogenous sampling
3. Extreme case or deviate sampling
4. Critical case sampling
5. Typical case sampling

3.6 Heterogenous or maximum variation sampling

This type of purpose sampling is used to capture a wide range of perspectives that the researcher is interested in uncovering (Bryman & Bell, 2015). A small sample might have extreme cases but it is considered a strength by acquiring greater insights of the problem by looking at it from all angles (Saunders, et al., 2015).

3.7 Homogenous sampling

This type of sampling where the units are the same or have very similar characteristics or traits such as occupation background and in this study about entrepreneurs (Saunders, et al., 2015). This type of purpose sampling allows the researcher to study the group in greater detail.

3.8 Extreme case or deviate sampling

This type of purpose sampling focuses on cases that are special or unusual therefore allowing the researcher to learn and understand most about the topic or provide significant insight to a particular phenomenon (Saunders, et al., 2015).

3.9 Critical case sampling

This type of sampling is particularly useful when resources are limited where a single case or a small sample can be decisive when explaining the phenomenon of interest (Saunders, et al., 2015). It is this decisive aspect of critical case sampling that is arguably the most important. To know if a case is decisive think of the following statement (Saunders, et al., 2015):

1. If it happens there, it will happen anywhere
2. Or if it doesn't happen there it won't happen anywhere.
3. If that group is having problems we can be sure that all groups are having problems

3.10 Typical case sampling

In typical case probability, the researcher is interested in the normality/typicality of the units, for example people such as entrepreneurs and places such as the eThekweni municipality. The word typical doesn't mean the sample is a representative in the sense of probability sampling rather it means the researcher can compare the finding of the study (Saunders, et al., 2015).

3.11 Judgemental sampling

This type of sampling is used when the researcher selects sample members to confirm to some criteria (Welman & Kruger, 2001). This sampling is most appropriate when the study is of an exploratory nature (Cooper & Schindler, 2016).

3.12 Population, target population and sample size

The population included all entrepreneurs in the formal sector of the eThekweni Municipality. Within this study "entrepreneur" were defined as "an individual who notices opportunities and decides how to mobilize the resources necessary to produce new and improved goods and services" (Jones & George 2014, p218). The target population were entrepreneurs that owned SMME's in the Phoenix Industrial Park and Durban CBD of the eThekweni Municipality.

Entrepreneurs were quota sampled as basic educated or tertiary educated based on their level of education. The Phoenix Industrial Park and Durban CBD was selected due to it being economically feasible and achievable in a short amount time. The sampling frame presented a total of approximately 160 (n=160) entrepreneurs. Of these 160 entrepreneurs, a 50-50 split between basic educated and tertiary educated was needed to conduct the research. Entrepreneurs in the eThekweni Municipality were not sampled. Entrepreneurs that were basic educated and tertiary educated in the eThekweni municipality were identified through purchasing information from the DCCI, SEDA, SEFA, UKZN GSBL and business incubators. All potential respondents were included if they met the inclusion criteria. A final sample of 120 (n=120, 83.75%) entrepreneurs was achieved, a good return on an online

questionnaire process, Sekaran & Bougie (2014, p134) reporting that 30% return is sufficient.

3.13 Scaling of the questions

Attitude scaling was determined by the construction of a structured questionnaire that extracted information from respondents. Wiid & Diggins (2015.p108) states, “The content of a survey is primarily the respondent’s own opinions, attitude and descriptions on the specific matter being investigated”. The respondents (Basic and Tertiary educated entrepreneurs) attitude was captured in a 10-point numeric scale. When measuring people beliefs, attitudes and opinions, the responses the researcher wishes to achieve are different from factual questions as the respondents are not being asked to remember and retrieve accurate information from their memory, but to give their judgement (Addington-Hall , 2007). Saunders et al (2015, p397) said that, “only the end categories are labelled and are known as self-anchoring rating scales”. A rating scale of 4 to 5 makes it easy for respondents, however, a rating scale with 7 or more but not exceed 10 categories provide more valid information. This example cited in Saunders et al (2015):

The concert was

Poor value for money									Excellent value for money
1	2	3	4	5	6	7	8	9	10

3.14 Pilot Study

The purpose of a pilot study is to identify any ambiguity and or unclear formulated questions in the questionnaire (Welman & Kruger, 2001). Pilot studies are very crucial in relation to research based on self-completion questionnaires, since there will not be an interviewer present to clear up any confusion (Bryman & Bell, 2015). The pilot study was conducted on MBA students and these students were not an

element of the study. A questionnaire created online using eSurvey Creator was emailed to 10 respondents to check if there were any vague or double barrelled questions and to check the validity of the questions being asked.

Some of the respondents never answered questions number 8, 21, 26 and 27. The respondents were then contacted telephonically and asked about the questions they didn't answer. A few minor alterations in the wording were made with questions 21 and 27 which seemed to be a bit vague and hard to understand. Additional information was added to questions 8 and 26 so that respondents could answer as accurately as possible. The questionnaire was then sent to another 15 respondents also MBA students for re-testing and this time all questions were answered adequately.

3.15 Data collection instrument

According to Wiid & Diggins (2015) there are two principal research instruments. The first is a questionnaire which is the most common instrument for collecting primary data. When compiling a questionnaire, the type of questions, their form, wording and sequence must be considered carefully (Bryman & Bell, 2015). The second is mechanical or electronic equipment which includes instruments but not limited to cameras, meters and galvanometers (Bryman & Bell, 2015). The data instrument chosen to communicate with respondents was an online questionnaire. The online questionnaire was designed to only take 10 minutes of the respondent's time which will encourage participation and completion. The respondents were given the email address and telephone number of the person conducting the research and the objectives and the aim of the study being conducted. Should there be any queries regarding the study or questions the researcher could be easily contacted through various channels. The respondents were also notified that they are not obligated to participate in answering the questionnaire and could withdraw at any time.

3.15.1 Questionnaire Construction

Numerous amounts of work went into the engineering of this questionnaire. This questionnaire is diligently structured to ensure that high quality data will be collected

confidently. Survey fatigue is when a survey places a heavy burden on the respondents (Wild & Diggins, 2015). This causes very bias responses and high incompleteness rates. This was eliminated by ensuring questions were short and to the point, with no high technical words, no esoteric language and inaccurate terminology. Regardless of their intention, respondents will not always provide you with accurate and unbiased responses especially when it comes to measuring attitude and opinions. Therefore, questions were balanced to reveal contradictory information which can help the researcher spot erroneous patterns of answers. Examples of such questions are:

- a) Do you like studying management?
- b) Do you dislike studying management?

If the respondents answer 'yes' for both then questions then there might be a problem in their answers.

The following are broad based heading which were used to extract answers necessary for this study.

Table: 3-1 Questionnaire breakdown

Section	Heading	Question Number
A	Age	1
A	Education profile of the entrepreneur	2,3,4
B	Business and management skills of the entrepreneur	5,6,7,8,9,10
C	Access to finance	11
C	The influence of external environmental factors	12,13,14
D	The leadership skills of the entrepreneur	15,16,17,18,19,20
E	The risk perception of the entrepreneur	21,22,23,24,25,26
F	The business culture of the entrepreneur	27,28,29,30

3.16 Data collection procedure

The researcher had to also consider that entrepreneur's running micro entrepreneurs don't have access to email. The respondents were then contacted telephonically or visited and the survey was then administered and capture into the eSurveyCreator system by the researcher. The administration of the questionnaire followed a four-stage process. First, respondents were sent an email notifying them about the research going to be conducted. Secondly, after a day the respondents were emailed the actual link to the questionnaire. Thirdly, a follow up email was sent out for those that hadn't done the survey every day for a week. Lastly those that hadn't done the email after a week was contacted telephonically and emailed the survey again or it was administered telephonically and entered in eSurveyCreator by the researcher.

3.17 Data verification and cleaning

Raw data was first exported from eSurveyCreator website in excel spread sheets. The data was then separated into two excel work books. The first workbook being, basic educated entrepreneurs and the second being tertiary educated entrepreneurs. The data was then cleaned and verified and any missing values or outliers where corrected. The benefits of using eSurveyCreator is that it prevents data from being duplicated and won't allow for any missing values. This was made possible by forcing respondents to fully complete the survey before submitting. These features therefore, built quality and integrity into the research instrument.

3.18 Reliability, Validity and Practicality

The characteristics of a good measurement tool is one that is an accurate counter or indicator of what is being measured. In addition, it should be easy and efficient to use. This section is going to discuss in detail the nature of these qualities and how they were achieved in this research.

3.18.1 Reliability

Reliability refers to the consistency of a measure of a concept according to Bryman & Bell (2015, p76). For a study to be deemed "reliable" the following three questions needs to answered Saunders, et al., (2015 p156):

1. "Will the same measures used in this survey produce the same results in other occasions?"
2. "Will similar observations be reached by other observers?"
3. "Is there transparency in how deductions were made from the raw data?"

To answer the above questions the following review, need to be conducted:

1. **Subject or participant error** – This was eliminated by making sure that questions was free from any business jargon. Questions were short and straight to the point. Also additional information below the questions were provided for some questions for easier interpretation and completion.

2. **Subject or participant bias** – This was prevented by providing assurance on the respondents confidentiality and anonymity when participating.
3. **Observer error** – This obstacle was bypassed by having a structured questionnaire.
4. **Observer bias** – This was eliminated by interpreting all the answers the same way

Every effort and avenue has been exhausted to ensure this research was conducted in an unbiased, non-discriminatory and unprejudiced way and that when interpreting the data, a scientific and objective approach was used. As a result, there is every reason to conclude that the results will be the same if conducted by other researchers.

3.18.2 Validity

According to Bryman & Bell,(2015.p231) “validity is the extent to which differences found with a measuring tool reflect true differences among respondents being tested, what is relevant depends on the nature of the research problem and the researcher’s judgement”.

In order to answer the above the following need to be conducted (Bryman & Bell, 2015)

1. **History** – There was no historical threat to the validation of this research
2. **Testing** – All respondents were made clear that the data from this research is strictly confidential and is in no way intended to encourage or influence them in any way.
3. **Mortality** – All the respondents were made aware that they were free to unsubscribe from receiving emails to participate in the survey.

This research is concerned with the question of whether social scientific finding is applicable to people’s everyday lives and natural social setting. The instruments implemented for this research is used to capture the daily life conditions, opinions, values, attitudes, and knowledge base of respondents in their natural business environments. According to Bryman & Bell,(2015, p34), “The question behind validity is whether the business research sometimes produces finding that may be technically

valid but have little to do with what happens in people everyday lives”, therefore this research is valid as the questionnaires are related to the objective and uncover opinions, values and attitudes. Pre-testing is a valuable way forward for improving your questionnaire (Sekaran & Bougie, 2013). The questionnaire was pre-tested on MBA students to evaluate the appropriateness of the questionnaire. These students were a constituent of the study. There were no issues or problems experienced with the study and the data received was reconciled with what it was planned to collect.

3.18.3 Practicality

Practicality has been defined as “the *economy* and *convenience* which is meaningful for business measurement” (Bryman & Bell, 2015, p240).

1. **Economy** – The questionnaire was designed considering time and cost factors of answering the questions. eSurveyCreator allowed the respondents to save their incomplete questionnaire and come back to finish the rest later. This gave the respondents ample time to answer, under no time constraining or putting them under duress ensuring answers that will be well thought of and accurate.
2. **Convenience** – The distributing and filling of an electronic questionnaire is the most efficient and easy to administer. The electronic questionnaire is becoming increasingly common communication instrument used by many researchers (Wild & Diggins, 2015).

This research is considered very practical due to the efficiencies achievement in the research design in relation to the objectives.

3.19 Ethical Considerations

All the respondents targeted were adults no younger than 18 years old. Every respondent had the option of withdrawing from the questionnaire whenever they felt fit and could unsubscribe to receiving reminders. No penalties were handed down to respondents that withdrew from doing the survey and no incentives were given to

those that completed the survey. These were clearly explained in the introduction letter of the questionnaire.

Every respondent was kept anonymous and answers remained confidential. The data from the online questionnaire and its copies will be kept in a safe place for five years by the researcher and the individuals supervising this project. This is in line with the University of KwaZulu-Natal research policy.

The University of KwaZulu-Natal Ethical Research Committee strictly scrutinized every aspect of the research proposal and online questionnaire before granting ethical clearance (Protocol reference number: HSS/0627/017M). The field study then proceeded.

3.20 Summary

This chapter has fully covered the theoretical finding from authors that explains the steps and procedures followed to conduct this research. The sample size was discussed and so was the reliability, validity and practicality. The construction of the questionnaire was outlined and the sampling method used was Purposive Quota sampling. This sampling method was chosen because the researcher made an effort to have the same proportions of basic and tertiary educated entrepreneurs in the sample. For this study, typical case sampling was used.

A structured data collection instrument in the form of a questionnaire was developed that would allow the researcher to obtain data within a short time frame. The analysis was done using SPSS 24. The data finding and summaries will be presented in the next chapter.

Chapter 4: Presentation of results

4.1 Introduction

This chapter encompasses the finding of this research by the chosen research instrument which is key part of this research. The data extracted was converted into meaningful information that's simple and easy to interpret which will benefit all stakeholders who in turn will gain some usefulness from the results. This information is paramount in the linkage between the objectives constructed in chapter one and the recommendations made in chapter five for all involved parties and stakeholders. The exploitation of uncovering the unknown in this subject is the key goal of this study. The presentation of the results is being conducted with the aim of providing a practical understanding of this research subject and discovering new knowledge in this subject from a local, proudly South African perspective.

Firstly, the participation statistics of the online survey was presented including telephonic and personally administered survey results. The data was then analysed using SPSS-24. This study yielded mainly continuous variables and descriptive statistics was used to evaluate the data. The questionnaire was divided into sub headings and each question was processed the same way. The results of basic entrepreneurs were presented first followed by the results of tertiary educated entrepreneurs. Each question exhibits the number of respondents that answered (N), the Range, the Mean, the Skewness and the Kurtosis.

4.2 Survey participation statistics

The online questionnaire was administered using eSurveyCreator website. This was a specialist online survey creation and administrative tool used by many researchers. The survey commenced on the 7th of June 2017 and continued for exactly 7 days and closed on the 14th of June 2017. Reminders were sent out every day to respondents that hadn't completed and opened the link to the questionnaire to encourage higher participation rates. The respondents that didn't have internet access or didn't participate were contacted telephonically and administered by the researcher. The survey participation statistics are illustrated in the table below.

Table 4-1: Participation Statistics

	Count
Number of participants invited to participate in the survey	160
Number of participants that viewed the survey	140
Number of participants that started the survey	134
Number of participants that completed the survey online	50
Number of participants that completed the survey telephonically	70
Participation rate	83.75%
Completion rate	89.55%
Drop outs (unsubscribed and uninterested participants)	11
Validation errors	3

4.3 Presentation of results

The online questionnaire was structured into sections therefore the result will be presented in that order. First the profile of the participants will be displayed. This is useful in categorizing the respondents according to their status of basic educated entrepreneurs and the tertiary educated entrepreneurs. Next, age and gender of the participants will be presented and analysed followed by the number of years' working experience of the respondents prior to becoming an entrepreneur. The last section is a rating scale type questions which are broken down into four categories and presented as.

1. The perception of own management performance
2. Entrepreneurs' perception of gaining financial access
3. The perceived influence of external environment factors (South African)
4. The perceived influence of leadership
5. The risk perception of entrepreneurs
6. The perception of business cultural factors

4.4 Entrepreneurs profile

Entrepreneurs have been selected from the eThekweni Municipality to ensure that the results presented will be a 50-50 split of the 120 respondents, between basic and tertiary educated entrepreneurs shown below in figure 4-1. If respondents did not possess a Trade Tested Qualification, National Diploma, Bachelor's Degree or Post-Graduate Degree they fell under the basic educated category and those respondents that did possess the above fell into the 'tertiary' educated category.

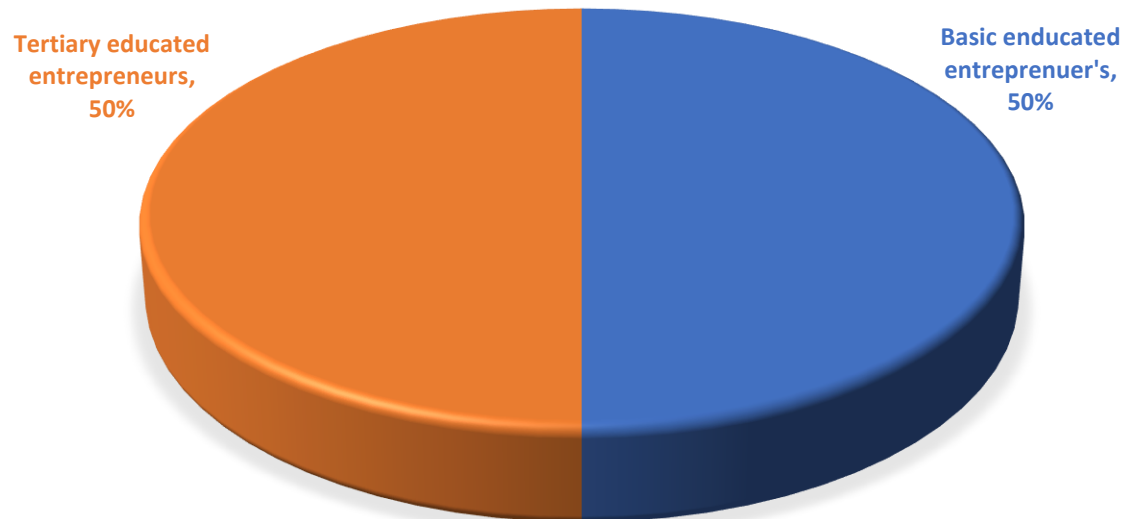
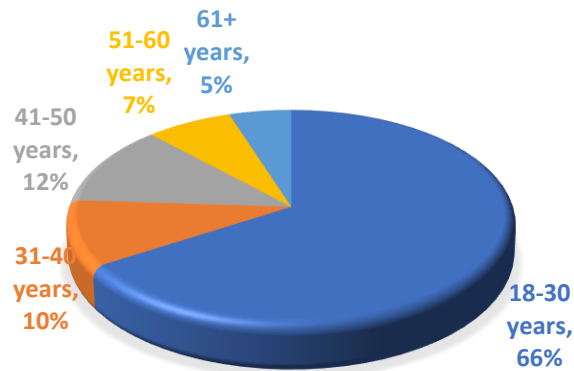
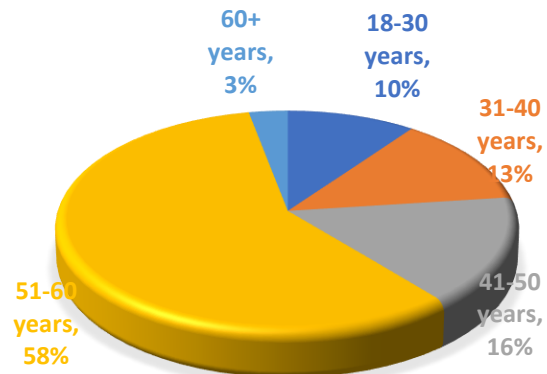


FIGURE 4-1 SPLIT BETWEEN BASIC AND TERTIARY EDUCATED ENTREPRENEURS

4.4.1 Age



**FIGURE 4-2-1: AGE PROFILE OF
BASIC EDUCATED ENTREPRENEUR'S**



**FIGURE 4-2-2: AGE PROFILE OF
TERTIARY EDUCATED
ENTREPRENEUR'S**

Figure 4-2-1 indicates that most basic entrepreneurs in the eThekweni Municipality are between the ages of 18 and 30 years old. Figure 4-2-2 indicates that most of the tertiary educated entrepreneurs are between the ages of 51-60 years old. Both figures have indicated entrepreneurs between the ages of 60+ years old have the least representation in the eThekweni Municipality.

4.4.2 The entrepreneur's work experience

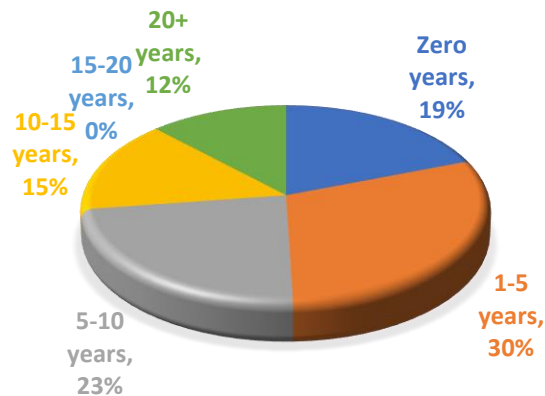


FIGURE 4-3-1 THE WORK EXPERIENCE OF BASIC EDUCATED ENTREPRENEURS

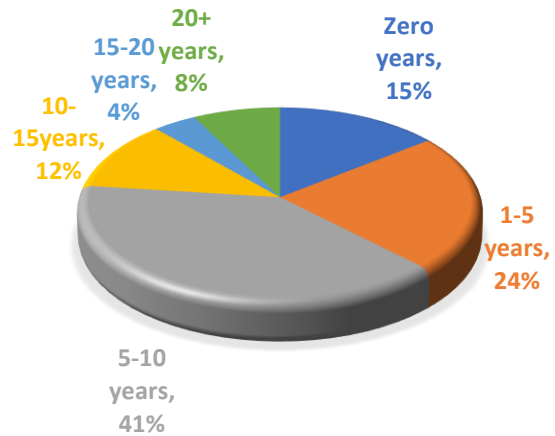


FIGURE 4-3-2 THE WORK EXPERIENCE OF TERTIARY EDUCATED ENTREPRENEURS

Most respondents that have a basic education have 1 to 5 years of work experience before becoming an entrepreneur. Most of the respondents that are tertiary educated have 5 to 10 years of work experience before becoming an entrepreneur. Figure 4-3-1 indicates that no (0%) entrepreneurs have 15-20 years' work experience prior to becoming an entrepreneur while figure 4-3-2 indicated a mere 4% which is the least amount of tertiary educated entrepreneurs that have 15-20 years of work experience prior to their entrepreneurial journey.

4.5 Rating scale type questions

The next section presents the perception responses from the online questionnaire. The results will be set out in an order of sections according to the questionnaire breakdown in table 3-1. The results will be presented in tabular format set out by SPSS 24.

4.5.1 Perception of own management performance

Table 5-2: Management performance statistics

	Education	N	Sig. (2-tailed)	t	Mean	Skewness		Kurtosis	
	Category	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
4. Year on year business growth	Basic Education	60	.396	-.856	8.31	-.272	.314	-1.310	.618
	Tertiary education	60			8.81	-.464	.314	-.124	.618
5. Year on year profits	Basic Education	60	.001	-3.482	4.53	1.170	.314	.042	.618
	Tertiary education	60			8.50	-.061	.314	-.604	.618
6. Year on year corporate social responsibility	Basic Education	60	.485	.325	7.56	-.202	.314	-1.291	.618
	Tertiary education	60			7.60	-.285	.314	-.945	.618
7. Year on year increase in the number of employees	Basic Education	60	.749	-.720	7.61	-.044	.314	-1.667	.618
	Tertiary education	60			7.63	-.421	.314	-1.165	.618

8. Year on year targets and goals	Basic Education	60	.012	-2.573	7.02	.077	.314	1.270	.618
	Tertiary education	60			8.26	-.473	.314	.295	.618
9. Business growth higher or lower than inflation	Basic Education	60	.001	-2.822	4.99	.216	.311	1.114	.613
	Tertiary education	60			8.09	-.582	.314	.529	.618

This section of the questionnaire contained six questions that enables comparisons to be made on the management perceptions of BE and TE entrepreneurs.

The desire for business growth scored mean value of 8.31 for BE entrepreneurs and 8.81 for TE entrepreneurs. This indicates that on average TE entrepreneurs have achieved slightly higher business growth than BE entrepreneurs. The significance value of 0.396 ($p > 0.05$) indicated there is no significant difference between the mean values. Therefore, both BE and TE entrepreneurs have an ardent desire for year on year business growth.

The desire for profit making scored a mean value of 4.53 for BE and 8.50 for TE entrepreneurs. The significance value of 0.001 ($p < 0.05$) indicated that there is a significant difference between the mean values. This indicates that on average TE entrepreneurs are more money and wealth inclined while on average BE entrepreneurs are less concerned by profit gains.

Both BE and TE entrepreneurs on average have common ground in terms of CSR and the increase in the number of employees with mean values of 7.56 for BE and 7.60 for TE in practicing CSR, and 7.61 (BE) and 7.63 (TE) for the need to hire employees. The significance value of 0.485 ($p > 0.05$) indicated there is no significant difference between the mean values of CSR initiatives and 0.749 ($p > 0.05$) and also indicated no significant difference in the year on year increase in the number of employees. This implies that entrepreneurs in the eThekweni Municipality are more inclined to engage in CSR initiatives which indicates good business practices and are

lowering the high unemployment rate, as well as poverty in South Africa by an increase in hiring employees year on year.

The perceived intention of being goal orientated indicated a mean value of 7.02 for BE entrepreneurs while, TE entrepreneurs have a mean value of 8.26. The significance value of 0.012 ($p < 0.05$) indicates that there is a significant difference between the mean values. This indicates that on average BE entrepreneurs are less goal orientated than TE entrepreneurs.

In achieving business growth higher than inflation, the data indicated a mean value of 4.99 for BE entrepreneurs which indicated an average growth rate like the current inflation rate while TE indicated a mean value of 8.09 which indicated an above average growth rate higher than inflation. The significant value 0.01 ($p < 0.05$) indicates that there is a significant difference between the mean values. This can indicate that TE entrepreneurs outperformed BE entrepreneurs in terms of business growth.

BE entrepreneurs and TE entrepreneurs perceived on average the desire for business growth as the most important management skill trait among entrepreneurs. The need for business growth was perceived as the strongest management desire for entrepreneurs in the eThekweni municipality. The desire for profits is perceived to be the least most important management performance for BE and the desire for CSR are perceived to be the least most important management performance factor.

Since BE and TE entrepreneurs perceive growth as the most important management factor we can conclude from the data that TE are better business managers than BE entrepreneurs

4.5.2 The influence of access to finance

Table 4-3: Access to finance statistics

	Education	N	Sig. (2-tailed)	t	Mean	Skewness		Kurtosis	
	Category	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
10. Access to finance	Basic Education	60	.010	3.295	8.68	-.239	.311	.002	.613
	Tertiary education	60			7.81	-.452	.314	-.513	.618

This section of the questionnaire enabled a comparison to be made on the difficulties in obtaining finance in establishing and growing their SMME.

The perceived extent to which access to finance delayed entrepreneurs in the establishment of their SMME's scored a mean of 8.68 for BE and 7.81 for TE entrepreneurs. The significant value of 0.01 ($p < 0.05$) indicated that there is a significant difference between the mean values. This indicated that access to finance did play a significant role in the hindering the establishment of SMME's in the eThekweni Municipality. The data indicated that BE entrepreneurs found it more difficult to access finance than TE educated entrepreneurs.

4.5.3 Perception of the external environment (South Africa)

Table 4-4: External difficulties statistic

	Education	N	Sig. (2-tailed)	t	Mean	Skewness		Kurtosis	
	Category	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
11. Perception of adequate infrastructure for SMME's	Basic Education	60	.438	-.786	5.90	-.279	.311	-.741	.613
	Tertiary education	60			8.24	-.166	.314	-.254	.618
12. Perceived benefits of business incubators	Basic Education	60	.020	-1.171	5.05	-.390	.311	-1.425	.613
	Tertiary education	60			9.10	-.286	.314	-.708	.618
13. Confidence in the South African Government	Basic Education	60	.960	-.050	8.10	-.336	.311	-1.189	.613
	Tertiary education	60			5.03	-.154	.314	-.737	.618

This section of the questionnaire contained three questions based on the external environment of South Africa on which comparisons are made based on the entrepreneur's perception.

The mean value of 5.90 indicated that on average BE entrepreneurs perceived infrastructure to support business activities to be slightly above average while the mean value of 8.24 stipulates that TE entrepreneurs have on average a perception that infrastructure is sufficient to support business activities. The significant value of 0.438 ($p > 0.05$) indicates that there is no significant difference between the means values. Therefore, it can be concluded that BE and TE entrepreneurs perceive infrastructure to be average.

The benefits of business incubators indicate a mean value of 5.05 for BE entrepreneurs stipulating that on average BE entrepreneurs have a neutral perception of business incubators implying that BE entrepreneurs are not sure about whether business incubators are beneficial to them or not. Data from TE entrepreneurs indicate a mean value of 9.10 implying that tertiary educated entrepreneurs on average believed that business incubators are very beneficial to entrepreneurs. The significant value of 0.02 ($p < 0.05$) proves that there is a significant difference between the means values.

Confidence in the South African Government produce a mean value of 8.10 for BE entrepreneurs which implies on average they have an elevated level of confidence in the current government while TE entrepreneurs has a mean value of 5.03 indicating that on average they have a neutral stance on government confidence. The significant value of 0.960 ($p > 0.05$) indicates that there is no significant difference between the means values. This both BE and TE entrepreneurs have confidence in the South African Government

BE entrepreneurs perceived that the South African Government as the best external factor fostering entrepreneurship while TE entrepreneurs perceive business incubators as the best external factor fostering entrepreneurship. BE entrepreneurs perceived that business incubators are the worst external factor fostering entrepreneurship and TE entrepreneurs perceive that the South African Government is the worst external factor in fostering entrepreneurship.

4.5.4 The perceived leadership style of entrepreneurs

Table 4-5 Leadership styles statistics

	Education	N	Sig. (2-tailed)	t	Mean	Skewness		Kurtosis	
	Category	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
14. Desire the use of using orders and commands to get work done	Basic Education	60	.100	2.633	4.90	.567	.314	-.718	.618
	Tertiary education	60			5.09	.021	.314	-1.049	.618
15. Family played a role in becoming an entrepreneur	Basic Education	60	.700	.398	6.86	-.538	.314	-.903	.618
	Tertiary education	60			6.83	-.436	.314	-.539	.618
16. Inclined to focus people and relationship rather than performance and results	Basic Education	60	.040	.765	4.64	.512	.314	-.498	.618
	Tertiary education	60			6.09	-.157	.314	-.539	.618
17. Desire to work as a team with subordinates on the same level	Basic Education	60	.66	-1.862	7.31	-.907	.314	.148	.618
	Tertiary education	60			7.98	-.578	.314	-.732	.618
18. Inclined to delegate work that require high performance and responsibility	Basic Education	60	.40	-.830	7.75	.197	.314	1.511	.618
	Tertiary education	60			6.17	-.681	.314	.367	.618
19. Desire to be a mentor to your subordinates	Basic Education	60	.38	-.883	6.42	-.078	.314	-1.465	.618
	Tertiary education	60			6.08	-.946	.314	-.035	.618

This section of the questionnaire contained six questions probing the leadership differences between BE and TE entrepreneurs.

The perceived leadership style in the use of orders and commands to get work done are less valued by BE entrepreneurs with a mean value of 4.90 indicating an average they did not like this style of leadership. TE entrepreneurs have a mean value of 5.09 meaning they are more neutral on the use of orders and commands to get work done. The significance value of 0.10 ($p > 0.05$) indicates that there is no significant difference between the means values. This indicates that TE sometimes do believe it necessary to use orders and commands and sometimes not.

The influence of family on entrepreneurship indicated a mean of 6.86 for BE and 6.83 for TE educated entrepreneurs. The significance value of 0.7 ($p > 0.05$) indicates that there is no significant difference between the means values, This meant on average families did not influence BE and TE educated entrepreneurs.

On average BE entrepreneurs are perceived to focus more on people and relationships with a mean of 4.64 while TE entrepreneurs are perceived to focus more in job performance, with an average mean of 6.09 in performance and results. The significance value of 0.02 ($p < 0.05$) indicates that there is a significant difference between the means values.

The perceived leadership style of an entrepreneur to work as a team with his subordinates on the same level has a mean value 7.31 for BE and 7.98 for TE entrepreneurs. The significant value of 0.447 ($p > 0.05$) indicates that there is no significant difference between the means values. This implied that on average these entrepreneurs perceive that team work is a desirable approach to business success, with TE entrepreneurs slightly higher.

The perceived leadership style of delegation presented a value of 7.75 for BE entrepreneurs and 6.17 for TE entrepreneurs. The significance value of 0.66 ($p > 0.05$) indicates that there is no significant difference between the means values. On average BE entrepreneurs preferred to delegate work that required high performance

and responsibility to subordinates while TE entrepreneurs had more of a tendency to delegate work but not as much to their subordinates.

The perceived leadership style of mentoring and nurturing subordinates presented a mean value of 6.42 for BE entrepreneurs indicating that on average BE were more inclined to be a mentor to their subordinates. TE entrepreneurs presented a mean value of 6.08. The significant value of 0.960 ($p > 0.05$) indicates that there is no significant difference between the means values. This meant that TE entrepreneurs on average were also inclined to be a mentor to their subordinates but slightly more than BE entrepreneurs.

BE and TE entrepreneurs perceive the best leadership style for an entrepreneur is a leader that works as a team together with his/her subordinates. BE entrepreneurs perceived a leadership style in which the entrepreneur delegates work of high importance and responsibility as the most unlikely way to empower their subordinates while TE entrepreneurs perceive to be a leader that focuses more on relationships than results with his/her subordinates, as the least desirable leaders in entrepreneurship.

4.5.5 Perception of risk

Table 4-6: Risk propensity statistics

	Education	N	Sig. (2-tailed)	t	Mean	Skewness		Kurtosis	
	Category	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
20. Inclined to burn all bridges in your current job to follow your entrepreneurial dream	Basic Education	60	.026	-2.252	4.02	.810	.314	.728	.618
	Tertiary education	60			6.22	-.067	.314	1.318	.618

21. Using personal assets as collateral to business loans	Basic Education	60	.036	2.126	6.44	-.571	.314	.827	.618
	Tertiary education	60			5.04	-.067	.314	1.135	.618
22. Inclined to take product/service risks in order to save money	Basic Education	60	.001	3.682	5.95	-.173	.314	-1.554	.618
	Tertiary education	60			3.86	.496	.314	-.819	.618
23. Risk of using debt	Basic Education	60	.256	1.139	5.11	-.146	.314	-1.262	.618
	Tertiary education	60			5.09	-.139	.314	-1.495	.618
24. Incline to chase higher returns with higher risks	Basic Education	60	.018	1.334	3.83	.737	.314	-.223	.618
	Tertiary education	60			6.55	-.038	.314	-.597	.618
25. Inclined to risk paying a bribe.	Basic Education	60	.030	-1.691	4.19	-.492	.311	-1.138	.613
	Tertiary education	60			7.52	.317	.314	-.879	.618

This section of the questionnaire contains six questions on the risk-taking perception of BE and TE entrepreneurs for which comparisons are established

The perceived risk-taking ability of an entrepreneur willing to follow his/her entrepreneurial dream without backup employment indicates a mean of 4.02 for BE and 6.22 for TE entrepreneurs. The significance value of 0.026 ($p < 0.05$) indicates that there is a significant difference between the means values. This implies that on average BE entrepreneurs are less likely to leave their current jobs in a good note with their employees, preferring to keep this door open just in case the entrepreneurship journey fails. TE entrepreneurs on average are more likely to leave their current job and closing the door on that aspect of their career, indicating that

even if their entrepreneurial journey fails they will not consider going back to that part of their life.

The perceived risk of entrepreneurs using their personal assets as collateral in entrepreneurship indicated a mean value of 6.44 for BE and 5.04 for TE entrepreneurs. The significance value of 0.036 ($p < 0.05$) indicates that there is a significant difference between the means values. This implies that on average BE entrepreneurs are more inclined to risk their personal possessions while TE entrepreneurs on average are more neutral in risking their personal possessions. TE educated entrepreneurs seem to be more balanced risk takers while BE entrepreneurs are perceived as riskier in this aspect.

The perceived risk in their products and services indicated a mean value of 5.95 for BE and 3.86 for TE entrepreneurs. The significance value of 0.001 ($p < 0.05$) indicates that there is a significant difference between the means values This implied that BE entrepreneurs on average are more inclined to risk taking their products and services to the market without proper testing and research. While TE entrepreneurs perceived on average the risk of taking untested and non-researched products to the market as being too risky. We can conclude that BE entrepreneurs are willing to be riskier when it comes to their products and services.

The perceived risk of entrepreneurs to use debt indicted a mean value of 5.11 for BE and 5.09 for TE educated entrepreneurs. The significance value of 0.256 ($p > 0.05$) indicates that there is no significant difference between the mean values. This implied that BE and TE entrepreneurs on average have a neutral perception on using debt to sustain or run their business. BE entrepreneurs had a slightly higher mean value but this value is insignificant to differentiate BE and TE entrepreneurs therefore the results indicated that both BE and TE entrepreneurs on average have shown to have a similar risk-taking stance on debt preferring a balance of having some debt and not too much debt that will put their business at risk.

The perceived risk entrepreneurs will take in chasing higher profit margins indicate a mean value of 3.83 for basic educated entrepreneurs and 6.55 for TE entrepreneurs. The significance value of 0.018 ($p < 0.05$) indicates that there is a significant

difference between the mean values This indicates that on average BE entrepreneurs are less inclined to risk chasing higher profit margins indicating a stance of contentment. TE entrepreneurs are willing to be riskier in their pursuit of higher profits implying a higher drive for achievement. We can conclude from the data that TE are the higher risk takers when it comes chasing profit targets.

The perceived risk entrepreneurs are willing to take when it comes to paying bribes to get business indicated a mean value of 4.19 for BE entrepreneurs and 7.52 for TE entrepreneurs. The significance value of 0.030 ($p < 0.05$) indicates that there is a significant difference between the mean values This meant on average that TE entrepreneurs were more likely to engage in unlawful behaviour indicating bad business ethics. We can conclude from the above data that TE are riskier than BE entrepreneurs because they are more willing to pay bribes.

BE entrepreneurs perceived that bribing is the best risk to take in entrepreneurship while TE entrepreneurs perceive that chasing higher profits as the best risk to take in entrepreneurship. BE entrepreneurs perceived that chasing higher profits as the least desirable risk to take in entrepreneurship while TE entrepreneurs perceive that risking your products or services as the least to take in entrepreneurship.

4.5.6 Perceived business culture difference

Table 4-7: Business culture statistics

	Education	N	Sig. (2-tailed)	t	Mean	Skewness		Kurtosis	
	Category	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
26. Inclined towards a family-like business culture	Basic Education	60	.616	.506	7.27	-.823	.314	-.729	.618
	Tertiary education	60			6.91	-.245	.314	-1.053	.618
27. Inclined towards a creative and entrepreneurial business culture	Basic Education	60	.001	-3.644	7.24	-.162	.314	-1.067	.618
	Tertiary education	60			5.57	-.561	.314	1.055	.618
28. Inclined to create a competitive result-orientated business culture	Basic Education	60	.0160	-1.412	7.42	-.718	.314	-1.051	.618
	Tertiary education	60			8.09	-.417	.314	-1.280	.618
29. Inclined to create a business culture that is hierarchical, structured and controlled	Basic Education	60	.021	-2.382	4.22	-.874	.314	-.742	.618
	Tertiary education	60			8.47	-.386	.314	-1.047	.618

This section of the questionnaire contains four questions in determining the perceived business culture differences between BE and TE entrepreneurs.

The perceived business culture that is family orientated indicated a mean value of 7.27 for BE entrepreneurs and 6.91 for TE entrepreneurs. The significant value of 0.616 ($p > 0.05$) indicates that there is no significant difference between the mean values. This signals that on average BE entrepreneurs are more willing to create a business culture that is family orientated. While TE entrepreneurs have a similar perception of the business culture as BE entrepreneurs, they seem slightly less enthusiastic to create this type of culture. Therefore, we can conclude from the data that on average BE entrepreneurs prefer to create a family-like business culture marginally than TE entrepreneurs.

A perceived business culture that is creative and entrepreneurial indicated a mean value of 7.24 for BE entrepreneurs and 5.57 for TE entrepreneurs. The significant value of 0.001 ($p < 0.05$) indicates that there is a significant difference between the mean values. The results imply that on average BE and TE entrepreneurs prefer to work in a culture that is creative and entrepreneurial however BE entrepreneurs preferred this culture more than TE entrepreneurs indicating they are the more of the creative type.

A perceived business culture that is competitive and result orientated indicated a mean value of 5.42 for BE entrepreneurs implying that on average BE entrepreneurs did not mind a working culture that is competitive. TE entrepreneurs indicated a mean value of 8.09 indicating on average a preference to a competitive culture with high emphasis on scorecards, KPI's and KPA's. The significant value of 0.160 ($p > 0.05$) indicates that there is no significant difference between the mean values. TE entrepreneur's results show a higher mean value enabling a conclusion to be made that implies TE entrepreneurs are more likely to create and work in a business environment that is competitive and result orientated.

A perceived business culture that is hierarchical and controlled indicated a mean value of 6.42 for BE educated entrepreneurs. This implies BE entrepreneurs on average are inclined to create and work in hierarchical business culture. TE entrepreneurs indicated a mean value of 8.47 implying on average they are more inclined than BE entrepreneurs to work and create a business environment that is

hierarchical and controlled. The significant value of 0.021 ($p > 0.05$) indicates that there is no significant difference between the mean values. Since there is a statistical difference, it can be concluded that TE entrepreneurs are more likely to create a business that has a hierarchical structure with tight control measures implemented.

BE entrepreneurs are perceived to create a business culture that is family-like, while TE entrepreneurs are perceived to create a business culture that is hierarchical in structure and exercises control. BE entrepreneurs are perceived to create a business culture that is creative and entrepreneurial. TE entrepreneurs are less perceived to create a business culture that's family like and more performance and result-orientated.

4.6 Conclusion

This chapter first presented a detailed statistic on the survey conducted. The entrepreneurs were then categorized into basic educated and tertiary educated entrepreneurs. An overview of the entrepreneur's profile began to develop and this was presented by the entrepreneur's age, work experience and level of education. The results in perception of management, external environment, risk, and culture were then presented and analysed. From this analysis, comparisons were then made between the two categorized entrepreneurs. These comparisons were made based on the mean values and whether there was a significant difference between them. The data presented in this chapter as well as its analysis were verified for accuracy to make sure there were no mistakes when loading this data into SPSS-24. The analysis of the data, as well as the discussion of the findings will be presented in the next chapter

Chapter 5: Discussion

5.1 Introduction

This chapter consists of a discussion in the finding of the results shown in the previous chapter. This chapter strives for logical conclusions to be drawn from the results and convert it into recommendations that can be practically applied to the world at large. This chapter accounts for the research conducted in the literature review in chapter two and makes connections between the results presented in chapter four and the research objectives stated in chapter one. This chapter also contributes new consciousness to the subject area being researched empowering the world to improve their understanding of the differences in educated and uneducated entrepreneurs.

This chapter kicks off with the discussion of the entrepreneur's profile. Followed by an in-depth discussion of the Skewness and Kurtosis values and lastly, a recap of the objectives of this research.

Each sectional heading from the questionnaire is discussed. In the analysis of the data the significant difference between the two means, skewness and Kurtosis is discussed. Kurtosis according to George & Mallery (2016.p400) "is the measure of the relative flatness or height of a frequency distribution. A positive figure implies that peak is relatively 'peaked' while a negative implies a relatively 'flat' distribution". A flat distribution indicates extreme values are influencing the mean (George & Mallery, 2016).

Skewness according to George & Mallery (2016.p400) "is the measure of the degree of asymmetry of a distribution". As the skewness value moves away from zero, the positive value indicates that the scores are biased towards the lower end of the scale while an increase in the values below zero indicates a bias towards the upper end of the scale.

A perfect distribution according to Astana & Bushman,(2016) a distribution that is said to be perfect will produce a Skewness and Kurtosis value of zero which is extremely rare in social science studies.

5.2 Findings

5.2.1 Entrepreneur's age

South Africa is beginning to modernize and technology has made many jobs obsolete, all the while increasing the need for specialized entry level jobs. South Africa has a dangerously high (and growing) unemployment rate which has finally encouraged the government to turn to entrepreneurship as the solution. Another reason is the familiar and seductive stories which have been in circulation of young people who, drawing inspiration from billionaire entrepreneurs and computer giants consider dropping out of college to fast track their success. The survey results show that most of BE entrepreneurs (66%) are between the ages of 18 and 30 years old and view entrepreneurship as more important than tertiary education. These finding match those of the GEM Global Report (2016) which claimed that entrepreneurial activity is the highest between the ages of 18-34.

TE entrepreneurs are individuals that have had time to develop their knowledge and skills through education as well as through work experiences, building their confidence in their own ability (Herrington, et al., 2016). This can be the reason 58% of TE educated entrepreneurs in the eThekweni municipality are between the ages of 51 and 60 years old. However, these finding differ from the GEM Global Report (2016) which claimed that entrepreneur's participation declines as the entrepreneurs age increases, with the sharpest decline after the age of 54.

From these results, we can conclude that BE entrepreneurs are younger than TE entrepreneurs.

5.2.2 Entrepreneurs work experience

People that have just matriculated or between the ages of 18 and 30 and do not have a job, in some cases do not need a job to support themselves. Either they are living with your parents, a spouse or have other sources of income to survive on. These entrepreneurs are ideally situated to create bootstrap companies (MacVicar & Throne, 2016). These are companies were founders work without salaries for some period. Majority of BE entrepreneurs in eThekweni Municipality only have a working

experience of 1 to 5 years before deciding to become entrepreneurs. They view entrepreneurship as something they love and choose this path over higher education as many of BE entrepreneurs may recruit co-founders or employees with specific skills and experience.

Bootstrapping companies are also accomplished when entrepreneurs keep their jobs and work on their start-ups part time (MacVicar & Throne, 2016). Their jobs fund their start-ups and highly professional working-class individuals that earn above average salaries fund their start-ups and live off their savings. Therefore, the survey results show that the majority of TE entrepreneurs in the eThekweni Municipality have a working experience of 5 to 10 years before becoming entrepreneurs. Longer work experience prior to becoming an entrepreneur helps many entrepreneurs in learning more about themselves (Moog, Arndt, Stefer & Uschi., 2014). This helps them find clarity on their true passions including their strengths and weaknesses. An entrepreneur working in a large organization can make mistakes at the cost of the company and be in an environment where there is expertise to support them and correct them.

These findings are of importance because it tells us which of the two classes of entrepreneurs are more experienced and likely to succeed in their first start-up. The GEM Global report (2016) indicates that entrepreneurs around the world have an average of 8 years working experience prior to the transition into entrepreneurship.

5.2.3 Perception of own management performance

BE and TE entrepreneurs perceived the desire for business growth year on year as a management performance factor in entrepreneurship. The skewness factor of -0.272 for BE and -0.464 for TE entrepreneurs indicates that the distribution is biased towards the high end of the scale. The Kurtosis value of -1.310 for BE entrepreneurs and -0.124 for TE entrepreneurs indicates the distribution is flatter than peaked. It points to there being cases of extremes that are influencing the distribution. This means that while some BE and TE entrepreneurs might have settled and got comfortable, the majority are focused on building their business by stepping outside of their comfort zones, setting bigger goals, and making the commitment. The desire for business

growth with a mean value of 8.31 for BE entrepreneurs and 8.81 for TE entrepreneurs was perceived as the strongest management performance factor influencing BE entrepreneurs.

Desire for profits year on year as a management performance factor in entrepreneurship indicated a mean value of 4.53 for BE entrepreneurs. The skewness factor of 1.170 for BE entrepreneurs indicates that the distribution is bias to the lower end of the scale. The Kurtosis value of 0.042 indicates that the distribution is 'peaked' or clustered in the centre with long tails. The mean compares well with the general profile of BE entrepreneurs discussed in chapter four (4.5.1, P.57). TE entrepreneurs has a mean value of 8.50. The skewness factor of -0.061 indicates that the distribution is biased to the high end of the scale. The Kurtosis value of -0.604 indicated the distribution is flatter than peaked. This points to there being cases of extremes that are influencing the distribution. It shows that profits to a lesser extent are considered a management performance factor that influenced TE entrepreneurs, or TE entrepreneurs considered it not as important as other factors like business growth. This points out that some entrepreneurs see entrepreneurship as a path to getting rich while some entrepreneurs care more about the foundation of their SMME eyeing a bigger prize in the long-term, with the objective of larger profits and sustainability.

The importance of CSR in entrepreneurship scored a mean value 7.56 for BE entrepreneurs and 7.60 for TE entrepreneurs. This skewness factor of -0.202 for BE and -0.285 for TE educated entrepreneurs indicated a bias distribution to the high end of the scale. The kurtosis value of -1.291 for BE entrepreneurs and -0.945 for TE entrepreneurs indicated the distribution is flatter than peaked. This implies that cases of extremes are influencing the distribution. This showed that both BE and TE entrepreneurs felt it was important to engage in CSR initiatives, but some entrepreneurs did not consider it an important performance factor that needed full compliance.

The increase of the number of employee's year-on-year scored a mean value of 7.61 for BE entrepreneurs and 7.63 for TE educated entrepreneurs. The skewness factor

of -0.044 for BE entrepreneurs and -0.421 for TE educated entrepreneurs which indicated a bias towards the high end of the scale. The kurtosis value of -1.667 for BE entrepreneurs and -1.165 for TE entrepreneurs indicated the distribution is flatter than peaked. This implies that cases of extremes are influencing the distribution. The purpose of this questions was to see if growth in SMME's translated into higher employment. These results coincide with the entrepreneur's desire for business growth and the entrepreneurs that were more settled and comfortable did not hire more staff and contribute to bring down the high unemployment rate in South Africa. The results imply that entrepreneurship and business growth are key management performance factors in employment creation.

The desire to meet goals and targets year on year as a management performance factor in entrepreneurship indicates a mean value of 7.02 for BE entrepreneurs. The skewness factor of 0.077 for BE educated entrepreneurs indicated a bias towards the bottom end of the scale. The Kurtosis value of 1.270 implies a distribution that is peaked or clustered in the centre with thin long tails. This mean compares well to the performance of BE entrepreneurs. TE entrepreneurs came up with a mean value of 8.26. The skewness factor of -0.473 indicated a bias towards the higher end of the scale. The Kurtosis value of -0.295 implies a distribution that is flat than peaked meaning that extreme cases are influencing the distribution. This implies that TE entrepreneurs can also be ambition in entrepreneurship but on average majority stayed more target and goal orientated.

In terms of whether BE entrepreneurs and TE entrepreneurs had year on year business growth higher/lower than inflation scored a mean value of 4.99 for BE entrepreneurs and 8.09 for TE entrepreneurs. The Kurtosis value of 1.114 implies a distribution that is peaked or clustered in the centre with thin long tails. This mean compares well to the general profile of both BE and TE entrepreneurs. This could explain why certain BE and TE where settled and comfortable in their desire to achieve business growth which could be due to them achieving year on year business growth that's higher than inflation. However, BE entrepreneurs only achieved business growth that is in line with inflation on average implying that growth

was achieved by price increases on goods and services due to inflation whereas TE entrepreneurs achieved superior growth.

5.2.4 The influence of access to finance

The extent to which access to finance delayed the establishment and growth of their SMME scored a mean of 8.68 for BE entrepreneurs and 7.81 for TE entrepreneurs, indicating that access to finance did play a significant role in hindering the establishment and growth of SMME's. The skewness factor of -0.239 for BE and 7.81 for TE entrepreneurs, indicates that the scores are biased to the high end of the scale. The kurtosis value for BE entrepreneurs has a value of 0.002 which implies a distribution that is approaching a perfect distribution due to it having a value that is close to zero. This could mean that on average BE entrepreneurs found it difficult to access finance. The kurtosis value for TE entrepreneurs presented a value of -0.513 which implies that the distribution is flat. This means that extreme values have influenced the distribution. This is not consistent with the GEM (2016) report which indicated that access to finance is a problem in South Africa. The results indicate that some TE entrepreneurs did not have a problem accessing finance. Financial institutions preferred loaning money to highly educated entrepreneurs than uneducated entrepreneurs or because of the onerous requirements people seek other sources of financing such as loans from family and friends.

5.2.5 The perception of the external environment

In terms of whether entrepreneurs felt they had adequate infrastructure in South Africa the mean scored a value of 5.90 for BE entrepreneurs and 8.24 for TE entrepreneurs indicating that on average they had adequate infrastructure with a skewness value of -0.279 for BE and -0.166 for TE indicating scores are more biased to the top end of the scale. The Kurtosis value of -0.741 and -0.254 indicated a distribution that is flat. This means that extremes had an influence on the distribution. This question shows that there are some areas of concern that exist in terms of infrastructure in South Africa. It does, however, tell us that despite the external environment in South Africa, entrepreneurs that are basic educated or tertiary educated still successfully start and operate SMME's in the country.

The perceived benefits of business incubators scored a mean value of 5.05 for BE entrepreneurs and 9.10 for TE entrepreneurs indicating that BE were uncertain if business incubators were beneficial to them or not with a skewness value of 0.390 indicating a bias towards the bottom end of the scale but a Kurtosis of -1.425. TE entrepreneurs perceived business incubators as very beneficial to entrepreneurship by scoring a mean value of -.0286 implying a bias towards the upper end of the scale and a Kurtosis value of 0.078 implying a distribution peaked and clustered towards the centre with thin long tails. This needs further investigation why BE entrepreneurs do not feel business incubators are beneficial in growing and developing the SMME's as it contradicts research uncovered in chapter 2 (2.6.1.1, p.18) by Smith & Judge (2016), Hackkett & Dilts (2004) and Lofsten & Linderlof (2003) that found with entrepreneurs that lack education expertise entrepreneurship can eliminate these shortcoming with the aid and development of business incubators.

The confidence entrepreneurs have in the South African Government score a mean value of 8.10 for BE entrepreneurs and 5.03 for TE entrepreneurs. This means that both BE and TE entrepreneurs have no confidence in the Government. The skewness value of -0.336 and -0.154 indicate a bias towards the upper end of the scale. The Kurtosis value of 1.189 and 0.737 imply the distribution is peaked and clustered towards the centre with thin long tails. Therefore, the mean value compares well to the general perceptions of BE and TE entrepreneurs. Further it complies with the current political situation of the country with political risk increasing through the president's cabinet reshuffle causing two out of the three rating agencies downgrading South Africa to junk status therefore resulting in a no confidence mindset against the South African president.

5.2.6 The perceived leadership styles of basic and tertiary educated entrepreneurs

The desire of using commands and orders to get work done indicated a mean value of 4.90 for BE entrepreneurs and 5.09 for TE entrepreneurs. A skewness value of -.0567 for BE indicated a bias towards the upper end of the scale while TE scored a skewness of 0.021 indicating minimal bias as the value is very close to zero. The

Kurtosis value of -0.718 for BE entrepreneurs and -1.049 for TE educated entrepreneurs implies the distribution is flat. This means that extreme values are having an influence on the distribution. This implies that entrepreneurs did not only rely on the use of commands and orders to get work done. From the chapter two (2.6.1.2, P.19) we have found that in a very competitive industry some companies retrench staff. These retrenched staff are usually well educated and trained and lost their jobs due to LIFO policies. Some of these people are absorbed in the SMME sector and entrepreneurs trust their expertise.

The influence family has on entrepreneurship scored mean values of 6.86 for BE entrepreneurs and 6.83 for TE educated entrepreneurs. A skewness value of -0.538 for BE entrepreneurs and -0.436 for TE entrepreneurs indicated a bias towards the high end of the scale. The Kurtosis value of -0.903 for BE entrepreneurs and -0.539 for TE entrepreneurs imply the distribution is flat with extreme values having an influence in the distribution. This meant that family had more of a supporting role in entrepreneurship than influencing entrepreneurship.

In terms of entrepreneurs being inclined to focus on people over performance and results scored a mean value of 4.64 for BE entrepreneurs and 6.09 for TE entrepreneurs. A mean value of 4.09 implies that on average BE entrepreneurs perceive as leaders of the SMME's they should focus more on people in their organization. A skewness value of 0.519 for BE entrepreneurs indicated a bias towards the lower end of the scale while a value of -0.157 for TE indicated a bias towards the upper end of the scale. This indicated that TE educated entrepreneurs felt focusing on people is important but not as important as performance of the organization. The Kurtosis values of -0.498 and -0.539 imply that the distribution is flat with extreme values having an influence in the distribution. The extreme values meant that some BE and TE entrepreneurs perceived that leadership in a business should strike a balance in between focusing on people and performance.

The desire to work as team with subordinates on the same level scored a mean value of 7.31 for BE and 7.98 for TE entrepreneurs. Both BE and TE entrepreneurs perceived a leader should work together on the same level with their subordinates.

The skewness value of -0.907 For BE entrepreneurs and -0.578 for TE entrepreneurs imply a bias towards the higher end of the scale. The Kurtosis value of 0.148 for BE entrepreneurs indicated the distribution is peaked and clustered towards the centre with thin long tails. This mean compares well with general population of entrepreneurs. BE entrepreneurs are more likely to be leaders that work with subordinates as 'nontitle leaders' where they bounce ideas freely from each other to solved complex problems. The Kurtosis value of -0.732 for TE entrepreneurs indicated that the distribution is flat with extreme values having an influence on the mean. This indicates that TE entrepreneurs preferred working on their own and possess leadership traits that are more hierarchical which compliments the first question in this category indicating TE preferred using orders and commands to get work done however will work with their team if they feel their subordinates are struggling. Leaders that have these traits are usually very competent and highly specialized in what they do.

The extent to which entrepreneurs are inclined to delegate work and tasks that require high performance and responsibility scored a mean value of 7.75 for BE entrepreneurs and 6.17 for TE entrepreneurs. This meant on average BE entrepreneurs were inclined to delegate work that require high responsibility and performance while TE where not inclined to delegate. The skewness value of -0.197 indicated a bias towards the upper end of the scale. The skewness of -0.367 for TE entrepreneurs indicated a bias towards the upper end of the scale. The kurtosis value of 1.511 for BE entrepreneurs and 0.367 for tertiary educated entrepreneurs implied a peaked distribution that is clustered towards the centre with thin long tails. The mean compares well with the general population of entrepreneurs. This question was designed to complement the above question to ensure respondents answered as accurately as possible. BE entrepreneurs preferred to delegate work and work together on a task or project on the same level as their subordinates while TE entrepreneurs delegate the work and step in to aid when needed.

The desire to be a mentor scored a mean value of 6.42 for BE entrepreneurs and 6.08 for TE entrepreneurs. This implies that BE and TE entrepreneurs want to be

mentors to their subordinates. The skewness value of -0.78 for BE entrepreneurs and -0.946 implies a value that has bias towards the higher end of the scale. The Kurtosis value of 1.465 for BE entrepreneurs and 0.35 for TE entrepreneurs implies distribution that is peaked and clustered in the centre with thin long tails. Both BE and TE entrepreneurs perceive mentorship as an import aspect of being an entrepreneur, however, TE perceive mentorship as not being a necessity.

5.2.7 The risk perception of basic and tertiary educated entrepreneurs

The extent to which entrepreneurs are inclined to risk burning all bridges with their current employers to follow their entrepreneurial dream scored a mean value of 4.02 for BE entrepreneurs and 6.22 for TE entrepreneurs. This indicates that on average BE where more reluctant to take risks than TE to follow their entrepreneurial dreams. The skewness value of 0.81 indicated a bias towards the lower end of the scale for BE entrepreneurs while the value of -0.67 indicated a bias towards the upper end of the scale. The Kurtosis value of 0.728 and 1.318 indicates a distribution that is peaked and clustered in the centre with thin long tails. BE entrepreneurs feared that burning bridges with their employees when resigning, will be a risk they not willing to take because they might feel the lack of tertiary education will make it even more difficult for them to find employment compared to TE entrepreneurs.

The extent to which entrepreneurs are inclined to risk their personal assets as collateral to starting their SMME scored a mean of 6.44 for BE entrepreneurs and 5.04 for TE entrepreneurs. The skewness value of -0.571 and -0.67 indicates a bias towards the upper end of the scale. The Kurtosis value of 0.827 for BE entrepreneurs and 1.135 for TE entrepreneurs indicates a distribution that is peaked or clustered towards the centre. This means BE are willing to risk their personal assets in order gain finance to fund or grow their SMME while TE entrepreneurs are more risk adverse and prefer to strike a balance between using their personal assets and debt.

The extent to which entrepreneurs are inclined to take product or service risk scored a mean 5.95 for BE entrepreneurs and 3.86 for TE entrepreneurs. The skewness

factor of -0.571 for BE entrepreneurs and -0.067 for TE entrepreneurs indicate a bias towards the upper end of the scale. The Kurtosis value of -1.554 and -0.819 implies that the distribution is flat and that extreme values are having an influence on the distribution. This also implies that product and service risk is something entrepreneurs can manage smartly as not all BE entrepreneurs agreed to take product/service risks.

The extent to which the respondents were inclined to use debt indicated a mean score of 5.11 for BE entrepreneurs and 5.09 for TE entrepreneurs. TE entrepreneurs considered debt should be balanced indicating a conservative approach while BE are more slightly riskier. The skewness factor of -0.146 for BE entrepreneurs and -0.139 for TE entrepreneurs which indicated a bias towards the upper end of the scale. The Kurtosis value of -1.262 and -1.495 implies a very flat distribution in which extremes are influencing the distribution. This was possible due to some industries being more volatile than other industries. Entrepreneurs that are operating in high volatile environments are more risk adverse, macro-environments use less debt.

The risk of chasing higher profits to grow your business scored a mean value of 3.83 for BE entrepreneurs and 6.55 for TE entrepreneurs. This implies that BE are less likely to risk chasing higher profits while TE entrepreneurs are more likely to risk going after the 'pot of gold'. This could explain why, in the management performance section of the questionnaire we found that BE are not concerned so much about profits as they are not willing to let go of their fear and use it as a motivator to reach their goals. The skewness factor of 0.737 indicated a bias towards the bottom end of the scale for BE entrepreneurs and a value of -0.380 indicates a slight bias towards the upper end of the scale. The kurtosis value of 0.223 for BE entrepreneurs and 0.597 for TE entrepreneurs implies the distribution is peaked or clustered towards the centre with thin long tails. This mean compares well with the risk perception of BE and TE entrepreneurs.

The extent to which entrepreneurs are willing to pay bribes scored a mean of 4.19 for BE entrepreneurs and 7.52 for TE entrepreneurs. TE entrepreneurs perceive that paying bribes is a necessity in South Africa. On average TE are seen to be riskier in

paying bribes than BE entrepreneurs. In chapter two (2.6.1.1, p20) found that all TE entrepreneurs are normally taught in college about ethics and ethical business practises, however TE entrepreneurs do not seem to implement it. The skewness factor for BE educated entrepreneurs is -.0492 which indicated a bias towards the upper end of the scale and -0.317 for TE entrepreneurs indicating the same result. The Kurtosis value of -1.138 for BE entrepreneurs and -0.879 for TE entrepreneurs indicated a distribution that's flat where extreme values seem to be influencing the distribution. The result questions the effectiveness of the Government's anti-fraud and corruption strategy discussed in the literature review.

5.2.8 The business culture difference between basic and tertiary educated entrepreneurs

The extent to which entrepreneurs are inclined to create a business with a family like culture scored a mean value of 7.27 for BE entrepreneurs and 6.91 for TE entrepreneurs. Both BE and TE entrepreneurs perceive that family like business cultures tend make the SMME's stronger and more sustainable over a longer period which is visible to people outside the organization and inside the organization. Family like culture creates loyalty among staff and deep commitment to working at the organization and developing their skills as the organization grows. The Skewness factors of -0.823 for BE entrepreneurs and -0.245 for TE entrepreneurs indicates a bias towards the top end of the scale. The Kurtosis value of -0.729 and -1.053 implies the distribution is flat where extreme values are influencing the distribution. This meant that while entrepreneurs favour a family like business culture not all of them are able to implement it.

In creating a business culture that is entrepreneurial and creative BE entrepreneurs scored a mean value of 7.24 and TE entrepreneurs scored a mean value of 5.57. When innovation is important to entrepreneurs, they create a business culture that is deliberately fluid and creative. The skewness factors of -0.162 for BE entrepreneurs and -0.561 for tertiary educated entrepreneurs indicated a bias towards the upper end of the scale. The kurtosis value of -1.067 indicated a flat distribution with extreme values influencing the mean. Many TE entrepreneurs are not very comfortable with a

creative culture because they do not seem to agree on the value it will bring to the business. A creative culture does not require much discipline where employees work flexible hours and are encouraged to take risks. Therefore, TE entrepreneurs will not be willing to work in business that is lacking discipline and perceived that risk-taking decisions should be left with the owner/entrepreneur themselves. The Kurtosis value of 1.055 for TE entrepreneurs implied the distribution is peaked or clustered towards the centre with thin long tails. TE entrepreneurs are also inclined to create and foster a creative business-like culture. However, data from the previous section implied that TE entrepreneurs perceived a SMME should have a hierarchical leadership structure. This evidence suggests that TE entrepreneurs offer “structured freedom”. Structured freedom is the modern business culture adopted by entrepreneurs which states that if you want your employees to come up with innovative ideas, they will only do so if their voices are heard when there’s a difference and will not be shut down, while at the same time boundaries help too (Bell, 2014).

In terms of creating a competitive result orientated business culture, BE entrepreneurs scored a mean value of 7.42 and TE entrepreneurs scored a mean value 8.09. The skewness factor of -0.718 for BE entrepreneurs and -0.417 for TE entrepreneurs implies a bias towards the higher end of the scale. The kurtosis value of 1.051 for TE entrepreneurs indicates a distribution that is peaked or clustered in the centre with thin long tails. and -1.280 indicates that the distribution is flat where extreme values are influencing the distribution. From the results, BE and TE educated entrepreneurs perceive result driven culture as important, however, this approach could lead to a dysfunctional workplace because employees are too narrowminded only focusing on their individual goals.

In terms of a hierarchical type business culture BE entrepreneurs scored a mean value of 4.22 and TE entrepreneurs scored a mean value of 8.47. The Skewness factor of 0.874 for BE entrepreneurs indicated a bias towards the lower end of the scale while a value of -0.386 indicated a bias towards the upper end of the scale. The Kurtosis value of 0.742 and 1.047 implies a distribution that peaked or clustered in the centre with thin long tails. BE entrepreneurs disapproved of a hierarchical culture

due to its stifling creativity and employee initiative. TE entrepreneurs on the other hand create a culture where commands flow from top-down and compliance to best business practises, controlled processes and considerable oversight are considered necessary to productivity and success.

5.3 The research objectives overview

To arrive at a purposeful conclusion, one must examine the objectives of this study

a) To compare the management skills between basic and tertiary educated entrepreneurs.

No business large or small will survive in the long run without making profits. A study conducted by (Schaper, et al., 2014) found that entrepreneurs who solely focus on profits and growth end up trying to squeeze out as much money as they can from customers without making any effort to add value. However, in the literature review we found that entrepreneurs with this short-term thinking benefits no one in the long-run. Instead entrepreneurs should be looking to create an organization driven by values rather than profit. This is not the case for TE entrepreneurs. TE entrepreneurs are more focused on profits and business growth.

As an entrepreneur managing your expenses is a critical facet in a successful running of a business. An entrepreneur making huge profits is more likely to engage in CSR activities and imitative (Crane, Palazzo, Spence & Matten., 2014). BE entrepreneurs should not be engaging in CSR initiatives if they have no concern for making large profits. This indicates BE entrepreneurs have problems managing expenses or are spending unnecessarily. As found in chapter two (2.5.1.1, p20) entrepreneurs should only engage in CSR initiatives when profits are in abundance to give away.

As businesses grow more staff are needed to supplement the growth. Entrepreneurs that hired more indicated that profits and growth have increased year on year. Sadly, this measure has been fruitless as both BE and TE entrepreneurs staff size grew at a very comparable size year on year making it difficult to compare. The economic growth has been stagnated year on year, the Rand fall against the Dollar and political

uncertainty had a detrimental effect on small business in South Africa (International Monetary Fund, 2016). This can explain the reason some BE and TE entrepreneurs where unable to accomplish above inflation profits returns. On average data indicated that BE entrepreneurs managed to achieve their goals and objectives in a tough economic climate while some TE entrepreneurs fell victim to the economy.

TE entrepreneurs have performed better than BE entrepreneurs in monetary management. BE entrepreneurs that focus more on their customer needs than profits will ensure their business is more sustainable in the long-term and perform better in terms of growing their business in the long-term. BE entrepreneurs where able to achieve their short-term year on year goals better than TE entrepreneurs, while TE entrepreneurs were still able to achieve growth higher than BE entrepreneur's year on year. In terms of creating employment TE entrepreneurs on average performed slightly better than BE entrepreneurs. Therefore, in terms of the entrepreneur's own management performance, TE entrepreneurs have better management skills than BE entrepreneurs.

b) To examine the difficulties experienced by basic and tertiary educated entrepreneurs in the external environment.

Access to finance is extremely difficult in South Africa. Small businesses usually present weak balance sheets with minimal assets. Education and empowerment around creditworthiness is a core issue which can make or break a small business in accessing any finance from financial institutions. Many entrepreneurs lack financial skills therefore, banks and financial institutes prefer to finance entrepreneurs with tertiary education more over entrepreneurs without or with just a basic education.

TE entrepreneurs perceive that South Africa has sufficient infrastructure in place to support entrepreneurship, while BE entrepreneurs have a slightly less perception of this. Some of the BE and TE entrepreneurs did not believe the current infrastructure is not sufficient. This confirms that South Africa business is not world class and could be better in supporting entrepreneurship.

It is very clear that TE are utilizing business incubators more than BE entrepreneurs. This result was uncanny because business incubators help fill in the gaps of knowledge in finance and management that which some BE entrepreneurs might lack. Business incubators help start-ups save on operational costs because they share their facilities as well as their overhead expenses. Business incubators provide much needed guidance on how entrepreneurs can compete successfully. This may also explain why BE entrepreneurs have difficulties accessing finance because business incubators can refer BE entrepreneurs to angel investors and venture capitalists. BE entrepreneurs will have better luck in securing finance if they have the approval of incubator programmes.

BE and TE entrepreneurs have no confidence in the South African Government. However, this has not stopped them or discouraged them from becoming entrepreneurs. BE and TE entrepreneurs do not have faith in the Government to provide jobs for them therefore they look towards entrepreneurship for jobs. Entrepreneurs in South Africa are vulnerable to political risk. The latest cabinet reshuffling by the president caused two out of three rating agencies to downgrade South Africa to junk status and seen the Rand fall against the Dollar. On average TE entrepreneurs have less confidence in the Government than BE entrepreneurs. This implies that BE entrepreneurs are naïve about the effects politicians can have on the economy and the business. Due to their unconscientiousness, BE entrepreneurs are unable to create and implement contingency plans to the changes of their macro-environment.

It can be established that BE entrepreneurs are more vulnerable to the external macro-environment than TE entrepreneurs

c) To compare the leadership traits of basic and tertiary educated entrepreneurs.

BE and TE entrepreneurs on average preferred using commands and orders to get work done but, not all of them felt the same way. These types of leaders make decisions without consulting their team. This style is effective when things are moving quickly and teams need immediate guidance. This form of leadership is best suited

for crisis situations which will fit well in the current tough economic environment. However, BE entrepreneurs seem to trust their employee more than TE entrepreneurs. This can be attributed to the expertise of their staff which BE entrepreneurs themselves lack. Therefore, BE entrepreneurs perceive that it is pointless using commands and orders to get work done as their staff are highly trained and capable of working on their own and the BE entrepreneurs plays more of a supportive role instead.

In chapter two (2.6.3, p25) research suggested family plays a role in the type of leader the entrepreneur becomes. Entrepreneurs can get their leadership traits from elders in their family. This study found that BE and TE entrepreneurs in the eThekweni Municipality family does not influence the entrepreneur's leadership style but, instead had more of a supporting role in shaping the leadership traits of the entrepreneur.

TE entrepreneurs are more likely to focus on people more than performance. Both TE and BE entrepreneurs believe having a balanced approach would be most suited. Focusing equally on results and people is a potent combination that makes great leaders.

TE entrepreneurs are not the type of leaders that will work on the same level as their subordinates. They draw the line when it comes to work and fun. This means TE entrepreneurs prefer a hierarchical structure. BE entrepreneurs showed preference towards the latter and can be found working on the same level in close knit teams with their subordinates in solving problems while at the same time creating an environment for innovative ideas to thrive.

Work that requires high responsibility and performance is usually done by the leader of the team who is the most competent. On average BE entrepreneurs preferred to delegate work more than TE entrepreneur. Delegation means work is transferred to workers that have the expertise in the field a free up the entrepreneur to focus more on core operations. The reason many TE entrepreneurs are reluctant to delegate is due to their higher education level and longer years of work experience. They perceive that they know best and the most. Therefore, it can be concluded that TE

entrepreneurs hire more unskilled and semi-skilled labours more than BE entrepreneurs. This made no sense because as an entrepreneur you want to hire and recruit the best talent on the market, however a study conducted by (Alvesson & Sullivan, 2015) indicated that educated managers feel threaten to hire staff that are more qualified and have greater knowledge and expertise in the field than the manager.

As a leader, you possess the important skills and attributes which you may want to pass on to your team members. TE and BE entrepreneurs perceive mentorship as very important attribute to leadership when engaging with the team. Being a mentor and a coach means delegating tasks to your subordinates which encourage self-development. TE entrepreneurs are more reluctant then BE to delegate work therefore we can establish that BE entrepreneurs have a better approach to mentoring and coaching their team.

BE entrepreneurs having a leadership approach that is committed to the growth of their subordinates and building community in the organization. BE display great stewardship and uses persuasion rather than control. In chapter two (2.6.2.1, p30) we can conclude that BE entrepreneurs have a servant leader approach to leadership. TE entrepreneurs approach leadership by exercising control and make choices based on their own ideas and judgements, rarely accepting advice from their subordinates. Chapter two (2.6.2.1, p30) indicates that entrepreneurs with these characterises have an autocratic style approach to leadership.

d) To determine the cultural differences in SMME's run by basic and tertiary educated entrepreneurs.

Every organization has a culture even if the entrepreneur never considers it. Leadership and culture complement each other as the culture of the organization is created and shaped by the leader.

BE entrepreneurs created a more family like business culture. BE entrepreneurs valued this culture because they want to feel more connected with their employees in the organization which in turn gives them a sense of belonging and ownership. TE

educated entrepreneurs on average are less likely to adopt such a business culture. In the discussion of objective C (5.3, p87) the results indicated TE entrepreneurs preferred leading their team from a hierarchical approach. This explains the reluctance of TE entrepreneurs to create a family like business culture. Because it will not work in an organization with a hierarchical business structure.

TE entrepreneurs enjoy working in a creative business-like culture more than BE entrepreneurs but, the creativity for TE entrepreneurs must start from the top and be enhanced as the idea moves down the various levels of the organization in a very structured manner. Some BE and TE entrepreneurs do not feel comfortable in a creative business cultures. BE entrepreneurs seemed to be more suited to a culture that is more conforming where tasks and creativity were prioritized on what the business or team was currently doing.

TE entrepreneurs are more likely to create a business culture that is more result orientated. Usually graduates leave college and work as interns in which they must compete with other interns to get a permanent job. In the corporate world companies are very result orientated and competitive. The results in chapter four (4.4.2, p55) indicate that TE entrepreneurs have more work experience than BE entrepreneurs. The longer time spent in the corporate environment where TE entrepreneurs had jobs that were attached to KPI's, KPA's and scorecards shaped TE entrepreneurs to thrive and create a result driven business culture.

TE entrepreneurs manage their SMME's with a business culture that is hierarchical and well structured. Creativity and ideas came from the top-down. This culture is very competitive and result orientated. BE entrepreneurs managed their SMME's with a business culture that is creative. The results in chapter 4 (4.4.1, p54) indicate that BE entrepreneurs are between the age group of 18 to 30 years. A creative business is created by younger generation of leaders and entrepreneurs.

e) To examine the risk propensity of basic and tertiary educated entrepreneurs.

BE entrepreneurs are less confident in their entrepreneurial journey than TE entrepreneurs. BE entrepreneurs are not willing to cut the chord with their previous

employers when they change over careers to become entrepreneurs. TE entrepreneurs seem a bit overconfident, which is well needed for what you plan to pull off as an entrepreneur. TE entrepreneurs have a mentality that if you fail once, then try the second time, and a third, fourth and fifth. BE entrepreneurs lack perseverance and hold on to their bridges of safety.

TE entrepreneurs are less likely to risk using their personal assets as collateral than BE entrepreneurs. However, most financial institutes ask for some sort of collateral usually in the form of real estate, business inventory and equipment. TE entrepreneurs believe in having a balance in terms of debts and collateral. TE entrepreneurs seem the wiser considering the risk of defaulting on a loan which could have harsh consequences not only to the business but on the entrepreneur's personal life. From the literature review we found that entrepreneurs are able to use debt to their favour also called 'good debt' by having a balance of borrowings and assets giving them the financial leverage to exploit opportunities. TE entrepreneurs seem to strike a balance between using their personal assets and debt. This explains why BE entrepreneurs have more problems accessing finance which can spawn from banks having the opinion that these individuals are the riskier entrepreneur's due to a lowbrow difference in risk and financial management.

Results indicate that both BE and TE entrepreneurs are conservative users of debt. This means BE and TE entrepreneurs prefer using equity financing raising capital by selling a share in the business. This explains why in object B in chapter five (5.3, p76) result indicated that TE entrepreneurs are very willing to engage in business incubators. Business incubators are known to introduce entrepreneurs to angel investors.

The lack of access to finance and the sluggish economy in South Africa explains the reason behind BE entrepreneur willing to take more risk on their products and services. Research and development and market testing are costly. BE entrepreneurs do not have these skills, so in most cases they need to outsource to expensive consulting firms. BE entrepreneurs take risks in launching a product or service into the market that has not been researched and tested. They launch the

product/service and hope for the best. TE entrepreneurs that have some sort of a better chance of having some marketing and research knowledge which will cut down their expenses bill. Therefore, TE entrepreneurs are less likely to take product and service risks.

TE entrepreneurs are more willing to risk losing all their assets in their chase for high superior profits. This greed for profits and wealth explains why TE educators are more willing to risk paying bribes than BE entrepreneurs. From chapter two (2.5.1.4, p20) research indicates that profit is the reward for substantial risk taken in business. The higher the risk taken in business, the greater the financial reward. Poor risk-taking decisions such as paying bribes to gain higher profits can cost the entrepreneur dearly. Corruption hurts entrepreneurship in South Africa.

Entrepreneurs need to be transparent and understand that not all risks are worth the rewards as corruption causes an inefficient allocation to resources. BE educated entrepreneurs have an approach to risk and profits on the belief that elevated levels of risks in bribery is not explicitly necessary to generate some elevated levels of profitability. This approach is remarkable for a classification of entrepreneurs with just a basic education.

5.4 Summary

Both the literature review and the field research have proven that differences exist between basic and tertiary educated entrepreneurs. This studies purpose was to dig deeper into those difference by uncovering and explaining the extent to which they differ. These finding can be pivotal to the knowledge of entrepreneurship and for all the stakeholders of entrepreneurship.

This research was set out to probe into the management performance of entrepreneurs. It was found that basic educated entrepreneurs lacked financial intelligence in managing their organizations. Basic educated entrepreneurs were more vulnerable to sudden shifts or changes to the external environment in South Africa. In terms of leadership, the study found basic educated entrepreneurs possessed very similar leadership approach to business as that of servant leaders. Tertiary educated entrepreneurs on the other hand preferred individual control over

all decision making of the organization with very little input from team members. Tertiary educated entrepreneurs possessed a very similar leadership approach to business as that of an autocratic leader. Basic educated entrepreneurs as leaders of their organizations form a more creative culture in the organization. Values are place on team work and development of colleague members. Tertiary educated entrepreneurs as leaders of their organization formed a hierarchical culture in their organization with values that focus on performance, efficiencies, stability, and competitiveness. Basic educated entrepreneurs have a higher risk appetite in their product/service offering and the use of debt. Tertiary educated entrepreneurs have an appetite to risk chasing higher profits margin a 'go big or go home mentality' and to take ethical risks.

The next chapter is going to be a summarization of the study and whether the study met the expected outcome in chapter one. A discussion of the limitation of the study will follow and lastly, recommendations on areas of further research.

Chapter 6: Conclusion and recommendations

6.1 Introduction

This chapter is going to discuss whether the research objectives detailed in chapter one has been achieved. The conceptual model that was identified in chapter one and formulated in chapter three was successfully analysed in chapter four and logical comparisons arising out of its conclusion was presented in chapter five.

This chapter begins with a review of the study objectives that is linked to the findings and presents recommendation. This chapter is also going to discuss some of the limitations of this study that need to be recognized. This will help future studies to avoid making similar mistakes. This section is important as all stakeholders will be able to understand the overall robustness of the comparisons made in chapter 5 and how generalizable those comparisons are to broader populations beyond the target population.

6.2 Reviewing the aim of the study

The aim of this study was to make comparisons between entrepreneurs that have a basic education and those that have a higher tertiary education. Entrepreneurs are creators of SMME's in South Africa. SMME's are responsible for 40% of the employment and 48% of the GDP in South African(BER,2016). Entrepreneurs are important to South Africa because they create a prosperous society, create jobs, and improve our standard of living. Business start-ups fail at an alarming rate of 90% in South Africa. This is the hard truth that initiated this study. Furthermore, research needed to be done from a unique perspective, a perspective that shed light on the effects higher education has on entrepreneurship.

The study suggested that differences existed in the management performance. BE lacked monetary management. BE entrepreneurs are slightly more vulnerable than TE entrepreneurs to changes in the macro-environment. Leadership differences showed BE entrepreneurs have more servant leadership characteristics while TE entrepreneurs have more autocratic style leadership. BE entrepreneurs create business culture in their organization that is creative and TE create a more

hierarchical and controlled culture. Risk differences where BE entrepreneurs were more likely to take risks on personal assets and TE were more likely to take ethical risks. These are the main findings of this study that set BE and TE entrepreneurs apart.

6.3 The potential significance of this research

This research is significant because it deals with the 'one size fits all mentality' that various stakeholders have about entrepreneurs. The research will help all stakeholders provide better services to entrepreneurs based on their education profiles.

The results can be used to review and refine policies related to entrepreneurial activity initiatives. By providing unique services tailored to these entrepreneurs we can close the gaps in any shortcomings in knowledge and experience of entrepreneurs. By filling in these gaps, we are empowering and giving entrepreneurs the tools they need, which can bring down the high failure rate of entrepreneurial start-ups in this country.

DTI can use this research to fine tune their working to design better entrepreneurial support systems. Implications of this work can contribute to further understanding the entrepreneur's knowledge and values in the expectation of company performances in sectors with a key role in regional economic development. In addition, this research made possible the access of interesting data to be processed and enable readers to understand the way an entrepreneur's level of education can influence their leadership style and the business culture they create in their start-ups. Nowadays, government budgets a fair amount of funding on innovative technology companies, and especially in most circumstances are more cultured in turning research funding at universities into real businesses. Understanding the entrepreneurs' character and values will help institutions understand why some have very fast growth while others languish even though they have the same level of technical or management knowledge and how to provide supportive education to eliminate this problem.

6.4 Recommendations emerging from the study

- a) Many entrepreneurs have perfect plans and visions but have poor execution. BE entrepreneurs lacking monetary management skills can be a barrier to their success. This can be overcome by learning how to budget and sticking to it. BE entrepreneurs needed to hire a business manager if feasible and enrol in the various courses available on financial intelligence. The DTI must provide and encourage entrepreneurs to attend free workshops and training seminars. Tertiary education should be subsidized by government for entrepreneurs with limited management knowledge and who were economically disadvantaged. Financial institutions should work together in ensuring that the entrepreneurs also think like an investor and must provide financial assistance to entrepreneurs not just on the advisory level.
- b) Both TE and BE entrepreneurs have experienced extreme difficulties trying to access finance. Even though entrepreneurs have tried bootstrapping and crowdfunding as means to secure finance this was not sufficient to boost their competitiveness. The problem is that eThekweni has a severe shortage of venture capital firms and angel investors compared to Johannesburg and Cape Town. It is recommended that government find ways to enhance the angel network in the eThekweni Municipality. This can be done by providing tax incentive to angels to encourage early stage investment. An innovative system should be established such as online angel investing platforms which connects investors and entrepreneurs.
- c) In the long term, an autocratic leadership can be more damaging than rewarding. This style of leaders makes it hard for entrepreneurs to retain and attract the most talented workers. It is recommended that this style only be used when there is a shortfall of skilled labour and work requires very little margin for error. It is recommended that TE entrepreneurs make their team members feel more valued and trusted in the organization. By mentoring and

delegating the entrepreneur achieves personal satisfaction through supporting the development of others.

- d) It is recommended that TE entrepreneurs increase their level of cultural intelligence (CQ) as this plays a significant role in bridging divides and the knowledge gaps between employees and themselves. A good business culture will help build interpersonal connections and flatten the interpersonal awkwardness in a diverse workforce. A cultural intelligent workforce has the capacity to drive up productivity in the organization due to their ability to bring together diverse resources that helps the business make use of several perspectives that a multicultural workforce brings to the workplace.
- e) It is recommended that BE entrepreneurs implement a strategic product-value management throughout the organization. BE entrepreneurs must adopt a design-for-manufacturability approach where production costs are considered in the design process. Apply continuous improvement principles through value engineering to improve the products long term value.
- f) It is recommended that business schools make the study of ethics a free-standing course or subject instead of being woven throughout the curriculum since and chapter in other core subjects as TE entrepreneurs where more like to engage in corruption.

6.5 Limitations of this study

- a) This study was conducted in the eThekweni Municipality which only considered entrepreneurs within the Durban CBD and Phoenix Industrial Park precinct. This study excluded entrepreneurs from other metropolitan cities namely Johannesburg and Cape Town and therefore cannot be generalized to all entrepreneurs in South Africa. Furthermore, this study left out entrepreneurs operating from the informal sector.
- b) There was a very good response rate to this study, however, an exact population size on the number of entrepreneurs in the eThekweni Municipality could not be determined. In addition, while individual perspectives do form the collective opinion, it is difficult making sound conclusions using the data collected through a self-report questionnaire. Lastly due to the lack of face to face administering of the questionnaire, the researcher was restrained from implementing member checking specially if the questions were understood or not.

6.6 Challenges encountered and overcome in this study

- a) Some entrepreneurs were sceptical and nervous at first to interact with the researcher. This was overcome by providing entrepreneurs with a copy of the ethical clearance letter and a picture of my student card.
- b) Some entrepreneurs that owned micro enterprises did not have access to emails to do an online survey. The survey had to be done telephonically with these entrepreneurs and their responses were manually captured on eSurveyCreator by the researcher.
- c) Lastly, some respondents did not receive my emailed survey as they had spam filtering criteria set on their servers. This was overcome by sending personalized emails to respondents instead of batch emails.

- d) The job of an entrepreneur running his own SMME is extremely time consuming. There is usually no separation between them and their business and they are always working 24/7. With this in mind and a short time frame, face-to-face interviews would be difficult to achieve. This was overcome by selecting a quantitative research approach via an online survey that could be emailed instead of a qualitative approach.

6.6 Recommendations to future studies

- a) Similar studies be undertaken in other cities in South Africa such as Johannesburg and Cape Town to indicate whether similar comparisons are found in those cities. This larger target population will make research result more generalizable to the broader South African population of entrepreneurs.
- b) Through this research process, key respondents can be identified and invited to participate in a qualitative study that will be able to collect rich in-depth data using focus groups and a collection approach. This complementary mixed methods approach allows for more exploration and deeper understanding into the characteristics and values of BE and TE entrepreneurs including sensitive areas of tension and conflict. While a quantitative approach gives us a broad snapshot of finds, a qualitative approach portions offers greater insight.
- c) This study was based on comparisons around the conceptual framework of the researcher. This is not an exhaustive list and can be expanded on in future research.
- d) Future research can be done on the effectiveness of ethics training in educational institutions as an alarming high number of tertiary educated entrepreneurs were willing to risk paying bribes.

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Appendix 1: Introductory Letter

UNIVERSITY OF KWAZULU-NATAL
GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP

Dear Respondent,

MBA Research Project

Researcher: Avikar Ramnarain (0724499996)

Supervisor: Dr. Muhammad Hoque (031-2608690)

Research Office: Ms P Ximba (031-2603587)

I, **Avikar Ramnarain** a MBA student, at the Graduate School of Business and Leadership, of the University of KwaZulu Natal. You are invited to participate in a research project titled “**Level of Education and Entrepreneurship: A Comparison of Basic and Tertiary Educated Entrepreneurs in the eThekweni Municipality**”.

The aim of this study is to:

- a) To compare the management skills between basic and tertiary educated entrepreneurs.
- b) To examine the difficulties experienced by basic and tertiary educated entrepreneurs in the external macro- environment.
- c) To compare the leadership traits of basic and tertiary educated entrepreneurs.
- d) To determine the cultural differences in SMME’s run by basic and tertiary educated entrepreneurs.
- e) To examine the risk propensity of basic and tertiary educated entrepreneurs.

Through your participation I want to understand and compare:

1. Which entrepreneur has better management skills?
2. Which entrepreneurs is more vulnerable to the external macro-environment?
3. What are the different leadership traits between the entrepreneurs based on their level of education, if any?
4. Is there a difference in the business culture created by basic and tertiary educated entrepreneurs?
5. Is there a difference in risk propensity between basic and tertiary educated entrepreneurs?

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this survey/focus group. Confidentiality and anonymity of records identifying you as a participant will be maintained by the Graduate School of Business and Leadership, UKZN.

If you have any questions or concerns about completing the questionnaire or about participating in this study, you may contact me or my supervisor at the numbers listed above.

The survey should take you about **10** minutes to complete. I hope you will take the time to complete this survey.

Sincerely,

Investigator's signature_____

Date_____

Appendix 2: Informed consent letter

UNIVERSITY OF KWAZULU-NATAL

GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP

MBA Research project title: Level of Education and Entrepreneurship: A Comparison of Basic and Tertiary Educated Entrepreneurs in the eThekweni Municipality.

CONSENT

I..... (full names of participant) hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project.

I understand that I am at liberty to withdraw from the project at any time, should I so desire.

SIGNATURE OF PARTICIPANT

DATE

.....

Appendix 3: Self reporting online questionnaire

Informed consent for participation in an academic research study

Level of Education and Entrepreneurship: A Comparison of Basic and Tertiary Educated Entrepreneurs in the eThekweni Municipality.

Dear Respondent

You are invited to participate in an academic research study conducted by Avikar Ramnarain, a Masters student from the Graduate School of Business at the University of KwaZulu-Natal.

The purpose of this study is to determine the differences between basic and tertiary educated entrepreneurs.

In this questionnaire, you are asked to indicate what is true for you, so there is no right or wrong answers. Try not to over-think the questions and answer as rapidly as you can. Please make sure that all questions are answered before submitting.

Please note the following;

1. This study involves an anonymous survey. Your name will not appear in the dissertation and the answers given will be treated as strictly confidential
2. Your participation in this study is important to us. You may however, choose not to participate and you may also stop participating at any time without and adverse consequences.
3. Should you not be able to participate, kindly forward the survey to an individual who is able to assist with the study?
4. Please answer the questions in the survey as completely and honestly as possible. This should not take more than 10 minutes of your time.
5. The results of the study will be used for academic purposes only and may be published in an academic journal. We will provide you with a summary of our findings on request. The collected data will not be

utilised for purposes other than this proposed study without prior consent.

Please contact my supervisor, Dr Muhammad Hoque (Hoque@ukzn.ac.za) if you have any questions or comments regarding the study.

I have read the informed consent letter above and:

(1) Understand the information in the letter; and

(2) Give consent to participate in the study on a voluntary basis.

☐

Yes

☐

No

Section A: The primary research method is in the form of a questionnaire and distributed using an online survey tool.

A. Entrepreneurs Profile

1. Indicate the age group you fall under *

- ☒ 18 - 24 years
- ☐ 25 - 34 years
- ☐ 35 - 39 years
- ☐ 40 - 49 years
- ☐ 50 - 59 years
- ☐ 60+ years

2. Have you studied and completed any of the following? :

- 1. Trade Tested Artisan
- 2. National Diploma
- 3. Bachelor's degree
- 4. Honour's Degree
- 5. Master's Degree
- 6. Post Graduate. Degree

- ☐ yes
- ☐ No

3. How many years of working experience did you have before you became an entrepreneur? *

- ☐ Zero years
- ☐ 5 - 10 years
- ☐ 20+ years
- ☐ 15 - 20 years
- ☐ 10 - 15 years
- ☐ 1 - 5 years

Section B: Objective 1 - The purpose of this section is to compare the management skills between basic and tertiary educated entrepreneurs

B. Objective 1: Business and management skills of the entrepreneur

4. To what extent have you achieved year on year business growth?

	1	2	3	4	5	6	7	8	9	10	
Not at all	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Considerably

5. To what extent have you achieved year on year profits?

	1	2	3	4	5	6	7	8	9	10	
Not at all	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Considerably

6. To what extent has your business participated in corporate social initiatives?

	1	2	3	4	5	6	7	8	9	10	
Not at all	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Considerably

7. To what extent has your number of employees increased year on year?

	1	2	3	4	5	6	7	8	9	10	
Not at all	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Considerably

8. To what extent has your business met its year on year business targets and goals?

	1	2	3	4	5	6	7	8	9	10	
Not at all	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Considerably

9. Has your business growth been higher or lower than inflation year on year (*Inflation is currently at 6.25% StatSA, 2017*)?

	1	2	3	4	5	6	7	8	9	10	
Lower	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Higher

Section C: Objective 2 - The purpose of this section is to compare the difficulties experienced by basic and tertiary educated entrepreneurs in the external macro-environment.

C. Objective 2: Macro-environmental vulnerabilities

10. How difficult was it for you to access finance to start or grow your business?

	1	2	3	4	5	6	7	8	9	10	
Not at all	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Considerably

11. To what extent do you feel business infrastructure is adequate?

	1	2	3	4	5	6	7	8	9	10	
Not at all	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Considerably

12. To what extent do you feel business incubators are beneficial to your business?

	1	2	3	4	5	6	7	8	9	10	
Not at all	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Considerably

13. To what extent is your confidence in the South African Government ability to foster and drive entrepreneurship?

	1	2	3	4	5	6	7	8	9	10	
Not at all	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Considerably

Section D: Objective 3 - The purpose of this sections is to compare the leadership traits of basic and tertiary educated entrepreneurs.

D. Objective 3: Leadership traits

14. How likely are you to use orders and commands to get work done?

	1	2	3	4	5	6	7	8	9	10	
Least likely	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Most likely

15. To what extent did family play a role in becoming an entrepreneur?

	1	2	3	4	5	6	7	8	9	10	
Not at all	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Considerably

16. To what extent are you inclined to focus on people and relationships than performance and results?

	1	2	3	4	5	6	7	8	9	10	
Not at all	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Considerably

17. How inclined are you to work as a team with subordinates on the same level?

	1	2	3	4	5	6	7	8	9	10	
Not at all	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Considerably

18. How inclined are you to delegate work that require high performance and responsibility?

	1	2	3	4	5	6	7	8	9	10	
Not at all	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Considerably

19. To what extent do you desire to be a mentor to your subordinates?

	1	2	3	4	5	6	7	8	9	10	
Not at all	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Considerably

Section E: Objective 4 - The purpose of this sections is to determine the cultural differences in SMME's run by basic and tertiary educated entrepreneurs.

E. Objective 3: Business cultural differences

20. To what extent are you inclined to work in a family-like business culture?

	1	2	3	4	5	6	7	8	9	10	
Not at all	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Considerably

21. To what extent are you inclined to work in a creative and entrepreneurial business culture?

	1	2	3	4	5	6	7	8	9	10	
Not at all	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Considerably

22. How inclined are you to work in a business culture that's competitive and result orientated?

	1	2	3	4	5	6	7	8	9	10	
Not at all	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Considerably

23. How inclined are you to work in a business culture that is hierarchical and controlled?

	1	2	3	4	5	6	7	8	9	10	
Not at all	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Considerably

Section F: Objective 5 - The purpose of this sections is to examine the risk propensity of basic and tertiary educated entrepreneurs.

F. Objective 3: Risk propensity											
24. To what extent will you burn all bridges in your current job to follow your entrepreneurial dream?											
	1	2	3	4	5	6	7	8	9	10	
Least likely	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Most likely
25. To what extent will you use personal assets as collateral to loans?											
	1	2	3	4	5	6	7	8	9	10	
Not at all	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Considerably
26. To what extent will you take product/service risks to save gain market share?											
	1	2	3	4	5	6	7	8	9	10	
Not at all	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Considerably
27. To what extent will you risk using debt to grow or keep your business alive?											
	1	2	3	4	5	6	7	8	9	10	
Not at all	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Considerably
28. How inclined are you to chase after higher profits with higher risks?											
	1	2	3	4	5	6	7	8	9	10	
Not at all	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Considerably
29. To what extent will you risk paying a bribe to gain high profits?											
	1	2	3	4	5	6	7	8	9	10	
Not at all	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Considerably

Appendix 4: Ethical clearance letter



05 June 2017

Mr Avikar Ramnarain (215080728)
Graduate School of Business & Leadership
Westville Campus

Dear Mr Ramnarain,

Protocol reference number: HSS/0627/017M

Project title: Level of education and entrepreneurship: A comparison of basic and tertiary education entrepreneurs in the eThekweni Municipality

Full Approval – Expedited Application

In response to your application received on 24 May 2017, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and FULL APPROVAL for the protocol has been granted.

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.

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

Yours faithfully

Dr Shenuka Singh (Chair)

/ms

Cc Supervisor: Dr Muhammad Hoque and Mfano Mashua
Cc Academic Leader Research: Dr Emmanuel Mutambara
Cc School Administrator: Ms Zarina Bullyraj

Humanities & Social Sciences Research Ethics Committee

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Website: www.ukzn.ac.za



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Appendix 5: Turnitin similarity report

Avikar Dissertation

ORIGINALITY REPORT

7 %

SIMILARITY INDEX

4 %

INTERNET SOURCES

2 %

PUBLICATIONS

4 %

STUDENT PAPERS

PRIMARY SOURCES

FILE	DISSERTATION_TURNITIN.DOCX (246.41K)		
TIME SUBMITTED	20-JUN-2017 10:45PM	WORD COUNT	27151
SUBMISSION ID	826446964	CHARACTER COUNT	149569