



**USING A GROUNDED THEORY APPROACH IN DEVELOPING A TAXONOMY OF  
ENTREPRENEURIAL VENTURES IN SOUTH AFRICA:  
A CASE STUDY OF THE LIMPOPO PROVINCE**

by

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A Thesis

Submitted for the degree

**DOCTOR OF PHILOSOPHY: BUSINESS MANAGEMENT**

in the

Department of Business Management

SCHOOL OF MANAGEMENT SCIENCES

**UNIVERSITY OF VENDA**

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November 2018

## DECLARATION

I, Wellington Chakuzira, hereby declare that this thesis for the Doctor of Philosophy in Business Management (PhDB) submitted to the Department of Business Management at the University of Venda has not been submitted previously for any degree at this or another university. It is original in design and in execution, and all reference material contained therein has been duly acknowledged.

**Student:** ..... **Date:** .....

W. Chakuzira

## ABSTRACT

The questions of what constitutes entrepreneurship and, in turn, who an entrepreneur is, have dominated entrepreneurship discourse in recent times. Over the years, a multiplicity of definitions of entrepreneurship has been proffered. However, most of these definitions to be either Eurocentric or Western-oriented and largely devoid of (South) African socio-economic imperatives. Naturally, the manner in which entrepreneurship in South Africa is conceptualised derives from the former definitions. Furthermore, the classification of entrepreneurship ventures in the country is also problematic. A Eurocentric classification regime is, on the one hand, too simplistic; and, on the other hand, it fails to fully capture the true essence of entrepreneurial activity within the South African economy. It is, therefore, not surprising that entrepreneurship development policies and interventions are not successful in stimulating entrepreneurship. This problem, this study argues, is a result of the lack of localised research aimed at understanding entrepreneurship classification dynamics in South Africa. This constitutes a research gap, which this study seeks to address. It is against this background that the aim of this study is to develop a taxonomy of entrepreneurial ventures in the Limpopo Province of South Africa. To achieve this purpose, which is pre-paradigmatic, the proposed study was designed along the dictates of a qualitatively grounded theory research. This facilitated the application of multiple methods of data collection. The study sampled 5 entrepreneurs in the Limpopo Province who were interviewed using an in-depth format. The value of this work is among the first in seeking to propose a framework (i.e. taxonomy) for classifying entrepreneurship ventures within the South African context. The implication of the study is that it potentially provides policymakers with valuable tools to understand South African entrepreneurship and the channels of intervention for small business ventures.

**Keywords :** *Entrepreneurship, entrepreneurial typologies, entrepreneurial activities*

## DEDICATION

I dedicate this doctoral thesis to my parents

### **BELLINGTON AND EGNESS CHAKUZIRA**

I salute you for your unconditional love,  
support and belief in my abilities and capabilities  
throughout my entire studies.

## ACKNOWLEDGEMENTS

A doctoral study is not possible without the assistance, support and involvement of a number of individuals. Reflecting in gratitude, I would like to acknowledge the following individuals who contributed to the successful completion of this study.

- ❖ **Prof Richard Shambare**, my study force, for his professional guidance and passionate insightful suggestions. Thank you for all your support and willingness to be there for me whenever I needed you. Words are not enough to express my gratitude for your expert advice and dedication to my study. You created an atmosphere which made you more my brother, my mentor and my friend. I am not even scared to share anything with you. Thank you, Prof, you are more than a supervisor to me. Without your unfaltering belief in me from the beginning to the end of this journey, we could not have made it this far. Thank you, certainly, “*munhu haafanirwe kupererwa, tichangoramba tichidzamisa pfungwa.*”
- ❖ **Prof Armstrong Kadyamatimba**, my ‘father’, for all the belief in me from my honours study up to this point. Certainly, no one can break this professional bond, I can now regard you as my professional father. Words alone cannot express my appreciation for all the advice, all the trust and all the support which you have given to me during my entire postgraduate journey. You are my professional father, thank you so much.
- ❖ All the entrepreneurs who participated in this study, all the individuals who assisted in the data collection and fieldwork. Without your inputs this study would not have been possible. My gratitude is immense.
- ❖ **My wife Manuella**, Manu you were a great source of support during the entire period of my studies. Your constant prayers and love carried me through. You kept me going and always motivated me when the times were tough and challenging. I am so thankful you are part of my life and that I can share this accomplishment with you. Once again, I am so grateful to have a place in your life.
- ❖ **Each and every colleague and friend**, to mention a few, Gift Donga, Yvonne Karasi (tete), Knowledge Shumba, Simbarashe Kativhu, Collen Ngadhi, Blessing Mukuruva, Ranganai Chidembo, thank you for your positive thoughts, moral support, understanding and sharing. Thank you to each one of you who was a pillar towards the success of this study. Your prayers and willingness to lend an ear will forever be appreciated.

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## **CHAPTER ONE**

### **INTRODUCTION AND BACKGROUND TO THE STUDY**

#### **1.1. CHAPTER OVERVIEW**

The chapter introduces the research by outlining the background to the study in terms of a brief literature review, the research gap that was identified in the body of knowledge, and the formulation of the research problem and question. Thereafter, the methodology used to answer the research question is briefly discussed. Following on, the chapter closes by presenting a synopsis of the structure which the thesis is going to follow.

#### **1.2. INTRODUCTION**

Entrepreneurship development is a topical issue in the wider entrepreneurship discipline. The main question being: Can countries achieve economic growth by means of programmes which encourage entrepreneurship? Despite this question and all the irregularities, many countries (such as South Africa) seem to have adopted varied approaches that provide for an entrepreneurial culture (Chivasa, 2014). However, as noted by Nusair (2014), programmes towards entrepreneurship development have slight differences, but are common among most nations. Similar issues have been trending among countries, these include: encompassing entrepreneurship in the national action plan, creation of business councils and departments, launching of entrepreneurs' annual awards, addressing issues of registration and launching of businesses, financing of businesses, labour laws and tax exemptions, entrepreneurship education, networking and effective policies (Rogerson, 2016).

Since 1994, the economic development narrative in South Africa has revolved around small business and entrepreneurship development (Preisendoerfer, Bitz & Bezuidenhout, 2014). From this, two issues take centre stage, both in policy circles and within academic literature (Bonga, 2014; Karodia, Soni & Cassim, 2014; Rogerson, 2016). Firstly, there is question regarding which strategies best support entrepreneurs (Acs & Szerb, 2007; Adeoye, 2015; Rogerson, 2016). Secondly, the creation of an environment that promotes and encourages entrepreneurship activities is also a topical issue (Al-Mubaraki & Busler, 2013). Considering the above questions, the South African government, through the National Development Plan (NDP), committed itself to

supporting entrepreneurship. Given this national strategic priority, it was, therefore, reasonable to expect an explosive growth of not only entrepreneurs, but also entrepreneurial activities within the country. Unfortunately, this is not the case (Singer, Amoros & Arreola, 2015a).

Paradoxically, the latest statistics reveal that South Africa has one of the lowest levels of Total Entrepreneurial Activity (TEA) in the world (GEM, 2015). South Africa features a TEA rate of seven per cent and an established business ownership rate of about three per cent. Comparably, other African countries' averages are 26 and 13 per cent for TEA and established business ownership, respectively (Singer et al., 2015a). Closer inspection of the causes and nature of this problem revealed that there is a general neglect by African policymakers to carefully study entrepreneurship dynamics within their economies. To illustrate, Singer et al. (2015) observed that numerous developing nations, including South Africa, ignore the basic principles of entrepreneurial development such as collecting data on entrepreneurship trends within their economies.

More disconcerting is the fact that within these countries, there are no proper standards to define, explain, and measure entrepreneurial activity. Hence, such a paucity means that many African countries end up adopting international entrepreneurship policies and standards to regulate entrepreneurship. A vast majority of these policies are not entirely applicable to the African context. In other words, these policies fail to account for and address lived experiences and actual problems faced by African entrepreneurs. For this reason, it would be opportune for this study to concern itself with the determination of appropriate definitions and classification of entrepreneurial activities in South Africa (Audretsch & Thurik, 2001; Erikson, 2001; Kunkel, 2001; Shane, 2009).

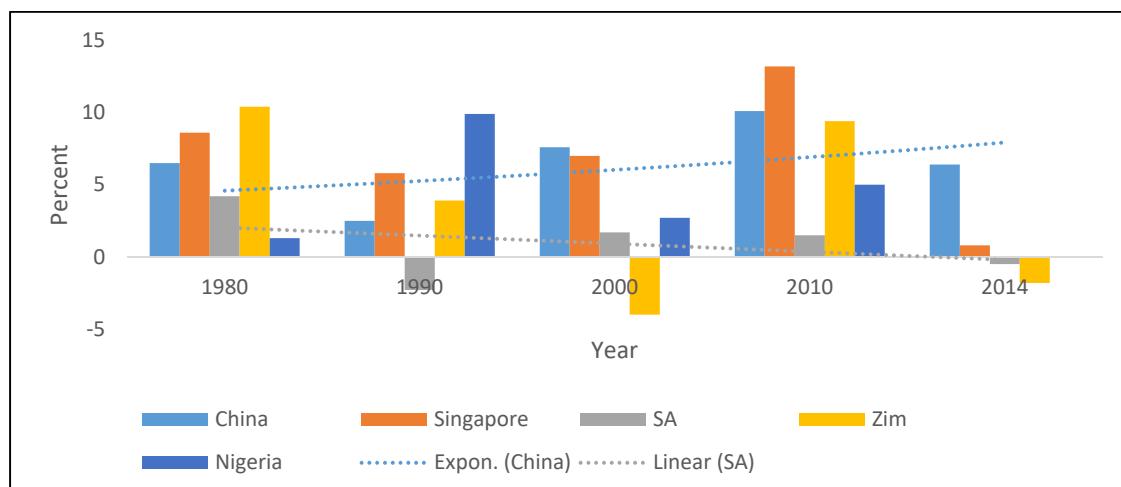
### **1.3. BACKGROUND TO THE STUDY**

The power of entrepreneurship as a catalyst for economic growth is best exemplified by the Asian Tigers (Liu, 2012). Within the last four decades, a strategic realignment of economic policies to develop small businesses and entrepreneurship in China (Liu, 2012), Singapore (Baig, 2007), South Korea (Baig, 2007) and Malaysia (Hassan, 2007) for instance, have helped to sustain rapid economic growth. Entrepreneurship, thus, catapulted these economies from developing countries to middle-income countries<sup>1</sup> within a short space of time (Acs & Szerb, 2007). For example, as

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<sup>1</sup> World Bank defines them as nations with per capita gross national income in 2012 between \$1.036 and \$12.615.

shown in Figure 1.1, China's Gross Domestic Product (GDP) shows a positive growth trend in the period from 1980 to 2014.



**Figure 1.1:** GDP Comparisons between Countries

**Source:** Researcher's own construct

Having witnessed such economic growth, as stimulated by entrepreneurship, numerous sub-Saharan African countries have since adopted entrepreneurship policies. Examples are Zimbabwe's Indigenisation Policy (Chivasa, 2014) and the Black Economic Empowerment (BEE) (Singer et al., 2015a) in South Africa. Suffice to say, the African entrepreneurship boom has failed to materialise (Gwija, Eresia-Eke & Iwu, 2014). For instance, in the same period (1980 to 2014), South Africa recorded a negative GDP growth. Even if we are to compare Singapore and Zimbabwe, the same trend is evident; hence, raising the question: How did the Asian Tigers use entrepreneurship as a developmental tool?

Particularly for South Africa, despite its massive investment in entrepreneurial support infrastructure, the country is characterised by low TEA levels, high unemployment and growing poverty levels (Gwija et al., 2014). Such a scenario begs the question: How is it that entrepreneurship transformed South-east Asia into an economic powerhouse, but seemingly is less effective in Africa? To attempt to answer this question, this study will turn to the entrepreneurship literature. In particular to notable contributors to discipline ranging from Audretsch and Thurik (2001) through Acs and Szerb (2007) to Shane (2009). These latter authors

revealed that entrepreneurship policies are key to the creation of not only a thriving entrepreneurial sector, but also to economic growth.

At the same time, the latter authors cautioned that while the introduction of entrepreneurship policies is an imperative for economic growth, not just any policy will result in improved economic outcomes (Karodia et al., 2014). Entrepreneurship policy consistency is needed. To this regard, policy consistency simply refers to policy formulation, as well as policy implementation that is in line and informed by an economy's socio-economic factors (Rogerson, 2016). At a practical level, entrepreneurship policy consistency is a function of three basic elements:

- 1) ***Entrepreneurship policies should be relevant:*** Policies should strive to address the specific needs of both the entrepreneurs and the economy.
- 2) ***Entrepreneurship policies need to be realistic:*** In order to be effective, policies need to accurately diagnose the current entrepreneurial situation as well as to provide appropriate and adequate resources to achieve desired goals.
- 3) ***Commitment and fairness:*** This is important, since entrepreneurship policies often make provisions for financial and non-financial support mechanisms. These support structures must be fairly distributed to deserving recipients; and not used for political purposes. In addition, governments should be committed to see through the policy imperatives.

From the foregoing, authors such as Rogerson (2016) seem to argue that entrepreneurship policies ought to be home-grown and context specific. Thus, transplanting 'a perfect policy' from one country will not necessarily guarantee success in another country. The practice of transplanting policies seems to have been the cause of policy inconsistencies in many African countries. Policies such as the current Public Finance Management Act (PFMA) in South Africa, are not properly crafted to facilitate entrepreneurship and innovation since a number government departments are limiting the potential pool of support for enterprises (Karodia et al., 2014). The policy is simply an improvement or an adjustment of the (PFMA) crafted during the apartheid era, showing the need for policies to focus on local solutions to local challenges.

Furthermore, it would also appear that a vast majority of African policymakers (including those in South Africa) lack the general understanding of the local entrepreneurial environment (Turton &

Herrington, 2013). For instance, governments, on the one hand claim to be in support of entrepreneurial activities, (notable examples are the Black Economic Empowerment Act, No 53 of 2003 (BEE) in South Africa and the Indigenisation and Economic Empowerment Act, No 17 of 2007 (IEE) in Zimbabwe). However, at the same time, these governments engage in arresting traders and vendors. This is an example of policy inconsistency widespread in many African countries, and the government of Zimbabwe is battling to get a footing for its economic blueprint, Zimbabwe Agenda for Sustainable Socio-Economic Transformation (Zim Asset) (Bonga, 2014).

#### **1.4. RESEARCH GAP AND FORMULATION OF THE RESEARCH PROBLEM**

Although South African policymakers are aware that there is no universally accepted definition of entrepreneurship, this important gap is not given the key policy interest in entrepreneurial phenomena (Rogerson, 2016; Singer et al., 2015). This study, therefore, will consider the existence of policy inconsistency to be a situation requiring further inquiry. For instance, incidents of policy inconsistencies cited above (such as arresting of traders and vendors) hamper the entrepreneurship development agenda. More disconcerting is the fact that within South Africa, there are no proper standards to define, explain, and measure entrepreneurial activity. Hence, such a paucity means that South Africa ends up adopting international entrepreneurship policies and standards to regulate entrepreneurship. A vast majority of these policies are not entirely applicable to the South African context. In other words, these policies fail to account for and address lived experiences and actual problems faced by South African entrepreneurs.

Indeed, failure of the economic boom in South Africa may be pinned to other general problems such as lack of entrepreneurial skills, lack of entrepreneurial intentions, problems in entrepreneurial education systems, among others. However, policy inconsistency, this study will argue, is evidence of a much deeper underlying problem. This study will argue that the lack of a clear conceptualisation of entrepreneurship is in fact the real problem that needs further inquiry. As such, this study will attempt to provide a thorough description of the entrepreneurial landscape from a South African perspective. More specifically, the study will endeavour to relook at contemporary South African entrepreneurship dynamics with a view to redefine and reconceptualise entrepreneurship in such a manner as to:

- 1) Formulate a theoretical framework for continued research, and
- 2) Provide policymakers with a basis for formulating appropriate entrepreneurship development policies.

#### **1.4.1. Research Problem**

From the two above-mentioned gaps identified, the research problem is:

*Despite much government effort towards the development of entrepreneurship in South Africa, there is still a gap between policy formulation and policy implementation. More worrisome is the fact that within South Africa, there are no proper standards to define, explain, and measure entrepreneurial activity. Hence, such a paucity means that South Africa, like any other developing nation, ends up adopting international entrepreneurship policies and standards to regulate entrepreneurship. A vast majority of these policies are not entirely applicable to the South African context. In other words, these policies fail to account for and address lived experiences and actual problems faced by South African entrepreneurs. More often than not, this problem emanates from failure to classify or define entrepreneurship and entrepreneurial activities in the South African context.*

#### **1.4.2. Aim of the Study and Objectives**

The aim of this study is to develop a new taxonomy of entrepreneurial ventures in the Limpopo Province of South Africa that is reflective of the local socio-economic imperatives.

The specific objectives of the study are:

1. *To propose a framework for classifying entrepreneurial ventures in the Limpopo Province of South Africa.*
2. *To identify actionable strategies that stimulate entrepreneurship development in the Limpopo Province of South Africa.*

### 1.4.3. Research Questions

The following questions will be addressed in this research:

**RQ1:** *What constitutes entrepreneurial activities in the Limpopo Province of South Africa?*

**RQ2:** *How can entrepreneurs be more efficiently classified and categorised to better reflect the South African entrepreneurship dynamics, given the current entrepreneurial environment?*

**RQ3:** *How can the government stimulate entrepreneurship development across the emergent entrepreneurship typologies?*

## 1.5. JUSTIFICATION AND CONTRIBUTION OF THE STUDY

Despite entrepreneurial initiatives both in pre- and post-colonial eras for most of the developing nations in Africa, most entrepreneurs remained in the early stages of business development. Some of the entrepreneurs' start-ups are downsizing, while others are closing shop (Chivasa, 2014). Some writers attribute the stunted growth of entrepreneurship to economic crises (Davidsson, 1989). However, other reasons for such failures might fall to entrepreneurship misconceptualisation by educators, policymakers, and corporate and venture capitalists. Therefore, a distinct set of data should be collected aimed at identifying the independent characteristics of entrepreneurs. A clear identification of entrepreneurial typologies will help:

1. Entrepreneurship educators to clearly understand the nature of entrepreneurial typologies and activities in their country, such that prospective entrepreneurs will place themselves and define themselves more accurately in relation to their entrepreneurial intentions.
2. Entrepreneurship policymakers will clearly identify the nation's entrepreneurial types and easily set a criterion which will be implicitly be used to make decisions affecting each identified type of an entrepreneur. This will enhance self-awareness and future progress, as well as action by policymakers.
3. Young entrepreneurs to identify the competencies required by each type of entrepreneurship such, that they will conceptualise the professional application of each type of entrepreneurship.

4. Corporate venture capitalists to identify the key elements that allow the actors of a given type of entrepreneurship, hence enhancing the selection or building of a more consistent organisational context based on the characteristics of their entrepreneurial identity.

## **1.6. CONTRIBUTION TO THE BODY OF KNOWLEDGE**

Theoretically, this study will offer an alternative lens to view entrepreneurial classifications by developing a new taxonomy. Most studies in Africa (Adeoye, 2015; Alagbaoso, Myres & Teresa, 2014; Al-Mubaraki & Busler, 2013; Chivasa, 2014; Gwija et al., 2014; Nusair, 2014) have overlooked taxonomical issues in understanding the nature of entrepreneurship locally. However, studies, such as the one postulated by Kunkel (2001), focused mainly on the classification of entrepreneurship based on Western definitions and entrepreneurial activities.

The study will also respond to calls from previous studies on entrepreneurship to propose a framework for classifying entrepreneurial ventures and the identification of actionable strategies that stimulate entrepreneurship development for African nations. Therefore, by proposing a taxonomy for entrepreneurial activities, the study is expected to break new ground about the circumstances under which entrepreneurial ventures will be classified in the local context.

## **1.7. DELIMITATION OF THE STUDY**

The study will be delimited to entrepreneurship ventures in the Limpopo Province.

## **1.8. DEFINITION OF KEY TERMS**

This study involves a number of key concepts namely entrepreneur, entrepreneurship, policy and entrepreneurship policy.

**Entrepreneur** : Refers to a person who sees an opportunity in the market, and gathers resources and creates and grows a business venture to satisfy these needs. He/she takes the risk of the venture and is rewarded with profit if it succeeds (Moos, 2015:108).

**Entrepreneurship** : Entrepreneurship is the emergence and growth of new business.

Entrepreneurship is also the process that causes change in the economic system through innovations of individuals who respond to opportunities in the market (Nieman & Nieuwenhuizen, 2015).

**Entrepreneurial Taxonomy** : This can be viewed as a systematic categorisation of entrepreneurs based on their distinguishing characteristics (Woo, Cooper & Dunkelberg, 1991).

**Entrepreneurship Policy** : It encompasses those measures that intend to directly influence the levels of entrepreneurial activity in a country or region and the consequences of that action for society (Stevenson, 2007).

**Grounded Theory** : It is defined as, theory derived from data that has been systematically collected and analysed using the iterative process of considering and comparing earlier literature, it is data and the emerging theory (Neergaard & Ulhøi, 2007).

## 1.9. CONCEPTUAL FRAMEWORK

In order to investigate and attempt to resolve the research problem, the conceptual framework consolidating the study's research questions is discussed in detail in Chapter 3.

## 1.10. RESEARCH METHODOLOGY

The section on methodology will discuss the research paradigm, research design, and the target population, sampling approach and how the study analysed data.

### 1.10.1. Research Paradigm

Research paradigms are basic belief systems or worldviews that guide researchers' inquiry (Creswell & Zhang, 2009; Guba & Lincoln, 1994; Healy & Perry, 2000). Creswell (2012) identified four main philosophical worldviews used in social research, namely: (1) postpositive, (2) social construction, (3) advocacy/ participatory and (4) pragmatic, as depicted in Table 1.1.

**Table 1.1:** The Four Paradigms

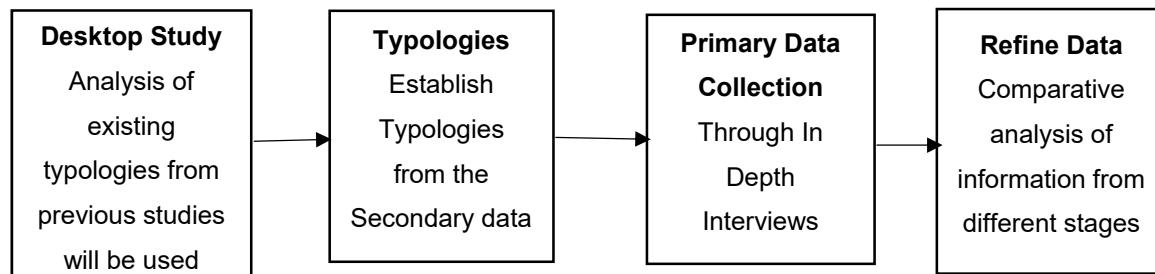
Post positivist	Advocacy/Participatory	Constructivism	Pragmatism
Determination	Political	Understanding	Consequences of actions
Reductionism	Empowerment issue-oriented	Multiple participant meanings	Problem-Centred
Empirical	Collaborative	Social historical construction	Pluralistic
Observation and Measurement	Change oriented	Theory Generation	Real-world Practice oriented
Theory verification			

**Source:** Creswell (2009)

For the purpose of this study, the constructivist paradigm will be used since it involves an understanding of multiple participant meanings and it will allow for theory generation as shown in Table 1.1. Thus, as postulated by Neergaard and Ulhøi (2007), social constructivism entails a relativistic ontology and a subjectivist epistemology. An ontological position refers to the researcher's relationship with the reality of his study, and a realist ontology is objective (Creswell, 2009). On the other hand, subjectivist epistemology is a theory of knowledge, and how it is achieved, such that knowledge about the world is gained through self-analysis (Neergaard & Ulhøi, 2007). Therefore, social constructivism will also allow the researcher to drive meaning constructed by individual entrepreneurs as well as exploring the taxonomical issues of entrepreneurial ventures in the Limpopo Province of South Africa.

## 1.11. RESEARCH DESIGN

Given the “what?” and “how?” research questions, this study employs the grounded theory research design (Wiid & Diggines, 2010). Grounded theory facilitates theory-building from data (Neergaard & Ulhøi, 2007) which in this case, permits the reconceptualisation and reclassification of entrepreneurship in South Africa. The research design, as shown in Figure 1.2, was guided by the following steps: (1) a desktop study, (2) typology construction, (3) primary data collection, and (4) theory building.



**Figure 1.2:** Summary of the methodology

**Source:** Researcher's own construct

### 1.11.1. Justification of Grounded Theory Research Design

This research explored the taxonomical and definitional issues of entrepreneurial ventures in the Limpopo Province. Detailed analyses of data from different entrepreneurs in Limpopo were explored to develop a new theory which helps in conceptualising entrepreneurial classifications and the definition of entrepreneurship in the South African environment.

In light of the “what?” and “how?” research questions pertaining to this study, a qualitative research methodology through the grounded theory is appropriate (Guba & Lincoln, 1994), and was adopted. For this study, a grounded theory approach is useful as it enables a multimethod approach of collecting data such as observations, interviews, and focus group discussions (Neergaard & Ulhøi, 2007). This is particularly important for a study such as this one which seeks to explore complex social issues that are preparadigmatic (e.g. the taxonomical issues of entrepreneurial ventures in the Limpopo Province) (Wiid & Diggines, 2010).

## 1.12. TARGET POPULATION

The population for this study includes policymakers and entrepreneurs in the Limpopo Province.

### 1.12.1. Sampling Approach

Purposive sampling techniques were used for the study. Participants should have met the following criteria:

**Table 1.2:** Sampling Summary

Sampling cohort	Reason for inclusion in the sample	Criteria for inclusion	Minimum number
Entrepreneurs	Raw data openly identifies what constitute entrepreneurship and different entrepreneurial typologies will be extracted from the entrepreneurs.	Time and cost associated with collecting the information from large scale, small, medium and micro entrepreneurs.	In-depth interview discussion for each of the following: 1. Typical start-ups 2. Small entrepreneurs 3. Medium entrepreneurs 4. Micro entrepreneurs

**Source:** Researcher's own construct

### 1.13. DATA COLLECTION INSTRUMENT

An interview guide was designed which was used in the in-depth interview discussed in the research design. In total, the interview guide will comprise three sections guided by the three research questions of the study - defining entrepreneurship, classification of entrepreneurship, and government support (see Appendix 1).

### 1.14. DATA ANALYSIS

Data from the respondents was analysed using framework analysis as described in the following steps.

#### 1.14.1. Constant Comparison and Open Coding

The first step in data analysis involved the generation of various categories by the constant comparison of data through a procedure known as open coding (Åge, 2011).

#### 1.14.2. Building Categories

In continuation of the above procedure of constant comparison, the researcher established core entrepreneurial typologies based on the activities proffered by the participants (Neergaard & Ulhøi,

2007), which is a category that holds all other categories together. When the core typology had emerged, the researcher undertook the process of selective coding (Heath & Cowley, 2004). Selective coding allowed the researcher to compare incoming data to the core typologies in a more precise manner than when the categories were first established (Neergaard & Ulhøi, 2007). In this process of selective coding, only variables related to the core typologies were considered in order to generate improved typologies.

#### **1.14.3. Construction of Taxonomies**

Finally, the improved typologies were compared to concepts in order to build a new taxonomy. The way in which the various categories are related, was considered under a process of theoretical coding which was facilitated by the writing down of theoretical memos (Heath & Cowley, 2004) that elaborate on the theoretical codes. Theoretical memos represent immediate notations of emerging entrepreneurial taxonomies and how they interrelate with core typologies. The memos facilitated the identification of a new entrepreneurial taxonomy which was then classified into a theoretical outline. The collection phase concludes with theoretical writing (Åge, 2011). This saw all the details of the substantive theory (new entrepreneurial taxonomy) being brought together in an overall conceptual description that was then weaved into the existing literature on the subject of entrepreneurship.

#### **1.15. ETHICAL CONSIDERATION**

To protect research participants from any potential negative impact arising from this study, the study followed the regulations and guidelines stipulated by the University of Venda Research Ethics Committee. To maintain high ethical standards, the following measures were adhered to:

- I. Informed consent – all respondents and participants were notified of the nature of their participation in the research beforehand. Research assistants explained to all participants exactly what they were expected to do, as well as their rights as research participants, including the right to withdraw from participation at any stage of the research. After this, all respondents' consent was sought and secured prior to commencement of any interview.
- II. Right to privacy – the identities of respondents and their opinions were treated confidentially. Participants were reminded not to provide details about their identities and any other information that might suggest their identities (such as names or addresses).

- III. Dignity - the dignity and character of all stakeholders were upheld; participants were not subjected to embarrassing behaviour.
- IV. Honesty – findings of the study were reported honestly even when results turned out to be unfavourable or different from the researcher's expectations. Moreover, works other than the researcher's were appropriately cited.

## 1.16. SUMMARY AND CHAPTER OUTLINE

This proposal introduced the general problems faced by policymakers and entrepreneurs in conceptualising and categorising entrepreneurs. Accordingly, the thesis chapters were structured as follows:

**Chapter 1: Introduction** - This chapter provides a general overview of the study in terms of an introduction, motivation, rationale and contribution of the study. Background to the study, research problem and research question and the objectives of the study are presented.

**Chapter 2: Review on Entrepreneurship Development** - This chapter provides a literature review on issues of entrepreneurship development globally and within the context of South Africa.

**Chapter 3: Review on different Typologies** - This chapter provides a literature review on the past typologies in different nations and forms the basis of the desktop study as postulated in the research design of the methodology.

**Chapter 4: Methodology** - Consistent with the conceptual framework to be developed in Chapter 3, this chapter provides a description of the suitable research methodology to address the research question, objectives and hypothesis. Justification of such is proffered by evaluating alternative research designs and methodologies, thus pronouncing the selected methodology as being most appropriate to answer the research questions and problem. Ethical issues, reliability and validity are also discussed in this chapter.

**Chapter 5 and 6: Analysis and Results** - The collected data is analysed in these chapters. The research utilised a qualitative method, therefore thematic analyses and theory building constitute the contents of this chapter.

**Chapter 7: Conclusions and Recommendations** - This is the final chapter of this thesis. The research conclusion with a detailed discussion of the implications of the study is provided. Furthermore, limitations of the study are presented in this chapter. Conclusions and recommendations are also presented within the policy and practical implication.

### **1.17. CONCLUSION**

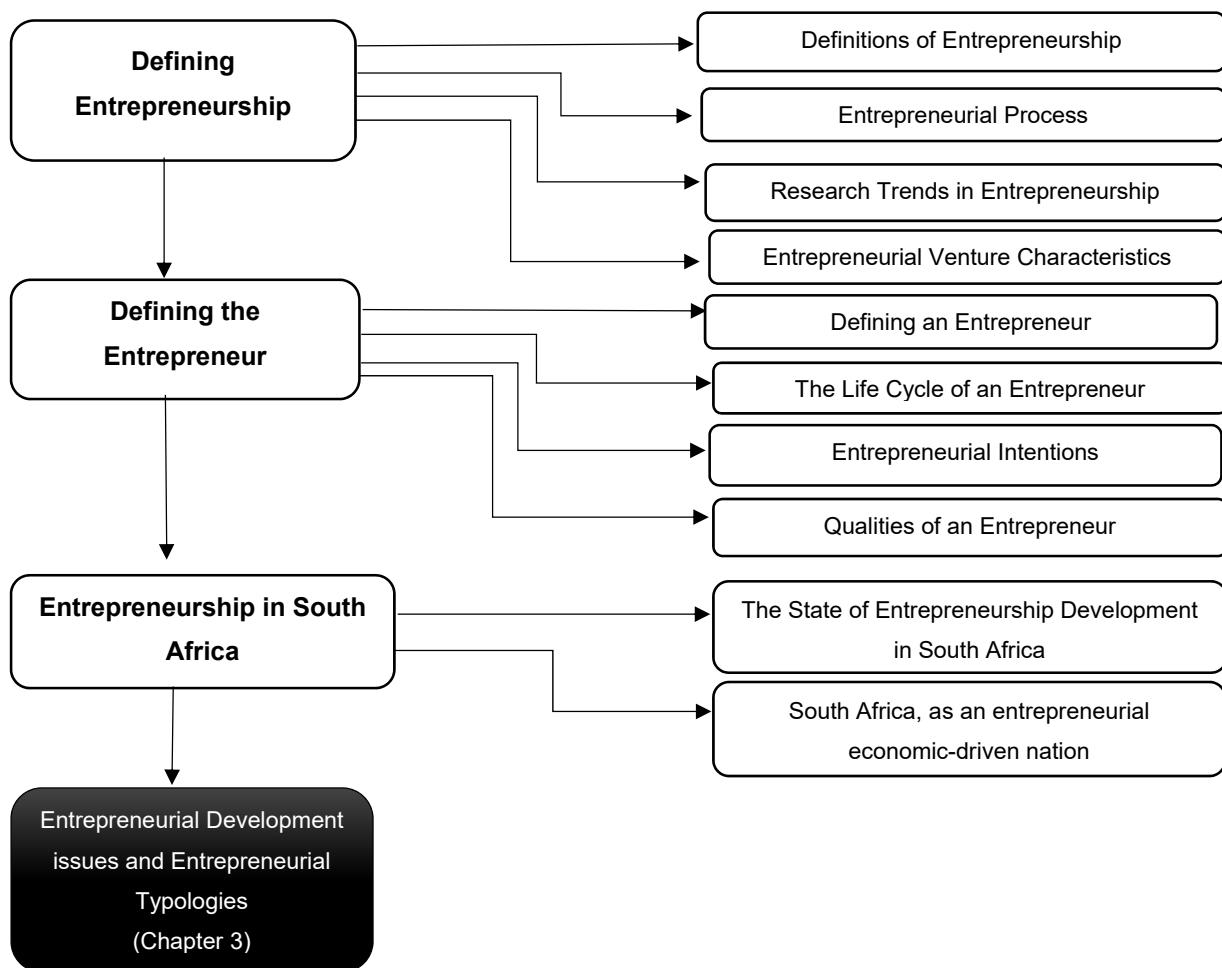
Chapter 1 has laid the foundation for the study. The research problem, research question and research aims were introduced in this chapter. In addition, justification for undertaking the research and definitions of key terms as they pertain to this study have also been presented. Finally, the research design and methodology, ethics and research constraints were explained. Against this premise, the report proceeds with a detailed description of the research, beginning by reviewing the literature as it pertains to entrepreneurial definitions in Chapter 2.

## CHAPTER TWO

### REVISITING ENTREPRENEURSHIP

#### 2.1. CHAPTER OVERVIEW

Following on from the introduction and background discussed in the previous chapter, this chapter provides insights into the concepts of entrepreneur, entrepreneurship, and entrepreneurship policies. Various definitions proffered by previous authors pertaining to the entrepreneur, entrepreneurship and entrepreneurship policy are discussed. Chapter 1 highlighted that most of the developing nation's lack of localised research aimed at understanding local entrepreneurship dynamics. To that end, this study sought to address this gap within the South African context; consequently, special emphasis is placed on how entrepreneurship could better be defined within the South African context. From these definitions the task of classifying entrepreneurs into typologies presents itself. So as not to clutter the literature review, the question of typologies and classifications is continued in Chapter 3. Figure 2.1 outlines the sequence of the rest of the chapter.



**Figure 2.1:** Literature Review Process

**Source:** Researcher's own construct

## 2.2. INTRODUCTION

Acknowledging the positive role which entrepreneurship plays in economies, has changed dramatically since the 1960s. Such trends in entrepreneurship discourse have seen many governments implementing policies aimed at fostering entrepreneurial activities in their countries (Dollinger, 2008; Frederick, Kuratko & Hodgetts, 2006; Hatten, 2015; Hébert & Link, 1989). An understanding which makes it important for government to conceptualise the definitions, characteristics of an entrepreneur, and in turn the entrepreneurial venture characteristics are required.

More so, government policies shape institutional structures for entrepreneurial action, encouraging some activities and discouraging others (Hatten, 2015). Unfortunately, the majority of such policies in developing countries have only come up with evidence of policy inconsistencies (Moos, 2014). As previously discussed, such inconsistencies may be caused by misconceptualisation of the definitions of an entrepreneur and entrepreneurship. Therefore, in this chapter, literature on the definitions of an entrepreneur, entrepreneurship and entrepreneurship policies is reviewed. More importantly, the chapter concentrates on clarifying the definitions and characteristics of these key terms.

### **2.3. REVISITING THE DEFINITION OF ENTREPRENEURSHIP**

Contemporary writers such as Barringer (2012), Dollinger (2008), Frederick et al. (2006), Hatten (2015), Kearney, Hisrich and Roche (2010) and Moos (2014) have presented a wide range of definitions of the term entrepreneurship. Within these works, typical questions that entrepreneurship researchers probe include:

1. *What characterises entrepreneurship?*
2. *What differentiates entrepreneurship from other tools used by various countries for enhancing economic development?*
3. *How can entrepreneurship be defined?*

Despite failure by numerous authors to address these three questions, this section of the review reflects on the notion of defining entrepreneurship. Background information on the various meanings of the term entrepreneurship, together with a discussion on the views by pioneers who dealt with this subject, forms the main contents of this section. Table 2.1 illustrates definitions of the concept entrepreneurship.

Considering the aspect of innovation as evidenced in almost every definition displayed in Table 2.1 (Dollinger, 2008; Venter, Urban & Rwigema, 2008), entrepreneurship may now be viewed as what happens at the node of history and technology (Spinelli, 2012). Such history accounts for further perceptions in the understanding of entrepreneurship displayed in some definitions in Table 2.1. Firstly, is the standard of technical knowledge as described in Spinelli (2012) which defines codified language and knowledge. Secondly, the technology opportunity set as in the definitions of Barringer (2012) and Kearney et al. (2010) explains all the opportunities that are unexploited.

Therefore, as postulated in more recent literature in entrepreneurship, investments in new information increase the technology opportunity set, and broadens the ability for prospective entrepreneurs to gaze into the future (Hatten, 2015; Spinelli, 2012). Consequently, a more refined definition of entrepreneurship by Nieman and Nieuwenhuizen (2015) reflects all the elements, both historical and contemporary issues, on the definition of entrepreneurship (see Table 2.1).

Indeed, as displayed in Table 2.1, contemporary writers in management and business have presented a wide range of entrepreneurship definitions. However, it is important to understand that many of the views of leading traditional authors remain true. Traditional authors such as Cantillon (1755), Carland, Hoy, Boulton & Carland (1984), Drucker (1998), Hébert & Link (1989), Say (1815), Schumpeter (1954), Schwartz (1982) and Stevenson (1983) offer traditional variations on the theme and entrepreneurship definitions presented in Table 2.1.

**Table 2.1:** Contemporary Definitions of Entrepreneurship

Reference	Definition
Timmons and Spinelli (2004)	Entrepreneurship is a way of thinking, reasoning and acting that is opportunity obsessed, holistic in approach and leadership balanced for the purpose of value creation and capture
Frederick et al. (2006)	Entrepreneurship is a process of innovation and new venture creation through four major dimensions –individual, organisational, environmental, process- that is aided by collaborative networks in government, education and institutions
Dollinger (2008)	Entrepreneurship is the creation of innovative economic organisation (or network of organisations) for the purpose of gain or growth under conditions of risk and uncertainty
Venter et al. (2008)	Entrepreneurship is the process of conceptualising, organising, launching and- through innovation- nurturing a business opportunity into a potentially high growth venture in a complex, unstable environment
Nieman and Nieuwenhuizen (2015)	Entrepreneurship is the emergence and growth of new business. Entrepreneurship is also the process that causes change in the economic system through innovations of individuals who respond to opportunities in the market
Kearney et al. (2010)	Entrepreneurship is the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic and social risk and uncertainties and receiving the resultant rewards of monetary and personal satisfaction
Barringer (2012)	Entrepreneurship is a process by which individuals pursue opportunities without regard to resources they currently control
Spinelli (2012)	Entrepreneurship is defined as a broader, holistic way of thinking, reasoning and acting that is opportunity obsessed and leadership balanced
Hatten (2015)	Entrepreneurship refers to the emergence and growth of a new business

**Source:** Adapted from Moos (2014)

### 2.3.1. Trends in Entrepreneurship Research

The concept of entrepreneurship first postulated by Cantillon (1755), emanated from a venture capital and economic perspective around 1700. Early works by Cantillon (1755) recognised three classes of economic agents:

- 1) Landowners, who are financially independent.
- 2) Entrepreneurs, who engage in market exchanges at their own risk in order to make a profit.
- 3) Hirelings, who avoid active decision-making in order to secure contractual guarantees of stable income for example-fixed wage contracts.

Although Cantillon (1755) ostensibly placed the landowner at the top of the economic hierarchy, a close examination of his work reveals the entrepreneur as the central economic actor (Hébert & Link, 1989). In light of Cantillon (1755), works of Schumpeter (1954) also unveiled the concept of an entrepreneur against the backdrop of economic development. Therefore, the notion of the entrepreneur in that period (1700-1950) is extremely important towards a proper understanding of the concept in economic analysis (see Table 2.2) (Hébert & Link, 1989). The economic viewpoint postulated by Cantillon (1755), Say (1815) and Schumpeter (1954) is still progressing, although it lost its leadership to the behaviourist perspective in the 1950s. Scholars debated the concept of behavioural entrepreneurship on two perspectives (De Vries, 1977; McClelland, 1965) . A historic standard definition of entrepreneurship in this era (1960-1980) (see Table 2.2) revolved around two notions which are owning and managing a business. This is what Herbert and Link (1982) described as the occupational and behavioural notions of entrepreneurship.

The occupational concept of entrepreneurship is dynamic and static. Dynamic in terms of the creation of new businesses, and static in relation to the number of business owners (Acs, 2007). The behavioural notion is concerned with the entrepreneurial behaviour in the sense of identifying a business opportunity, implicating that entrepreneurs are not necessarily the business owners (Sternberg & Wennekers, 2005). Consequently, in light of behavioural entrepreneurship and occupational entrepreneurship, a novel understanding can still be developed that views new venture creation as entrepreneurship (Cooper, 2003). The entrepreneur therefore in this era, is someone who discovers, exploits, as well as evaluates opportunities and the coordination of scarce resources to create future goods and services (Casson, 2005).

**Table 2.2:** Trends in Entrepreneurship Research

<b>Period</b>	<b>Topics</b>	<b>Authors and Researchers</b>
1. What entrepreneurs do (1700-1950)	From Economic Perspective	Cantillon, 1755; Say, 1815; Schumpeter, 1954
2. Who entrepreneurs are (1960-1980)	From Behaviourist Perspective	De Vries, 1977; McClelland, 1965
3. What entrepreneurs do (1980-1985)	From Management Science Perspective (finance, marketing, operations, human resources)	Drucker, 1985; Mintzberg & Waters, 1982
4. What support is needed by entrepreneurs (1985-1990)	From a Social Perspective, including economists, geographers and sociologists	Bygrave, 1989; Gartner, 1990; Reynolds, Hay & Camp, 1999
5. What entrepreneurial activities are, and what competencies are required to perform them (1990-present)	From an Entrepreneurship Perspective	Barringer, 2012; Filion, 2011; Frederick et al., 2006; Hatten, 2015; Kearney et al., 2010; Nieman & Nieuwenhuizen, 2015; Spinelli, 2012; Timmons & Spinelli, 2004; Venter et al., 2008

**Source:** Adapted from Filion (1991)

The behaviourist led the entrepreneurship field for several decades. The behaviourist, while still progressing, has been less dominant since the 1980s (see Table 2.2.) when management scientist of all kinds were working to identify more appropriate support systems for entrepreneurs. Consequently, contemporary scholars from the 1990s till present have produced volumes of entrepreneurship output aligned to the entrepreneurship perspective (see Table 2.2.). The work of authors such as Barringer (2012), Dollinger (2008), Filion (2011), Hatten (2015), Kearney et al. (2010) and Nieman & Nieuwenhuizen (2015) all produced more research that can be applied to help the practice of entrepreneurial action. More important to mention is that such entrepreneurial action regarding entrepreneurial activities, is related to competencies (Nieman & Nieuwenhuizen, 2015).

Upon understanding the various trends discussed, success in entrepreneurship is recently often measured by the economic development of a particular country (Moos, 2014). Therefore, it may be acknowledged that entrepreneurship now plays a key role in economic development. However, at present, little is conceptualised about entrepreneurship in emerging economies<sup>2</sup>. The emerging economies may usually share many similarities, but they have distinctive characteristics<sup>3</sup>. Therefore, there is need to develop an understanding of different entrepreneurial activities specific to a particular nation. Such an understanding may help in the construction of entrepreneurial taxonomies in areas under investigation.

### 2.3.2. The Entrepreneurial Process

Another important aspect in conceptualising entrepreneurship is understanding the stages which a prospective entrepreneur go through before being an entrepreneur. Dhliwayo, Mmako, Radipere and Shambare (2017) identified four different steps in the entrepreneurial process in which the entrepreneur creates a new venture, as shown in Figure 2.2.



**Figure 2.2:** The Entrepreneurial Process

<sup>2</sup> Economies that are increasingly moving to market orientation seeking to rapidly advance economically

<sup>3</sup> Each country's history, size and munificence of their economies differs

The multiple conceptualisations of entrepreneurship relate to different stages which the entrepreneur might have gone through prior to the establishment of the business. These include stages depicted in Figure 2.2, which comprise the identification and evaluation of the opportunity, developing a business plan, determining the resources required, and starting and managing the enterprise. Hence it is important to understand that these stages form the key concepts in the definition of entrepreneurship. Entrepreneurship earlier defined by Nieman and Nieuwenhuizen (2015) as the emergence and growth of new business involves a person who sees an opportunity in the market, gathers resources, and creates and grows a business venture to meet these needs.

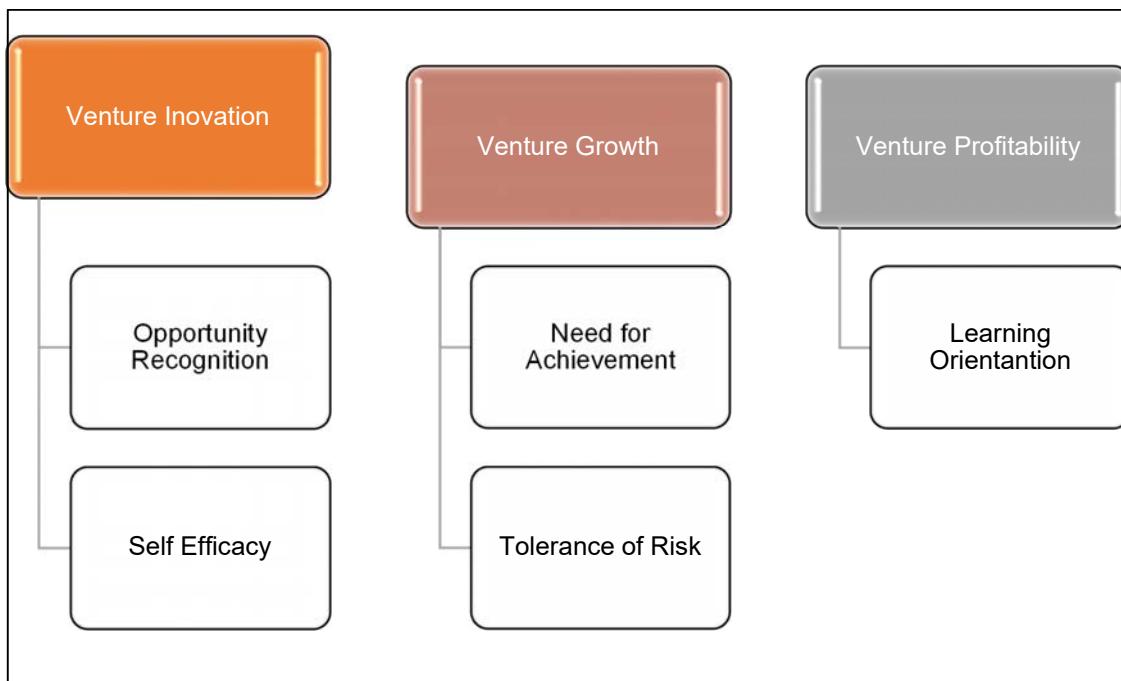
### **2.3.3. Entrepreneurship Venture Characteristics**

There is little agreement on either theoretical or empirical definitions of entrepreneurship (Nieman & Nieuwenhuizen, 2015). As it may be, the characteristics of entrepreneurial ventures may be drawn from those varied definitions. However, Dhliwayo et al. (2017) emphasise that it may not be as easy as it might seem to describe (or create) the entrepreneurial venture. Indeed this might be why so many of the major scholars in entrepreneurship fail to provide for a specific description of entrepreneurial venture characteristics (Dhliwayo et al., 2017). Therefore, this section discusses a plethora of entrepreneurial venture characteristics common through the entrepreneurial process discussed in the previous section. The discussions will mainly be discussed from Beattie's (2016) viewpoint, who identified three main features of entrepreneurial ventures namely:

- 1) Venture Innovation
- 2) Venture Growth
- 3) Venture Profitability

Beattie (2016) proposes the classification and measurement of three dimensions of entrepreneurial venture characteristics: venture innovation, venture growth and venture profitability (see Figure 2.3). Literature suggests that entrepreneurial orientation is a key determinant of venture innovation and growth (Moos, 2014). Venture profitability may be a separate metric from innovation and growth as it is not determined primarily by entrepreneurial orientation (Beattie, 2016). However, an entrepreneurial orientation is inherent in most entrepreneurs and is a construct whose constituent elements can be further granulated. Consequently, the traits that separate successful entrepreneurs from others may granulate the

innovativeness and pro-activeness elements of entrepreneurial orientation into opportunity recognition, self-efficacy, need for achievement and tolerance of risk (see Figure 2.3).



**Figure 2.3:** Entrepreneurial Venture Characteristics

**Source:** Beattie (2016)

From Figure 2.3, it is always important to understand the mediating influence that self-efficacy has on opportunity recognition in the creation of business innovation (Beattie, 2016). For venture growth, the traditional risk-taking propensity trait usually acts as a key influencer together with the need for achievement as a contributing trait. This is however true due to the fact that in a business environment with high governmental control and low risk, entrepreneurial growth will be determined by the entrepreneur's need for achievement (Dhliwayo et al., 2017).

Profitability was earlier regarded as a separate metric from innovation and growth due to the fact that it is not determined primarily by entrepreneurial orientation (Beattie, 2016). Most importantly to understand is that entrepreneurial orientation facilitates the exploration of novel opportunities but due to its focus on discovery of the new, it is not adept at exploiting said opportunities (Nieman & Nieuwenhuizen, 2015). A learning orientation as shown in Figure 2.2, may be necessary to exploit opportunities as it narrows the field of focus and identifies ways to help maximise profits

from the identified opportunity. Consequently, a learning orientation helps the entrepreneur to mediate the relationship between his entrepreneurial orientation and venture profitability.

Following brief discussions of different definitions of entrepreneurship, trends in entrepreneurship research and entrepreneurial venture characteristics, some conclusions can be drawn. A multiplicity of definitions exist to describe the term entrepreneurship, which calls for the examination of entrepreneurial activities specific to a particular country. Hence the need for redefining and the reclassification of entrepreneurship in South Africa, in such a manner that policymakers will be able to accommodate the array of needs of entrepreneurs. In the next section, a Table is compiled to point out different definitions of the term entrepreneur. These definitions, together with definitions of entrepreneurship discussed earlier, may be used as a guideline for developing a taxonomy for entrepreneurial ventures in developing nations.

## 2.4. DEFINITIONS OF AN ENTREPRENEUR

It is incumbent upon scholars to define key terms for their studies. However, with the long history of term, scholars continue to disagree regarding who an entrepreneur is. Most authors have attributed the lack of precision in entrepreneurship literature when justifying the later argument (Spinelli, 2012). It may be believed that with disagreements on the definition of an entrepreneur, deeper investigations into the concept will be evidenced (Carton, Hofer & Meeks, 1998). However, the definitions currently continue to be rare and inconsistent and entrepreneurial profiles are inconsistent and often not significantly different from the general population. Therefore, this makes it important for this section to review various definitions of an entrepreneur dated as 1700 works of Cantillon (1755).

Indeed, a multiplicity of definitions for the term entrepreneur have been proffered over the years in the literature. After an analysis of Gartner's lists of different definitions of an entrepreneur, Carton et al. (1998) concluded that:

- vague definitions of the term entrepreneur are often used in many studies in which usually, the entrepreneur is never defined;
- few studies employ the same definition, leading to misconceptualisation of the term entrepreneur;
- lack of basic agreement as to "who an entrepreneur is" has led to the selection of samples of "entrepreneurs" that are hardly homogeneous.

Clearly, this situation does not provide any direction for either policymakers or researchers, hence the need to answer the question of who entrepreneurs are. Again, background information on the various meanings of the term entrepreneur together with discussion on the views by pioneers who dealt with this subject, forms the main contents of this section. Table 2.3 illustrates the definitions of what an entrepreneur is.

**Table 2.3:** Defining the Entrepreneur

Author	Defining Characteristic	Compiled Definition
Cantillon (1755)	<ul style="list-style-type: none"> <li>• Entrepreneurs are defined as self-employed</li> <li>• Self-employed deals with additional uncertainty</li> <li>• Entrepreneurs should balance their activities to market demand</li> </ul>	
Say (1815)	<ul style="list-style-type: none"> <li>• Entrepreneurs shift economic resources from low to high productivity areas with higher yield</li> <li>• Entrepreneurship implies many obstacles and uncertainties</li> <li>• Entrepreneurs and managers have different, but complementing characteristics</li> </ul>	
Schumpeter (1911)	<ul style="list-style-type: none"> <li>• Entrepreneurship is the main vehicle to move an economy forward from static equilibrium, based on the combinatorial capabilities of entrepreneurial individuals</li> <li>• Combinatorial capabilities result in recognition of a new good/quality, a new method/process, a new market, a new source of supply or a new way of organising the firm/production,</li> <li>• Entrepreneurs' role is distinctly separated from the role of inventors</li> </ul>	
Knight (1921)	<ul style="list-style-type: none"> <li>• Entrepreneurs are a special social class who direct economic activity</li> <li>• Uncertainty is the primary aspect of entrepreneurship</li> </ul>	
Penrose (1950)	<ul style="list-style-type: none"> <li>• Entrepreneurial and managerial abilities should be distinguished</li> <li>• Detecting and exploiting opportunities for smaller firms is the basic aspect of entrepreneurship</li> </ul>	From the characteristics noted in the period 1700-1950, an entrepreneur may simply be defined as someone who carries out new combinations
Leibenstein (1968)	<ul style="list-style-type: none"> <li>• Entrepreneurial activity mainly implies decreasing organisational inefficiencies and reversing organisational entropy</li> <li>• There are two types of entrepreneurs: a managerial who allocates inputs into the production process in an effective manner, and a Schumpeterian who fills uncovered market gaps by introducing new products or processes</li> </ul>	
Kirzner (1973)	<ul style="list-style-type: none"> <li>• Entrepreneurial activity moves the market towards equilibrium as entrepreneurs discover profitable arbitrage possibilities.</li> </ul>	
Casson (1982)	<ul style="list-style-type: none"> <li>• Entrepreneurs specialize in taking judgmental decisions about the coordination of scarce resources</li> </ul>	

Gartner (1985), Aldrich (1986), Baumol (1990)	<ul style="list-style-type: none"> <li>• Entrepreneurship is the outcome of actions of individuals who act in and are influenced by the organisational and regional environment in which they live and work</li> <li>• Entrepreneurial activity is crucial for (radical) innovation and growth</li> <li>• Institutions decide the allocation of entrepreneurial activity between productive (innovation) and unproductive activities (rent seeking, organised crime)</li> </ul>	With the characteristics noted from 1700 – 1900, the entrepreneur tends to appear different from different perspectives. For example, to economists an entrepreneur is one who brings resources, labour, materials and other assets into combinations that make their value greater than before and also one who introduces changes, innovations and new order
Wennekers and Thurik (1999)	<ul style="list-style-type: none"> <li>• Entrepreneurs have multi-task abilities</li> <li>• Entrepreneurs perceive and create new opportunities, operate under uncertainty and introduce products to the market, decide on location and the form and use of resources, and, finally manage their business and compete with others for a share of the market</li> </ul>	
Aldrich and Martinez (2001)	<ul style="list-style-type: none"> <li>• Entrepreneurial activity is not necessarily synonymous with innovation, since entrepreneurial activities also involve imitation</li> <li>• Support the distinction between innovation and reproduction in entrepreneurial activities</li> </ul>	The entrepreneur is a catalyst for economic change that uses purposeful searching, careful planning, and sound judgement when carrying out the entrepreneurial process. Uniquely optimistic and committed, the entrepreneur works creatively to establish new resources or endow old ones with new capacity, all for the purpose of creating wealth.

**Source:** Researcher's own construct

From Table 2.3, a myriad of characteristics of the term entrepreneur may be described dated from 1700. However, most importantly to note is that Schumpeter's original thoughts on entrepreneurial opportunity and risk-taking have had a considerable influence on the succeeding generation of entrepreneurship researchers. Decades later, Knight (1921) and Penrose (1950) proposed the role of the entrepreneur as someone who transforms uncertainty into a calculable risk. Schumpeter's model was thereby complemented by the explicit introduction of cognitive abilities as an explanation of entrepreneurial activity. Somewhat later, the definition of the entrepreneur as someone who moved the economy towards equilibrium (partly contrasting Schumpeter) by taking advantage of arbitrage possibilities, was forwarded by Casson (1982), Gartner (1985), Kirzner (1973) and Leibenstein (1968) (see Table 2.3).

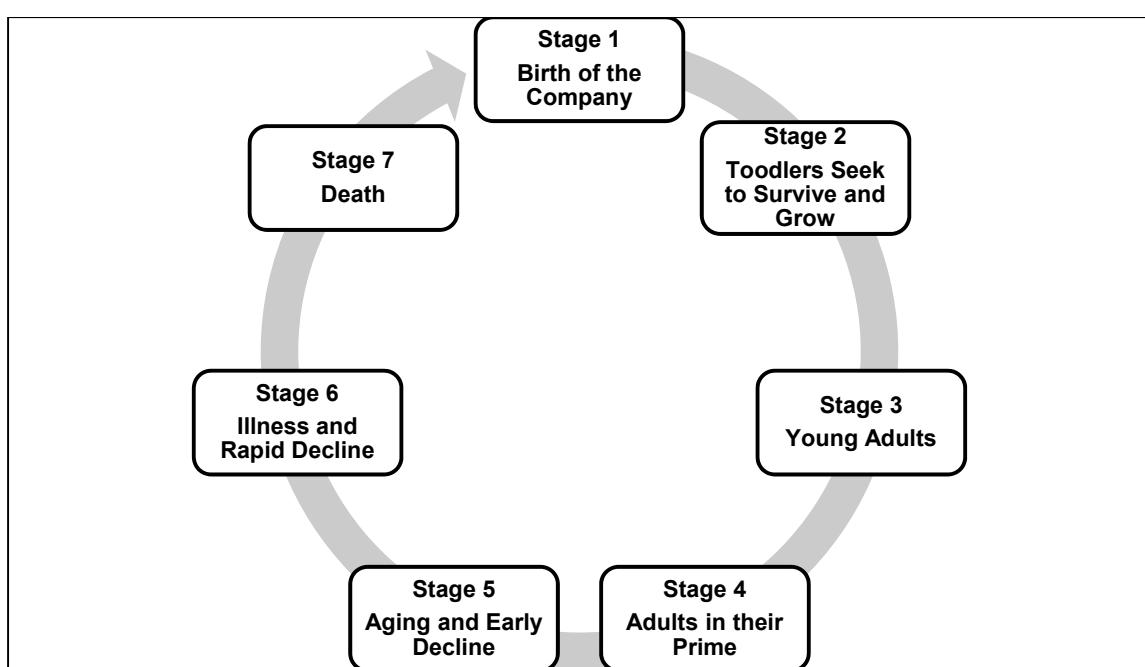
More recently, the research field of entrepreneurship has been defined as analyses of "how", by "whom" and with "what" consequences opportunities to produce future goods and services are discovered, evaluated and exploited (Aldrich & Martinez, 2001; Wennekens & Thurik, 1999) (see Table 2.3). As regards by "whom", an eclectic definition of the entrepreneur, that has become increasingly accepted, is suggested by Nieman and Nieuwenhuizen (2015). They defined an entrepreneur as a person who sees an opportunity in the market, gathers resources and grows a business venture to meet these needs. He or she bears the risk of the venture and is rewarded with profit if it succeeds (Dhliwayo et al., 2017). The entrepreneur:

- I. Is innovative, i.e. perceives and creates new opportunities.
- II. Operates under uncertainty and introduces products to the market, decides on location, and the form and use of resources.
- III. Manages his business and competes with others for a share of the market. Apparently, this definition can be linked to all three contributions referred to above.

Following brief discussions of different definitions of an entrepreneur, a multiplicity of definitions to describe the two terms entrepreneurship again calls for the examination of entrepreneurial activities specific to a particular country. Such activities can be picked from different characteristics displayed by an entrepreneur in his routine daily activities. Most importantly, these characteristics vary depending on the stage which the venture is going through and the business environment under which the venture will be operating. Therefore, the next section of the review provides a description of the life cycle of an entrepreneur.

## 2.4.1 The Life Cycle of an Entrepreneur

We must acknowledge the fact that modern day economies need entrepreneurs who transform information to products and services, at the same time who take risks and manage them. Past studies from a number of entrepreneurship scholars established that entrepreneurial venture goes through a life cycle that is similar to a person, and each stage brings with it unique characteristics and challenges to solve in order to move to the next stage (Kimberly, Kimberly & Miles, 1980). This section of the review therefore considers the importance of entrepreneurs in a given economy and most importantly examines different entrepreneurial needs at each venture stage. The review will be guided by the notion that entrepreneurial ventures face different needs and alternatives at each stage of their life cycles, as does the entrepreneur at each stage (Mueller, 1972). Figure 2.4 depicts some of the stages which the entrepreneur goes through in establishing a venture.



**Figure 2.4:** The Entrepreneurial Life Cycle

**Source:** Researcher's own construct

**Stage 1: Birth of a company.** The initial stage in the entrepreneur's life cycle is filled with emotions running the gamut from high excitement to fear and indecision. The main characteristic at this stage is the drive for independence which starts with an idea (Carmody, 2015). It is important to understand that at this stage, the entrepreneur seeks independence in the corporate

world and endeavours producing an opportunity for others to join the mission and vision of the venture.

**Stage 2: Toddlers seek to survive and grow.** Most entrepreneurs at this stage will either seek to stay independent or immediately look for investors to inject more capital in the venture (Carmody, 2015). Entrepreneurs have the desire to encourage the survival of their ventures (Carmody, 2015). Therefore, staying independent will give the business owner more control over the outcomes of the venture, but having capital injected in the business may help the entrepreneur to sleep better at night knowing that there is time to build the venture and get it right.

**Stage 3: Young adults.** Characterised by a hyper growth mode but most importantly, entrepreneurs are usually not in control of their outcomes at this stage. It is at this stage that many ventures experience trouble as entrepreneurs. Entrepreneurs usually grow some confidence at this stage after experiencing some success in the later stage and suddenly start to think they can do no wrong. Rather than measuring and focusing on their desired outcomes, entrepreneurs usually enjoy and celebrate their early success at this stage. Agonisingly, many companies are found to spend considerable years in the toddler and young adult stage (Aydin, 2015). Many authors in the entrepreneurship field have attributed this stagnancy to the inability of entrepreneurs to move to the next phase (Aydin, 2015; Kimberly et al., 1980; Mueller, 1972; Sirmon, Hitt, Ireland & Gilbert, 2011). However, only truly stable business ventures may rise to this next stage, a phase which is characterised by stability.

**Stage 4: Adults in their prime.** A stage which every entrepreneur may dream of, this is where real success may be achieved. Authors in entrepreneurship believe that this stage happens when the business venture has gone beyond survival and stability, and moved into a more predictable growth phase (Aydin, 2015; Sirmon et al., 2011; Wright & Stiglani, 2013). This is the phase in which entrepreneurs want to stay for as long as possible. This stage is also characterised by activities which can see the:

- 1) Entrepreneur seeking interdependence,
- 2) Entrepreneur creating partnerships, and,
- 3) Entrepreneur maintaining the growth cycle and keeping great companies in their prime.

**Stage 5: Aging and early decline:** At this stage the interdependent partnerships may start to be strained and usually the trusted associates may choose to strike out on their own. As postulated by Wright and Stiglani (2013), the dynamic nature of the marketplace will catch up with the great innovative idea. More often at this stage, someone else in the marketplace will discover even better ways to accomplish the vision and mission you set out to deliver. Whatever the circumstances, the entrepreneur's innovative ideas (and perhaps his entire industry) may be disrupted. At this stage entrepreneurs can either disrupt themselves to get back to the venture's prime period, or devise a strong turnaround strategy to unwind the innovative initial idea.

**Stage 6: Illness and rapid decline.** If entrepreneurs fail to figure out a way to stop the early signs of decline in the later stage, then this stage is a likely consequence. A stage which is marked by confusion by the entrepreneur, and usually the venture partners will not be sure where to go next and how to fix the problems that the venture will be experiencing (Carmody, 2015). Inaction at this stage triggers a faster decline of the venture and internal stigmas, fears, uncertainty, and doubt sets in. Unless massive turnaround action is taken at this stage, the venture will be doomed to complete failure.

**Stage 7: Death.** While entrepreneurs work hard to ensure that the companies outlast them, there comes a time when it is clear that staying in business is either leading business partners into bankruptcy or has already caused such a cash flow strain that there simply is no way to dig team members out of the hole that has been created (Carmody, 2015). Shutting the venture's doors may feel like a failure, but when the writing is on the wall, it is much better to close up shop before the business takes everyone down with it (Carmody, 2015).

It is important for entrepreneurs to continuously evaluate themselves and understand where they are in the seven stages of the entrepreneur's life cycle as suggested. Continuous evaluation and such knowledge may help entrepreneurs to plan their future and celebrate the independence (or interdependence) of their business ventures. However, another important aspect to understand is the entrepreneurial intentions in relation to the social environment in which the business venture is operating. Most importantly, entrepreneurial intentions over the years are believed to be affected by social capital. The discussions to follow will provide an understanding of the social context and entrepreneurs' intended role in economic growth. This will add to the conceptualisation of entrepreneurial activities in a specific place in relation to entrepreneurial intentions.

## 2.4.2 Social Context and Entrepreneurs' Intended Role in Economic Growth

At the present time, the scientific community allots both social context and entrepreneurs' behaviour as a central role in the growth and development of the world economy (Liñán & Santos, 2007). However, the relationships between these two factors have not been sufficiently studied in business and economics (Liñán & Santos, 2007). Nevertheless, this section of the review explains the specific influence of social capital on the formation of entrepreneurial intentions. The review section is organised in the following sections:

- Theory regarding entrepreneurial intention models and the concept of social capital and its characteristics are discussed.
- Social capital is then introduced into the entrepreneurial intention model.

### 2.4.2.1 Entrepreneurial Intention Models

A large number of earlier studies on this concept have made possible the identification of some significant relationships between several traits and demographic factors of individuals, on the one hand, and the fulfilment of entrepreneurial behaviours on the other hand (Carr & Sequeira, 2007). Tabulated next are a number of entrepreneurial intention models and their contribution to the studies on how social capital influences entrepreneurial intentions.

**Table 2.4:** Entrepreneurial Intention Models

Author	Key Classifications and Contribution
Bandura (1977)	Central factor of this approach is the individual's intention to undertake a specific behaviour.
Shapero and Sokol (1982)	According to this theory, individuals decide to create a firm (develop their intentions and become potential entrepreneurs) when a precipitating event lets them perceive the entrepreneurial activity as more desirable or more feasible than other alternatives.
Ajzen (1991)	According to this, intentions to perform a specific behaviour directly depend on three perceptions. The first two—personal attraction and perceived behavioural control or self-efficacy—are quite similar to those of Shapero and Sokol (1982), which are perceived desirability and perceived feasibility. The third one refers to "social norms" or the perceived social pressure to perform a behaviour.
Krueger and Carsrud (1993)	According to this, intentions capture the motivational factors which influence behaviour, indicating the effort the individual plans to exert to put this behaviour into practice. So, the higher the intention to undertake the behaviour, the higher the probability of its performance will be.

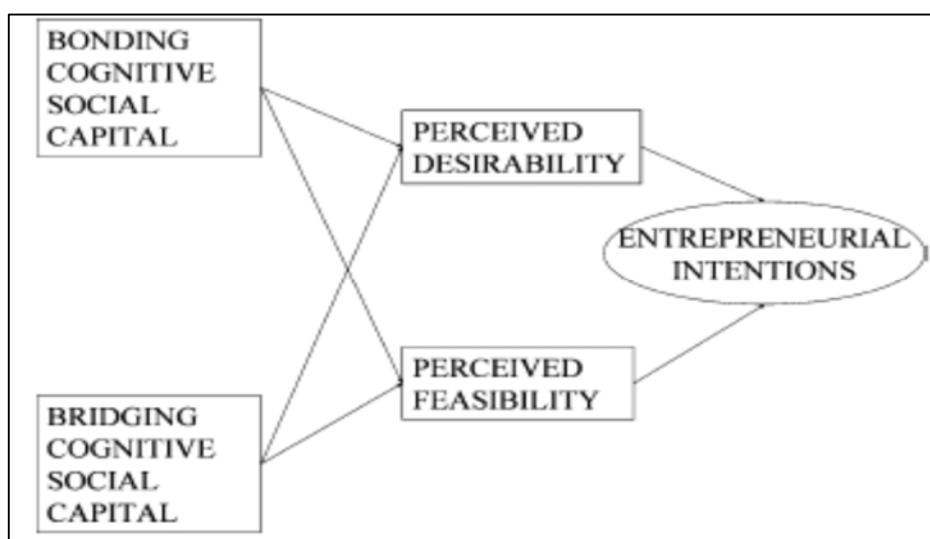
**Source:** Researcher's own construct

Starting from the theory of social learning developed by Bandura (1977), important approaches emerged to explain entrepreneurial intention models. As shown in Table 1.1, developed models by Shapero and Sokol (1982) (theory of the entrepreneurial event) and Ajzen (1991) (theory of planned behaviour) all explained entrepreneurial intentions (Krueger, Reilly & Carsrud, 2000).

#### **2.4.2.2 Social Capital in the Model of Entrepreneurial Intentions**

Social capital compels the relationships, either formal or informal, produced by individuals in their collaboration with other individuals trying to attain an anticipated return in the market (Liñán & Santos, 2007). That is, social capital could be defined as capital captured in the form of social relationships (Lin, 2008). Therefore, social capital makes it easier to access information, reduce transaction costs by allowing the coordination of activities, and, finally, facilitate collective decision-making (Lin, 2008).

In order to understand how social capital influences entrepreneurial intentions, a reformulation of for example, the Ajzen's model can be done. Different considerations regarding these aspects of social capital may be made (Liñán & Santos, 2007). After considerations, a conceptual model including different variables of cognitive social capital and other cognitive factors of Ajzen's model may be elaborated in Figure 2. 5.



**Figure 2.5:** Entrepreneurial model with social capital

**Source:** Liñán and Santos (2007)

In this respect, bonding social capital based on strong ties from family or other close relationships may generate in the cognitive dimension different values, beliefs, or trust, favouring individual perceptions as shown in Figure 2.5. Thus, values assumed through contact with family or friend entrepreneurs would generate more favourable perceptions of desirability or feasibility to create a firm. On the other hand, bridging cognitive social capital, in spite of being based on weak ties, may also generate favourable values and beliefs towards a specific behaviour, such as firm start-up. Therefore, it would be positively influencing perceived desirability and feasibility. Consequently, it is quite evident that the different contacts and experiences acquired by a person could provide her/him with higher self-confidence so as to determine if becoming an entrepreneur as desirable and/or feasible.

#### **2.4.3 Qualities of an Entrepreneur**

Conceptualising an entrepreneur from the view of unique qualities remains debatable (Chavez, 2016). Amiri and Marimaei (2005) postulated that unique qualities or characteristics do not offer sufficient explanations on why some individuals engage in entrepreneurial behaviours, while others do not. Provided in the latter arguments, there seems to be a growing dissatisfaction in the search of key entrepreneur qualities. Authors such as Ginsberg and Buchholtz (1990) went on to argue that the personality characteristics of an entrepreneur do not seem to differ from the qualities of a non-entrepreneur. However, with all these ongoing arguments this section of the review acknowledges that the qualities of an entrepreneur differ from the qualities of a non-entrepreneur and such qualities have an influence on the performance of a business venture. Consequently, this section of the review therefore, discusses a number of characteristics which entrepreneurs usually follow.

From earlier discussions, it is evident that there are differences in the definitions of entrepreneurship, and there are also similarities in many of these definitions. Over the past decades, such similarities have often been used by entrepreneurship academics to identify what may be the key qualities of an entrepreneur. Current literature mainly understands an entrepreneur as an innovator or a developer who recognises and seizes opportunities and converts those into marketable ideas; he or she is the aggressive catalyst for change in the world of business (Dhliwayo et al., 2017; Moos, 2014; Nieman & Nieuwenhuizen, 2015; Spinelli, 2012; Wright & Stigliani, 2013). From the later definition, entrepreneurs are usually believed to follow qualities or

characteristics such as commitment and determination, leadership, willingness to take risks, creativity and innovation, the need for achievement, determination and perseverance, passion, locus of control, the need for independence and good human relations as shown in Table 2.5 (Dhliwayo et al., 2017).

**Table 2.5:** Characteristics of an Entrepreneur

Characteristic	Defining Qualities
Commitment and Determination	Entrepreneurs are tenacious, decisive and persistent in problem-solving. They commit to business by dedicating their skills, expertise and resources in establishing and building an entrepreneurial venture. Their commitment is shown when they use their money to establish a venture, work tirelessly and accept a lower standard of living.
Leadership	Entrepreneurs are self-starters and then builders who focus on honesty in their business relationships. Leadership in entrepreneurial ventures is different from that of large businesses and focuses on different forms of interpersonal behaviour.
Willingness to take Risk	Entrepreneurs are people who take calculated risks. They reduce risk by finding investors to provide funds and make arrangements with suppliers to provide goods immediately when they ordered, and persuade suppliers to accept special terms of payment. They also face personal risks because they might lose valuable time that they could have spent with their families, or may face the social stigma associated with failure and the personal distress of letting down investors, employees, clients and their families.
Creativity and Innovation	Entrepreneurs are open-minded, flexible, quick learners. Creativity means the generation of new and usable ideas to solve any problem or use any opportunity. The success of a business is determined by the degree to which good ideas are generated, developed and implemented. Creative people are people who are open to new ideas and new approaches to business, and focus on what make the business successful. Creativity distinguishes an entrepreneur from non-entrepreneurs and his or her competitors.
Need for Achievement	Entrepreneurs are motivated to excel. They are goal-oriented and aware of their personal strengths and weaknesses. They appear to others to be internally driven by a strong desire to compete and to excel at self-imposed standards.
Determination and Perseverance	Entrepreneurs show confidence in themselves and in their businesses, and are prepared to face difficult situations and problems. They are not easily discouraged when things are bad. They are determined and have a need to overcome obstacles, solve problems and compete a task. They believe in their business, despite setbacks.
Passion	Entrepreneurs should start entrepreneurial ventures that they are passionate about. They are more likely to succeed in pursuing a business that they find interesting and fascinating.
Locus of Control	Entrepreneurs are people who prefer to be in charge of their own lives, and in control of their own ventures and business activities. They do not like to be told what to do and have a high degree of autonomy. They often believe that their accomplishments and setbacks are with their own control and influence.
Need for Independence	Entrepreneurs prefer to do things in their own way without other people. They want to be in charge and do not like to be tied down by rules and regulations designed by someone else.

**Source:** Adapted from (Dhliwayo et al.(2017)

Dhliwayo et al. (2017) examined the literature and found a diversity of reported entrepreneur characteristics as shown in Table 2.5. The ten personal characteristics associated with each of these entrepreneurs often depict the core common entrepreneurial activities of an entrepreneur (Chavez, 2016). Clearly, entrepreneurial motivations presented in Table 2.5 represent a complex and somewhat ethereal weave of psychological, social and economic factors that appear to present a certain research challenge. However, more often than not, the described characteristics usually provide researchers a guideline in understanding why some individuals engage in entrepreneurial behaviours, while others do not.

Therefore, in policy formulation and the construction of entrepreneurial taxonomies, it is important to understand that entrepreneurs come from many countries and backgrounds. More importantly, entrepreneurs have some characteristics or qualities in common. These qualities allow entrepreneurs to recognise business opportunities more quickly than other people, see potential business opportunities in problems, and are not afraid to take risks, to make decisions, or to work hard (see Table 2.5). More so as discussed in Table 2.5, entrepreneurs are problem-solvers who communicate well and who inspire others to follow their lead (Dhliwayo et al., 2017).

## **2.5. ENTREPRENEURSHIP IN SOUTH AFRICA**

South Africa, through its government acknowledges that the promotion of entrepreneurship yields economic benefits (Moos, 2014). Such is evident with additional support which is offered to various entrepreneurial ventures through a number of institutions and incentives in the country. An effective entrepreneurship policy (National Small Business Act (Act No.102 of 1996)) also supports the stimulation of entrepreneurship development in South Africa (Aydin, 2015). It is however, important to understand that such policies and support schemes should take note of the different needs of entrepreneurial ventures (Nieman & Nieuwenhuizen, 2015). However, this seems to be a difficult task in itself, because a focus on entrepreneurship is narrowly defined in terms of new venture creation and the growth of existing businesses. Such irregularities call for identification of other factors which define entrepreneurship, such as entrepreneurial classifications in a South African perspective. This section of the review therefore, describes the state of entrepreneurship in South Africa and discusses the entrepreneurial classification problems in the country.

### **2.5.1. The State of Entrepreneurship Development in South Africa**

Since 1994, the economic development narrative in South Africa seems to have revolved around entrepreneurship development (Preisendoerfer et al., 2014). From this, two issues take centre stage as dominant themes, both in policy circles and within the academic literature. Firstly, there is the question of which strategies best support entrepreneurs (Acs & Szerb, 2007; Afolabi, Mukhopadhyay & Nenty, 2015). On the back drop of this question, researchers and policymakers, alike, seem to grapple with this challenge. Secondly, the creation of an environment that promotes and encourages entrepreneurship activities is also a topical issue (Mrwebi & Ebuomwan, 2015).

Considering the two topical questions listed, the South African government, through the National Development Plan (NDP), commits to supporting entrepreneurship. With this much attention – from a national strategic point – it is, therefore, reasonable to expect an explosive growth of both entrepreneurs and entrepreneurial activities within the country. This is however not the case. Paradoxically, the latest Global Entrepreneurship Monitor (GEM, 2014) Global Report shows that South Africa has one of the lowest levels of Total Entrepreneurial Activity (TEA) among economies in a similar stage of development and percentages of established business ownership in the world (Malebana & Swanepoel, 2015; Singer, Amorós & Arreola, 2015b). South Africa features a TEA rate of 7 per cent and an established business ownership rate of about 3 per cent, while its participating African counterparts average 26 and 13 per cent, respectively (Singer et al., 2015b).

Consequently, the South African government has established various support institutions specially structured to provide succour to entrepreneurs in contention with some of the hurdles along the development of their enterprises (Singer et al., 2015b). The NDP is demanding the creation of 11 million jobs over the next 15 years and a targeted economic growth rate of 5.4 per cent per annum (Singer et al., 2015b).

### **2.5.2. South Africa as an Entrepreneurial Economic-driven Nation**

In trying to attain the NDP targets, some of these specialised institutions which include Black Economic Empowerment (BBE), Broad-Based Black Economic Empowerment (B-BBEE), Industrial Development Corporation (IDC), Integrated Youth Development Strategy (IYDS), National Youth Development Agency (NYDA), National Youth Development Policy Framework (NYDPF), Small Enterprise Development Agency (SEDA), Youth Enterprise Development Strategy (YEDS), Youth Enterprise Strategy (YES), South African Microfinance Apex Fund

(SAMAF), New Venture Capital Learnership (NVCL), Organization for Economic Co-operation and Development (OECD) and Integrated Small Business Development Strategy (ISBDS) were launched in the period after independence (Mrwebi & Evboumwan, 2015).

Paradoxically, the support schemes and other incentives formed by the South African government together with some policy instabilities and reversals, have impacted negatively on entrepreneurship development and consequently poor entrepreneurship development in South Africa (Mrwebi & Evboumwan, 2015). Other major highlights contributing to the poor entrepreneurship development are resembled by limited access to long-term capital, the high cost of even short-term financing, poor partnership spirit, lack of requisite managerial skills and capacity, illegal levies, street urchins' harassments, overdependence on imported raw materials and spare parts, and poor inter and intrasectoral linkages (Singer et al., 2015b).

Consequently, all these factors make it difficult for entrepreneurs' start-ups to enjoy economies of scale production. Bureaucratic bottlenecks and inefficiency in the administration of incentives discourage rather than promote entrepreneurship, weak demand for products arises from low and dwindling consumer purchasing power, and the incidence of multiplicity of regulatory agencies and taxes have always resulted in high cost of doing business. Poor corporate governance and low entrepreneurial skills have manifested from inadequate educational and technical background for promoting entrepreneurship (Preisendoerfer et al., 2014). With all these anomalies, there is need for the South African government as well as policymakers to relook contemporary South African entrepreneurship dynamics with a view to redefine and reconceptualise entrepreneurship, and to reclassify entrepreneurship to provide a basis for formulating appropriate entrepreneurship development policies.

### **2.5.3. Entrepreneurial Classification Limitations in South Africa**

Although there is no universal definition or classification of entrepreneurs, features used to define and classify entrepreneurs in South Africa are adopted from the National Small Business Act (Act No. 102 of 1996). Criteria such as the number of employees, sales volume and the value of assets form the basis of classifying entrepreneurship in the latter Act. In doing so, the Act further postulates two broad criteria (i.e. qualitative and quantitative) for establishing entrepreneurship categories. However, the researcher is of the opinion that the National Small Business Act (Act No. 102 of 1996) does not provide a definition of entrepreneurs per se, but only provides a measure for classifying businesses.

Apart from the criteria in Table 2.6, other characteristics of entrepreneurial ventures may also be used to understand entrepreneurship in South Africa (Morris, Miyasaki, Watters & Coombes, 2006). Characteristics of ventures such as the formality of a business, business orientation, resource needs, growth aspirations, and risk preference among others, may prove essential in building an entrepreneurial taxonomy (Morris et al., 2006). This reflects existing gaps in the entrepreneurship field which emanates from the misconceptualisation of the definitions, as well as the classification of entrepreneurship.

**Table 2.6:** Criteria for defining and classifying entrepreneurship

Qualitative Criteria	Quantitative Criteria
<p>Relate to ownership structure of the business which must:</p> <ol style="list-style-type: none"> <li>1. be a separate and distinct business entity.</li> <li>2. cannot be part of a group of companies.</li> <li>3. include subsidiary and branches.</li> <li>4. be managed by its owners (natural person or a legal person).</li> </ol>	<p>Classify business into micro, very small, small and medium using the following criteria:</p> <ol style="list-style-type: none"> <li>1. total full-time paid employees</li> <li>2. total annual turnover</li> <li>3. gross asset value (excluding fixed property)</li> </ol>

**Source:** Researcher's own construct

In past research, many authors who defined entrepreneurship seemed to ignore the fact that defining entrepreneurship and providing a schema for its classification is one and the same thing. In a growing body of literature, Kunkel (2001) appears to have bridged this divide. Kunkel (2001) defined entrepreneurship from a classification perspective and suggests a matrix of 10 variations of entrepreneurial actions.

Although Kunkel (2001) developed a new entrepreneurial activities gestalt based on corporate and independent entrepreneurial actions, it still remains insufficient for the South African context. Therefore, there is a need for research to relook at the contemporary South African entrepreneurship landscape with a view to proposing a taxonomy that is relevant and applicable to the country.

## 2.6. CONCLUSION

In this chapter the definitions of entrepreneurship and the entrepreneur were provided. More importantly, the characteristics of an entrepreneur and the research trends in entrepreneurship were explained. Current trends in entrepreneurship were also pointed out. These invariably

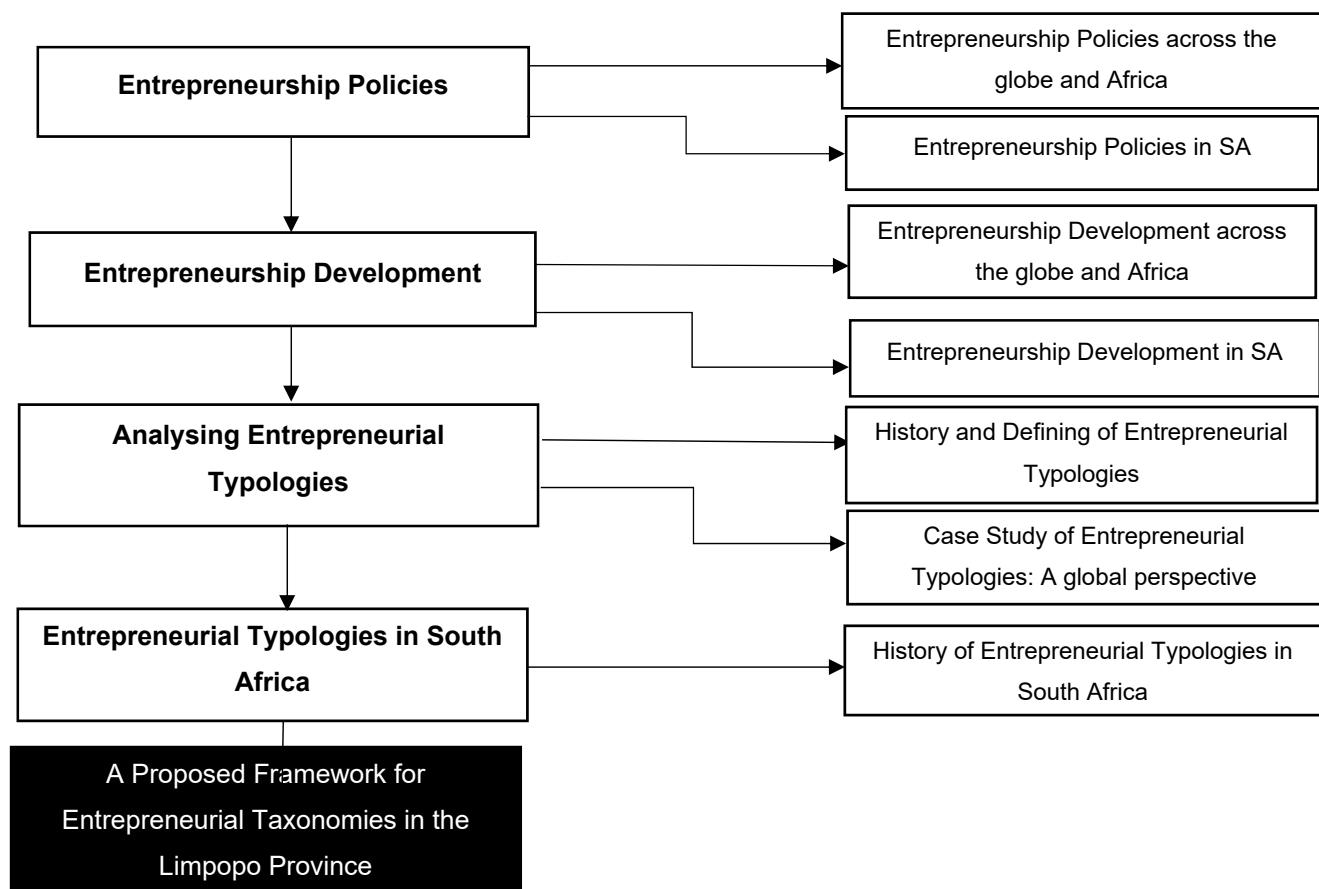
provide the platform on which the theoretical discussion is based on entrepreneurship policies and typologies – the focus of Chapter 3.

## CHAPTER THREE

### ENTREPRENEURSHIP POLICIES, DEVELOPMENT AND TYPOLOGIES

#### 3.1 CHAPTER OVERVIEW

The purpose of this thesis, as set out in Chapter 1, is to propose a framework for classifying entrepreneurial ventures in South Africa. Chapter 2 provided a review on various definitions proffered by previous authors pertaining to the entrepreneur and entrepreneurship. This chapter narrates different entrepreneurship policies and development across the globe and in South Africa. The chapter also classifies entrepreneurs into typologies and ultimately comes up with a proposed framework of entrepreneurial taxonomies in South Africa. The two themes which dominate literature on classification of entrepreneurship, are (1) *entrepreneurial typologies* and (2) *entrepreneurial taxonomies*, which are discussed in this chapter. Figure 3.1 outlines the sequence of the rest of the chapter.



**Figure 3.1:** Literature Review Process

**Source:** Researcher's own construct

### 3.2 INTRODUCTION

The prominence of entrepreneurship development in numerous economies globally cannot be overstressed (Obaji & Olugu, 2014). As such, most countries have launched programmes to support entrepreneurship within their societies because it has long been established that entrepreneurship is a vital ingredient for job creation as well as economic development in various countries (Naudé, 2013). Furthermore, it is important to note that the role of entrepreneurship in the economies of most countries has been acknowledged by their respective governments (Al-Mubaraki & Busler, 2013). Against this background, this section of the review has identified the salient role of government policies in entrepreneurship and the importance attached to entrepreneurship development.

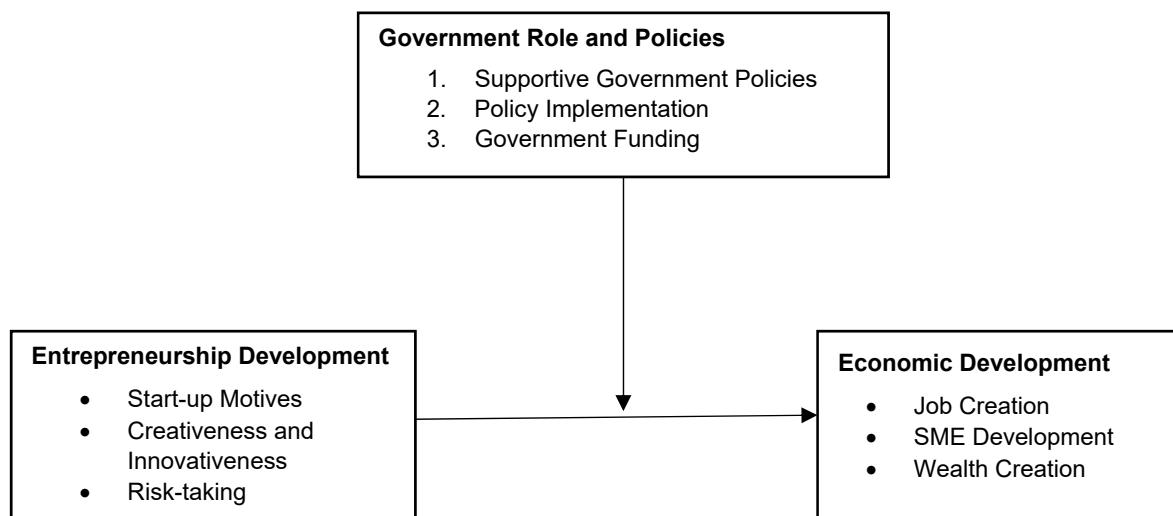
More importantly, over the past decades entrepreneurial activities have been diversifying and becoming more complicated at an astounding rate (Bailey, 1994; Collier, LaPorte & Seawright, 2012; Filion, 2000; Smith, 2002). Undoubtedly, very few entrepreneurs in modern markets succeed to represent entrepreneurial classifications in their pure state (Filion, 2000). Consequently, researchers seem to establish entrepreneurial characteristics on the basis of concrete, precise examples of specific actors. However, academics in entrepreneurship are prepared for new forms of venture characteristics which are likely to emerge daily in today's highly innovative marketing environment. Such venture characteristics will be based on different approaches which relate to the ambiguous state of the business environment. This section of the review therefore, defines entrepreneurial classification, typology and taxonomy.

### 3.3 ENTREPRENEURSHIP DEVELOPMENT

To understand the implications of building a taxonomy and policies for entrepreneurship development in South Africa, we should comprehend that policies imply the decisions made by the government, public, or private individuals who are directed at the achievement of certain objectives (Brynard, 2005). Efforts to promote entrepreneurship should focus on solutions to local challenges (Nusair, 2014). Pursuit of such initiations requires the government to be grounded in South Africa's unique context, challenges and opportunities (Chivasa, 2014). South Africa needs to write her own story in such a way that the government procurement will be less complex and eliminate red tape.

Shane (2009) argues that entrepreneurial activity has a negative effect on the relatively poor countries, while it has a positive effect on the relatively rich countries. Shane's (2009) argument resembles Western definitions of entrepreneurship, since his studies were based on the Western entrepreneurial environments. Entrepreneurship plays a different role in countries at different stages of economic development (Rogerson, 2016). General conclusions have failed to solve entrepreneurship problems in South Africa. This research, therefore, argues that South Africa's phenomenal problem of development and economic diversification can be solved by developing entrepreneurship, which will in turn develop small business ventures.

The prominence of entrepreneurship development in numerous economies globally cannot be overstressed (Obaji & Olugu, 2014). As such, most countries have launched programmes to support entrepreneurship within their societies, because it has been long established that entrepreneurship is a vital ingredient for job creation as well as economic development in various countries (Naudé, 2013). Furthermore, it is important to note that the role of entrepreneurship in the economies of most countries has been acknowledged by their respective governments (Al-Mubaraki & Busler, 2013). Against this background, this section of the review has identified the salient role of government in entrepreneurship and the importance attached to entrepreneurship development.



**Figure 3:2:** Government Role in Entrepreneurship Development

**Source:** Adapted from Obaji & Olugu (2014)

From Figure 3.2, entrepreneurship is the bedrock of economic growth. Nonetheless, the entrepreneurial success of any nation is largely dependent on specific issues in that country (Obaji & Olugu, 2014). This framework brings clarity on the government's role towards

entrepreneurship development. It also fills the literature gap by linking the antecedents of entrepreneurship to economic development, while government policy intervenes in the relationship (Obaji & Olugu, 2014). However, the considerations of policy inconsistency and the misconceptualisation of entrepreneurship activities evidenced in developing countries, still needs further inquiry.

### **3.3.1. China and Brazil**

The Chinese government has made concerted efforts through policies and programmes on the development of high technology businesses (Fukugawa, 2013). Similarly, the Brazilian government used a technologically-focused strategy with numerous programmes and resources channelled towards developing the low technological businesses, as well as high technologically-oriented firms (Alagbaoso et al., 2014).

### **3.3.2. Saudi Arabia**

In 2010, the Saudi Arabian government established a ten-year entrepreneurship effort and innovation plan (Alagbaoso et al., 2014). The intent was for the strategy to put Saudi Arabia at an equal pedestal with high economically competitive countries globally (Al-Mubarak & Busler, 2013). In its bid to develop through the growth of technology entrepreneurship, the Saudi Arabian government has helped in the setting up of various technology funding organisations with the aim of giving full support to technology business persons (Fukugawa, 2013). This includes the establishment of venture capital firms by the government with the intent of encouraging investments in high-growth firms because they find it difficult to raise adequate financing at the early stage of growth (Fukugawa, 2013).

### **3.3.3. Nigeria**

Nigeria is a middle-income mixed economy in Africa. It is characterised by an emerging market, with expanding financial, service, communications, and technology and entertainment sectors (Adeoye, 2015). With a rebased GDP, the Nigerian economy has been growing at an average rate of around seven per cent a year over the past decade (Obaji & Olugu, 2014). Different administrations at various times have geared their efforts towards developing its entrepreneurship. Several developmental and financial assistance instruments have been employed in this country (Obaji & Olugu, 2014).

### 3.4 ENTREPRENEURSHIP POLICIES

In the previous discussions, entrepreneurship was considered to be a major reason for economic development in emerging economies. Yet to date, little is known about the balance between policy-making and entrepreneurship for developing economies. This section of the review examines the literature that exists to date in this important domain. It further brings the idea of policies and their role in entrepreneurship development in emerging economies.

#### 3.4.1 The Aims and Objectives of Entrepreneurship Policy

The design of industrial policies in the nineties has highlighted the shortcomings of such policies to promote economic growth and development in a sustainable manner (Gilbert, Audretsch & McDougall, 2004). During that period, the preferred approach by many governments was to focus exclusively on industrial policy to promote economic growth (Grimm, 2005). It is important to acknowledge that currently, the later approach cannot be pursued, particularly if the objective is to reduce unemployment and poverty.

Policymakers therefore need to find new or alternate models of growth and sustainable development. In pursuit to improve current crises, the Organisation for Economic Co-operation and Development (OECD, 2012) and UNCTAD have suggested that policies to promote growth and economic prosperity should be inclined towards enabling an environment that fosters entrepreneurship (Storey, 2008). Their suggestions are affirmed through evidence from the emerging economies of Asian Tigers, in which, approximately 97 per cent of jobs are created by entrepreneurs in SMEs (OECD, 2012). Given its benefits, entrepreneurship has risen on the agendas of policymakers across the globe as a formidable channel for economic and social progress.

It is against this background that the main aim of entrepreneurship policy is to provide a generally enhancing environment in which entrepreneurs may thrive by removing barriers and facilitating smooth business operations (Storey, 2008). Another aim is to mould a policy environment where individuals from all backgrounds will have an opportunity to take a step towards entrepreneurship success. Consequently, the primary objective of a general entrepreneurship policy is to create an enabling environment for all entrepreneurs in any specific country (Tsai & Kuo, 2011).

However, the OECD has principally noted two serious constraints to effective entrepreneurship policy. Firstly, the regulatory environment, especially in terms of tax and access to finance, often negates strategies that aim to encourage people to become entrepreneurs. Secondly, measuring the effectiveness of these policies and modifying them accordingly, is often an unworkable task given the lack of useful data (OECD, 2012). If governments are to increase their commitment and investment in strategies to promote entrepreneurship, accurate measures are needed to assess their effectiveness, in order that they may be modified accordingly.

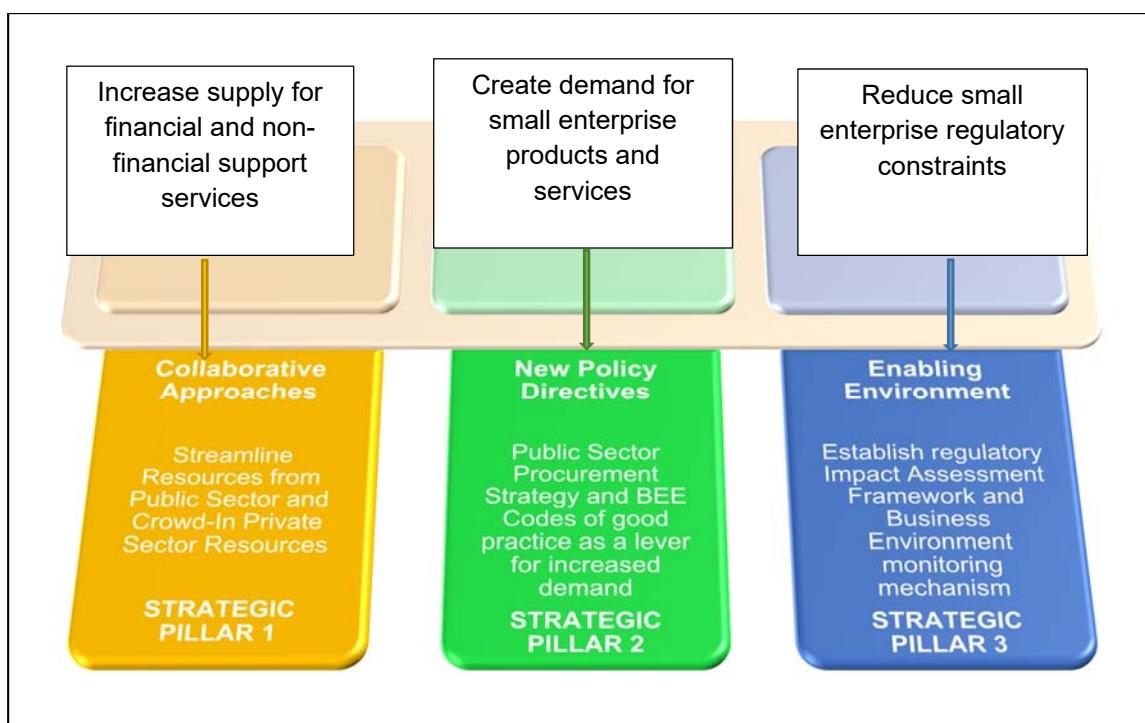
### **3.4.2 The Outcomes of Entrepreneurship Policy**

There have been arguments as to the role and significance of state interference in an economy where entrepreneurs principally offer the economic benefits associated with entrepreneurship. Almost two decades ago, Stevenson and Lundström (2001) noted that entrepreneurship policy was an emerging domain of the economic development arena. Importance in entrepreneurship policy for many developing nations has been increasing since that time. Policy frameworks and policy initiatives to support entrepreneurship have evolved over time too. Evident in developing economies is the lack of clarity concerning what constitutes entrepreneurship and confusion around the scope of entrepreneurship policy relative to SMME policy (Audretsch, Grilo & Thurik, 2007; Stevenson & Lundström, 2007).

Indeed, entrepreneurship policies are emerging as one of the most essential instruments for economic growth (Moos, 2015). Acknowledging this fact and the prior arguments, key outcomes of an entrepreneurship policy must be emphasised, which include:

- An increased awareness and legitimacy of entrepreneurship, and;
- Survival and growth of entrepreneurial ventures.

Despite the listed key outcomes, the effectiveness of a policy in a country is assessed through evaluation, which seeks to measure the relevance, efficiency and effects. Evaluation (generally under the rubric of monitoring and evaluation) allows an assessment of the benefits to the larger society, resulting from an investment in support for entrepreneurship. As for South Africa, the entrepreneurship policy is assessed through a strategy based on three fundamental pillars, as seen in Figure 3.3.



**Figure 3:3:** Integrated Strategic Actions

**Source:** Modified from Cassim, Soni & Karodia (2014)

In a bid to strategically assess the entrepreneurship policies, the South African government has since the birth of its democracy, recognised the importance of fostering an enabling environment for the creation and growth of small enterprises around the three strategic pillars shown in Figure 3.3. This has paved the way for the launch of a variety of new support measures and initiatives for small businesses in the country. South Africa's more recent strategy to promote entrepreneurship by the Department of Trade and Industry (DTI), the Integrated Strategy on the Promotion of Entrepreneurship and Small Enterprises (DTI, 2015) aims to foster a more enabling environment for the development of entrepreneurship and small business. The core thrust of the strategy has been focused on improving access to small business support and information, strengthening small business advocacy, and delivering effective service monitoring impact (DTI, 2015).

### 3.4.3 Key Components of an Entrepreneurship Policy Framework

Emerging from their research, Stevenson and Lundström (2007) developed six policy priorities (that were consistent in their previous research) which they then devised into an entrepreneurship policy framework (see Table 3.1.):

1. Entrepreneurship education: promoting entrepreneurship in schools.
2. The environment for start-ups: reducing barriers to entry, eliminating obstacles to business and tax reform.
3. Business support measures for start-ups: providing business start-up support, such as incubators, networks and start-up portals.
4. Target group strategies: target underrepresented groups and techno-starters.
5. Start-up and seed capital financing: providing loans for new businesses and seed capital.
6. Entrepreneurship promotion: promoting an entrepreneurship culture.

UNCTAD (2012) has been exploring the development of entrepreneurship frameworks for a while. They disseminated and suggested an entrepreneurship policy framework relevant to all countries. This framework comprised (see Table 3.1.):

- Entrepreneurship education and skills
- Regulatory environment
- Awareness and network building
- Facilitating technology exchange and innovation
- Access to finance
- General entrepreneurship policy (including enabling environment)

**Table 3.1:** Areas and Objectives of Entrepreneurship Policy

KEY COMPONENTS OF AN ENTREPRENEURSHIP POLICY FRAMEWORK			
Stevenson and Lundström (2007)		UNCTAD (2012)	
POLICY AREA	POLICY OBJECTIVES	POLICY AREA	POLICY OBJECTIVES
1. Entrepreneurship Education	<ul style="list-style-type: none"> <li>• Increase opportunity for people to gain entrepreneurial know-how</li> <li>• Integrate entrepreneurship into various levels of formal education systems</li> </ul>	1. Enhancing entrepreneurship education and skills development	<ul style="list-style-type: none"> <li>• Embed entrepreneurship in formal and informal education system</li> <li>• Develop effective entrepreneurship curricula and train educators</li> <li>• Partner with the private sector</li> </ul>
2. Reducing administrative legislative and regulatory barriers to entry and exit	<ul style="list-style-type: none"> <li>• Reduce the time and cost of starting a new business</li> <li>• Reduce barriers to improve opportunities for start-up and growth</li> <li>• Remove “disincentives” to the entrepreneurial career choice decision</li> </ul>	2. Optimising the regulatory environment	<ul style="list-style-type: none"> <li>• Examine regulatory requirements for start-ups</li> <li>• Minimise regulatory hurdles for business start-ups where possible</li> <li>• Build entrepreneurs' confidence in the regulatory environment</li> <li>• Guide entrepreneurs through the start-up administrative processes and enhance the benefits of formalisation</li> </ul>
3. Business support for start-ups	<ul style="list-style-type: none"> <li>• Provide easy access to start-up information, advice, counselling and other institutional support</li> <li>• Facilitate transfer of know-how</li> </ul>	3. Promoting awareness and networking	<ul style="list-style-type: none"> <li>• Highlight the value of entrepreneurship to the society and eliminate cultural biases</li> <li>• Raise awareness about entrepreneurship opportunities</li> <li>• Stimulate private-sector-led initiatives and strengthen networks among entrepreneurs</li> </ul>

4. Target group measures	<ul style="list-style-type: none"> <li>• Reduce systematic barriers to raise start-up rates of groups underrepresented as business owners</li> <li>• Reduce risk for high growth technology start-ups to foster wealth creation</li> </ul>	4. Facilitating technology exchange and innovation	<ul style="list-style-type: none"> <li>• Support great diffusion of Information Communication Technology to the private sector</li> <li>• Promote inter-firm networks that help spread innovation and technology</li> <li>• Support high-tech start-ups</li> <li>• Build bridges between public bodies, research institutions and the private sector</li> </ul>
5. Start-up and seed financing	<ul style="list-style-type: none"> <li>• Address market failures and gaps in provision of appropriate financing for new and early-age firms</li> <li>• Reduce information asymmetries</li> </ul>	5. Improving access to finance	<ul style="list-style-type: none"> <li>• Improve access to relevant financial services on appropriate terms</li> <li>• Promote funding for innovation</li> <li>• Build the capacity of the financial sector to serve start-ups</li> <li>• Provide financial literature to encourage responsible lending and borrowing</li> </ul>
6. Entrepreneurship promotion	<ul style="list-style-type: none"> <li>• Increase social value of entrepreneurship</li> <li>• Create more awareness of entrepreneurship in the society</li> <li>• Promote credible role models</li> </ul>	6. Formulating national entrepreneurship strategy	<ul style="list-style-type: none"> <li>• Identify country-specific challenges</li> <li>• Specify goals and set priorities</li> <li>• Enhance coherence of entrepreneurship strategy with other national policies</li> <li>• Strengthen the institutional framework</li> <li>• Measure results, ensure policy learning</li> </ul>

**Source:** Adapted from Moos (2015)

However, upon examination of the frameworks one may conclude that the measures are actually a set of policy instruments to achieve specific objectives in entrepreneurship development. Clearly what is first needed, is the development of a policy framework. A policy framework may be described as a collection of all policies to achieve a set of objectives (UNCTAD, 2012). These objectives (related to entrepreneurship) in a developing economy like South Africa are wide and range from economic development to alleviate poverty, to encouraging entrepreneurs who could become internationally competitive. Such a framework for entrepreneurship policies must of necessity, be a cohesive one in which entrepreneurship is integrated into all facets of the economy. In addition, all policy measures must be offered consistently and seamlessly to entrepreneurs, never mind their stage of growth or indeed their level of operation. Thus, Audretsch (2007) argues rather than focussing on the addition of entrepreneurship policies to the arsenal of public policy instruments, the debate should focus instead on the changing role of public policy in the entrepreneurial economy.

### **3.5 ANALYSING ENTREPRENEURIAL TYPOLOGIES**

Entrepreneurial typologies comprise one of the most durable analytical frameworks in entrepreneurship education (Smith, 2002). Originally conceived by Bailey (1973) about four decades ago, numerous variants of entrepreneurial typologies provide theoretical structure for a broad range of scholarship (for example). The typological approach, however, has well-known flaws. Typologies draw their theoretical strength from the idea that entrepreneurial ventures can be systematically classified, and that associated with each business category, are distinct and predictable patterns of entrepreneurial intentions and behaviour. The central difficulty for typologies is establishing some means to objectively assign entrepreneurial ventures into conceptually distinct categories. This chapter considers entrepreneurial typologies as a natural precursor to a general understanding of entrepreneurship. However, the theoretical promise of entrepreneurial typologies has been consistently frustrated and deterred by the inability to construct a system for valid and reliable classification.

As this study argues that there is lack of a clear conceptualisation of entrepreneurial classification, this chapter acknowledges entrepreneurial typologies as a potential solution to the classification problem which usually lies in the empirical (as opposed to conceptual) construction of entrepreneurial categories. This is an argument for a taxonomy, rather than a typology of entrepreneurs. The chapter proceeds with an overview of the typology literature and the central importance of the classification problem, examines the merits of adopting taxonomic methods, and presents an expository example by constructing a taxonomy based

on morality policy theory, a typology-based framework at the heart of broad and newly aggressive research literature (Bailey, 1994).

### **3.5.1 The History and Defining of Entrepreneurial Typologies**

Over the past decades, entrepreneurial classifications involved the ordering of entrepreneurs in terms of similarity in entrepreneurial activities (Bailey, 1994; Filion, 1998b, 2000; Kunkel, 2001; Smith, 2002). Such classifications argued by Hunter (2013) in entrepreneurship literature, are evidently broken down into two essential approaches namely:

1. Typology
2. Taxonomy

Entrepreneurial typologies are primarily conceptual and entrepreneurial taxonomies are empirical as discussed earlier (Bailey, 1973, 1994). The construction of entrepreneurial typologies may require for example conceptualisation of entrepreneurs along at least two dimensions, namely male entrepreneurs or female entrepreneurs. However, the construction of entrepreneurial taxonomies may begin empirically, rather than conceptually, with the goal of classifying entrepreneurs according to their commonly observed entrepreneurial activities. This section of the review will however, solely concentrate on discussions on the history and definitions of entrepreneurial typologies.

Before conceptualising entrepreneurial typologies, it is important to understand that basic entrepreneurial classification may be defined as the general process of grouping entrepreneurs by the similarity of entrepreneurial activities. Like any other classification, entrepreneurial classifications can either be unidimensional or multidimensional. The former being based solely on a single dimension or characteristic, the latter being based on a number of dimensions or characteristics (Dincer, Yildirim & Dil, 2011).

Acknowledging the need for a study on the evaluation and identification of different types of entrepreneurs (entrepreneurial typologies), is important. Typologies simply refer to different classifications of entrepreneurs (Zahra, Gedajlovic, Neubaum & Shulman, 2009). More importantly, classifications, such as those developed by Erikson (2001) who used desirability, feasibility and proactivity as key classification dimension, allow for better predictions based on membership in a specific typology about the likely behaviour, responses, and successes of the entrepreneur (Woo et al., 1991). Understanding different entrepreneurial typologies allows

for the building of a taxonomy which offers a powerful conceptual tool for the evaluation of entrepreneurs (Woo et al., 1991).

### 3.5.2 Typologies in Entrepreneurship

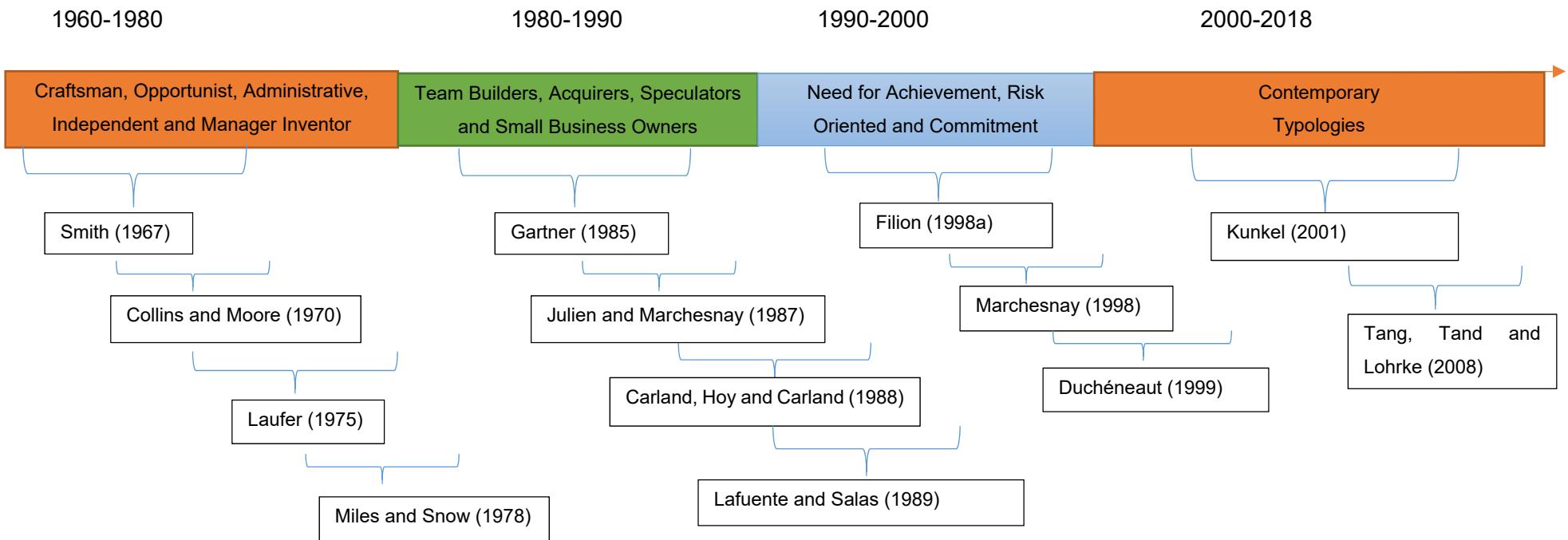
There is debate over the criteria underpinning entrepreneur typologies, albeit limited. The classical approach (1960-1980) (see Figure 3.2), characterises the entrepreneur with the type of enterprise advocated by Smith (1967) who proposed the ‘craftsman-entrepreneur’ and the ‘opportunist entrepreneur’. In the same period, exploratory work of Collins and Moore (1970) also suggested two types of entrepreneurs: the ‘administrative entrepreneur’ and the ‘independent entrepreneur’.

Craftsman and administrative classifications were primarily focused on the past and present, with low levels of confidence and flexibility (Allen, 2016). This is in contrast to the opportunist and independent entrepreneurs who are more advanced with a high degree of flexibility and an orientation to the future (Allen, 2016). The implications being that the opportunistic and independent entrepreneurs are more capable to innovate, and likely to experience the highest growth in sales.

Subsequently, classifications revolve around the entrepreneur and the organisation. Laufer (1975) and Miles & Snow (1978) advocate that the entrepreneur develops the organisation as the vehicle for innovation, hence the emergence of the ‘manager inventor’, ‘growth-oriented entrepreneur’, ‘prospector’, ‘follower’, ‘innovator’ and the ‘reactor’. Therefore, entrepreneurs’ relationships with innovation feature in a typology proposed by Miles and Snow (1978), where the classifications are determined by the entrepreneurs’ behaviour and the type of innovation they introduce (see Figure 3.4).

An alternative perspective in Figure 3.4 is based upon entrepreneurial attributes proposing varied entrepreneurial typologies which include: ‘team builders’, ‘solo self-employed individuals’, ‘acquirers’, ‘speculators’, ‘independent innovators’, and ‘small business owner-manager’ (Carland, Hoy & Carland, 1988; Gartner, 1985; Lafuente & Salas, 1989; Marchesnay, 1988). Furthermore, in the next decade 1990-2000 (see Figure 3.4), a number of authors attributed their classifications to three key entrepreneurial characteristics, namely:

- The need for achievement
- Risk taking propensity
- Commitment (Duchéneaut, 1999; Filion, 1998a; Marchesnay, 1998)



**Figure 3.4:** History of Typologies in Entrepreneurship

**Source:** Researcher's own construct

Consequently, the above attributional dimensions provided researchers with the disputed drivers of entrepreneurship (Kunkel, 2001; Tang et al., 2008). Focusing on nascent entrepreneurs, Allen (2016) reported that the need for achievement is a powerful predictor of entrepreneurial persistence, supporting the theory of attraction-selection attrition. It is important to understand that recent approaches to entrepreneur typologies are scant, in contrast to the popularity of research on the entrepreneurial drivers. This has presented a scenario which has prompted further research to provide further substance to the entrepreneurial typologies in the current business environment. Therefore, this study forms the next stage in refining the typology, but inevitably raises further questions for investigating entrepreneurial taxonomy in South Africa.

### **3.6 CASE STUDY OF ENTREPRENEURIAL TYPOLOGIES: A GLOBAL PERSPECTIVE**

Acknowledging the need for a study on the evaluation and identification of different types of entrepreneurs (entrepreneurial typologies) is important. Typologies simply refer to different classifications of entrepreneurs (Zahra et al., 2009). More importantly, classifications, such as those developed by Erikson (2001) who used desirability, feasibility and proactivity as key classification dimension, allow for better predictions based on membership in a specific typology about the likely behaviour, responses and successes of the entrepreneur (Woo et al., 1991). Understanding different entrepreneurial typologies allows for the building of a taxonomy which offers a powerful conceptual tool for the evaluation of entrepreneurs (Woo et al., 1991).

Early studies of entrepreneurial typologies established a distinction between the craftsman entrepreneur and the opportunist or business entrepreneur (Miller, Grimes, McMullen & Vogus, 2012). The classification developed by Erikson (2001) (see Table 3.2) used desirability, feasibility and proactivity as key classification dimensions (Tang et al., 2008). Erikson (2001) came up with a wide range of entrepreneurial typologies, and established classes of entrepreneurial typologies that are based on specific entrepreneurs. This, however, brings a case where very few entrepreneurs represent entrepreneurial typologies in their pure state (Filion, 2004). Therefore, researchers and policymakers may place some entrepreneurs in wrong categories which do not define their real entrepreneurial activities. This is not in line with Kunkel (2001) who argues that each entrepreneur establishes his or her own entrepreneurial classification. Therefore, a variety of entrepreneurs in every business and organisational category usually facilitate the development either of complex entrepreneurial typologies with a broad range of classes, or of multistage entrepreneurial typologies.

**Table 3.2:** A comparative analysis of entrepreneurial typologies

Author	Classification dimensions	Types of entrepreneurs	Country
Smith (1967)	Background Education Work experience Social/ business behaviour	1. Craftsmen 2. Opportunists 3. Organisation types	USA
Filley and Aldag (1978)	Business strategies Management styles	1. Craft 2. Promotion 3. Administrative	Canada
Smith and Miner (1983)	Education and training Further establish the craftsmen-opportunistic dimension in research <ul style="list-style-type: none"> <li>• Social Involvement</li> <li>• Management Styles</li> <li>• Communication Ability</li> <li>• Sources of Capital</li> </ul>	1. Craftsmen 2. Opportunists	USA
Miner (2000)	Various psychological personalities  Factors	1. Personal achiever  2. Real manager 3. Expert idea generator 4. Empathic sales person	USA
Erikson (2001)	Desirability Feasibility Proactivity	1. The ready entrepreneur 2. The ready reluctant 3. The ready feasible 4. The ready unconvinced	Switzerland
Gaglio and Katz (2001)	Different locations on the continuum of entrepreneurial alertness	1. Assessing 2. Discounting 3. Dismissing 4. Uninterested	Switzerland
Ucbasaran, Daniels, Westhead and Wright (2004)	Process knowledge Domain knowledge  Information search/motivation	1. Naïve novice 2. Transient over-achiever novice 3. Long-term novice 4. Transient novice 5. Biased habitual 6. Transient habitual 7. Routine habitual 8. Expert habitual	Great Britain

**Source:** Adapted from Tang et al. (2008)

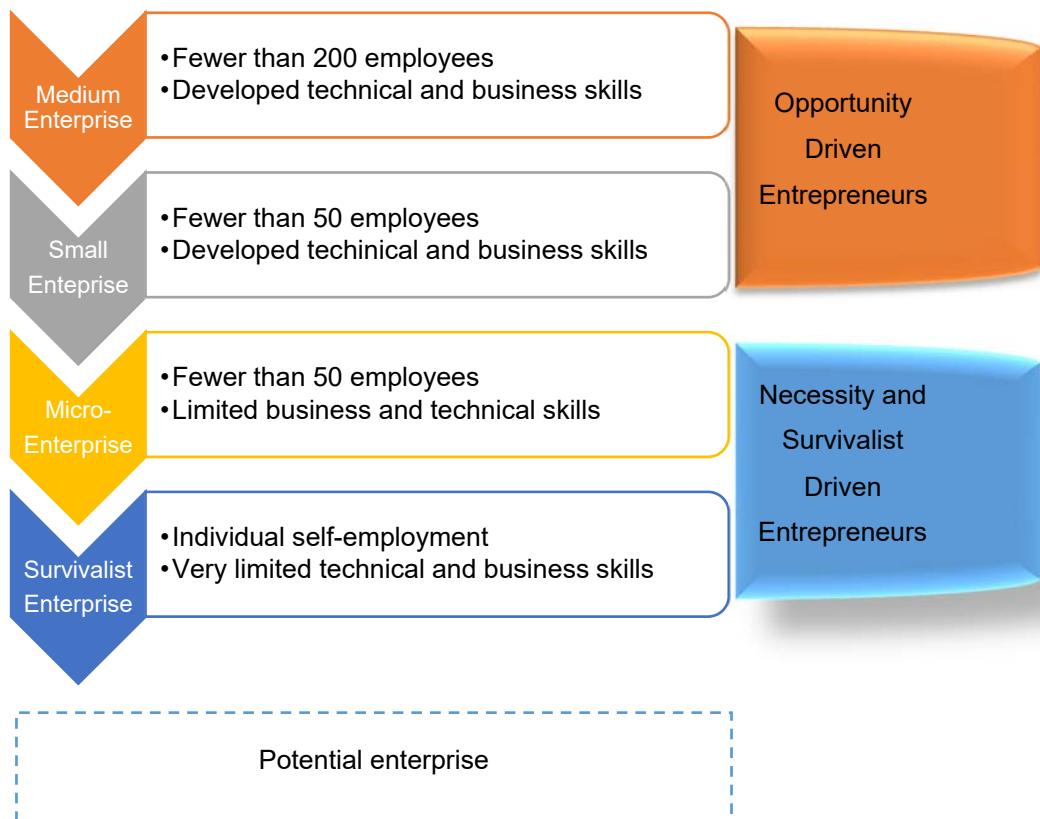
Ucbasaran et al. (2004), (see Table 3.2) established entrepreneurial typologies from a wide range of classification dimension namely, process knowledge, domain knowledge and information search motivation, but made no attempt to explain the fact that entrepreneurial intentions are dissimilar in kind. Hence the need to identify different kinds of entrepreneurial intentions and come up with a comprehensive classification and definition of entrepreneurship.

Exploring traditional research on entrepreneurial typologies shows that researchers have employed a wide range of aspects to classify entrepreneurs. As Table 3.2 shows, however, most researchers focused on either demographics or knowledge, rather than characteristics which may help to understand the real entrepreneur. Although several studies have attempted to bring rigour to entrepreneurial typologies, researchers and policymakers still find it difficult to position entrepreneurs and define entrepreneurship more accurately.

### 3.7 ENTREPRENEURIAL TYPOLOGIES IN SOUTH AFRICA

In light of all the typologies discussed in earlier sections of this chapter, classifying entrepreneurs in South Africa still proves to be a complex task. However, general classifications of entrepreneurs in South Africa are discussed in terms of the National Small Business Act (Act No. 102 of 1996). The definitions of small businesses in this Act guide the entrepreneurial classifications as well as the understanding of the entrepreneurial needs of entrepreneurs in the country. The Act defines and classifies the entrepreneur according to the size of business, number of employees, entrepreneurial skills and entrepreneurial drive as shown in Figure 3.5.

Although there is no universal definition or classification of entrepreneurs, features used to define and classify entrepreneurs in South Africa are adopted from the National Small Business Act (Act No. 102 of 1996). Criteria such as the number of employees, sales volume and value of assets form the basis of classifying entrepreneurship in the latter Act. In doing so, the Act further postulates two broad criteria (i.e. the qualitative and quantitative perspectives) for establishing entrepreneurship categories. However, the researcher is of the opinion that the National Small Business Act (Act No. 102 of 1996) does not provide a definition of entrepreneurs per se, but only provides a measure for classifying businesses (see Figure 3.5).



**Figure 3.5:** Classifications of Entrepreneurs in South Africa

**Source:** Modified from Moos (2014)

As shown in Figure 3.5, there are two broad categories in which an entrepreneurial venture start-up might fall. The first classification categorises entrepreneurial start-ups ranging from potential survivalist and micro-enterprises (Moos, 2014). These entrepreneurs are believed to be the ones outside the formal economy, and usually the government tends to neglect entrepreneurs from this group as they believe that they don't have the potential for expansion (Tsai & Kuo, 2011). The second category comprises of very small, small and medium enterprises (which are within the formal economy), government usually channels a lot of funds here, and its intervention tends to focus on this group, a group which is considered to have the potential for expansion and purposeful improvements (Moos, 2014).

The question which reflects another gap in South Africa's policies is why interventions are channelled to a specific group of entrepreneurs compared to the other group. In attempt to answer the last question, it is important to understand that there is no measure for potential expansion among entrepreneurs; likewise, entrepreneurs have diverse needs and reasons for establishing a start-up. Hence, it becomes unreasonable for a government to channel more assistance to a specific group of entrepreneurs, ignoring the other group. This provides evidence of policy inconsistency in South Africa and lack of understanding of the dynamics of

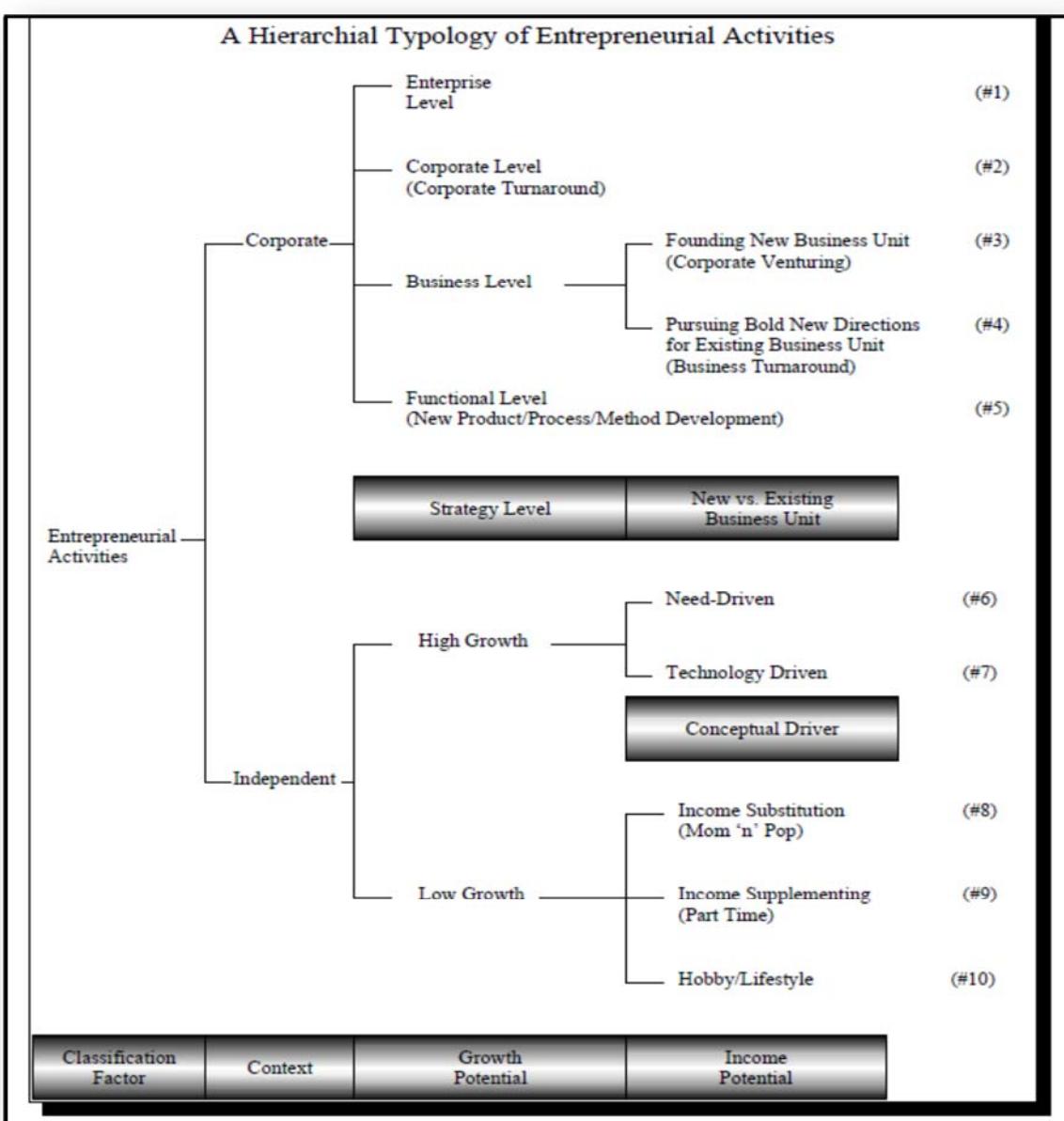
local entrepreneurs. This begs a need for a research study which classifies and defines entrepreneurs within the dynamics of the local entrepreneurial activities, thus the need to develop a taxonomy of entrepreneurial ventures in the Limpopo Province.

More so, apart from the criteria as depicted in Figure 3.5, other characteristics of entrepreneurial ventures may also be used to understand entrepreneurship in South Africa (Morris et al., 2006). Characteristics of ventures such as formality of a business, business orientation, resource needs, growth aspirations, risk preference among others, may prove essential in building an entrepreneurial taxonomy (Morris et al., 2006). This reflects existing gaps in the entrepreneurship field which emanates from the misconceptualisation of the definitions, as well as the classification of entrepreneurship.

### **3.7.1 Need for Further Research**

Acknowledging that entrepreneurship is a multiheaded concept, creation of a typology provides criteria for classifying and understanding the different facets of entrepreneurship (Erikson, 2001). Elucidating entrepreneurship's variety through a typology is therefore important in building a taxonomy of entrepreneurial ventures. Nonetheless, studies dated from early 1960s which were done in different environments by different authors, will give a basic understanding towards the creation of entrepreneurial typologies (Erikson, 2001; Filley & Aldag, 1978; Miner, 2000; Smith, 1967; Smith & Miner, 1983; Ucbsaran et al., 2004).

Many authors who define entrepreneurship seem to ignore the fact that defining entrepreneurship and providing a schema for its classification is one and the same thing. In a growing body of literature, Kunkel (2001) has bridged this divide. Kunkel (2001) defines entrepreneurship from a classification perspective and suggests a matrix of 10 variations of entrepreneurial actions as shown in Figure 3.6.



**Figure 3.6:** A matrix of 10 variations of Entrepreneurial Actions

**Source:** Adapted from Kunkel (2001)

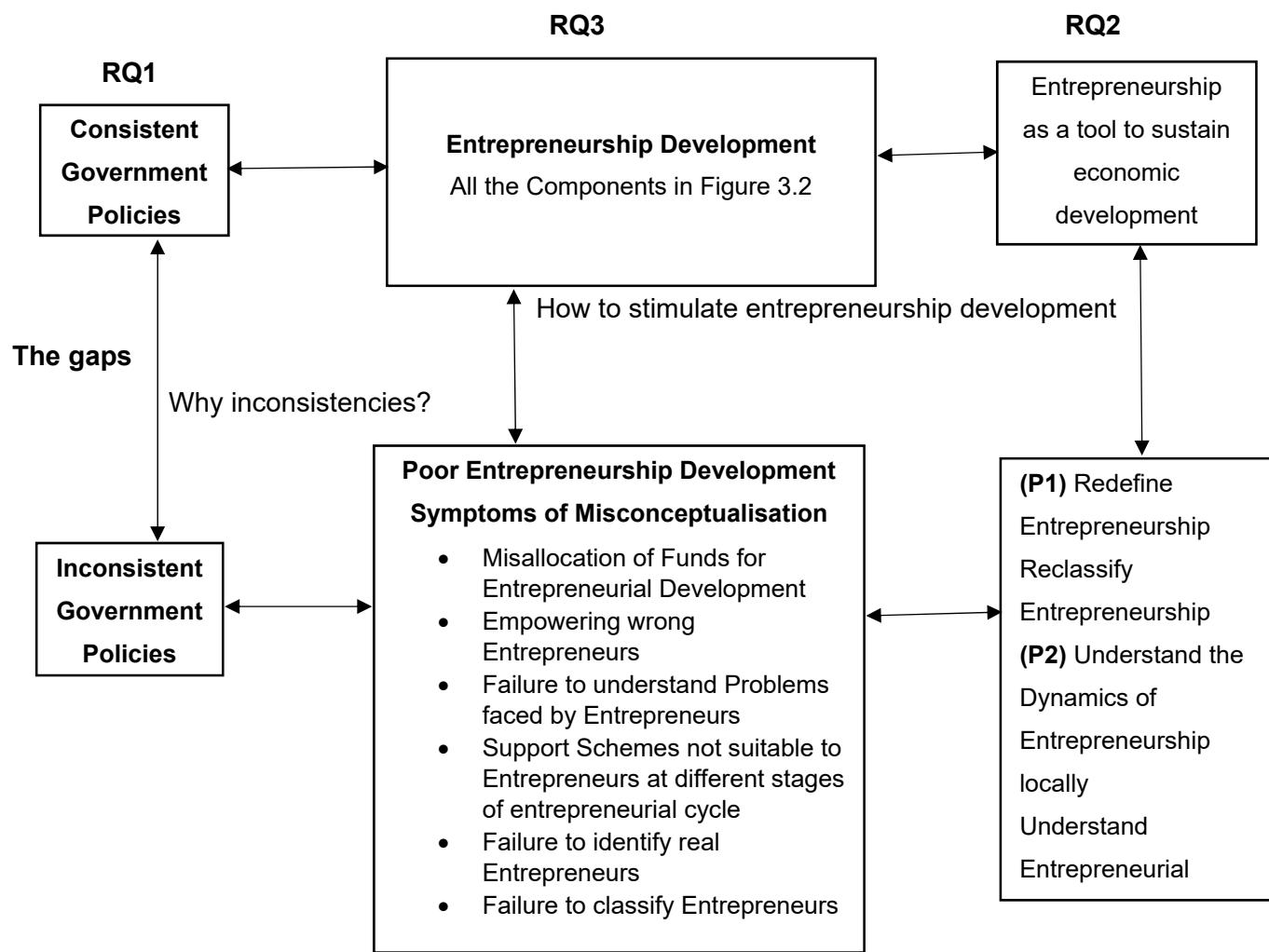
Although Kunkel (2001) developed new entrepreneurial activity gestalts based on corporate and independent entrepreneurial actions, these still remain insufficient for the South African context. Therefore, there is a need for research to relook the contemporary South African entrepreneurship landscape with a view of proposing a taxonomy that is relevant and applicable to the country.

More importantly, entrepreneurial ventures are extraordinarily heterogeneous and their limitations can vary significantly according to the perception of entrepreneurs, as well as the environment in which they work (Turton & Herrington, 2013). Therefore, entrepreneurship may not be viewed as a single and homogenous phenomenon. In the light of the above information, this study will use the scattered empirical evidence accumulated from past studies and integrate them with the grounded data to create a common typology which should be relevant for both policymakers and academics.

As a consequence, a general framework specifying the type of entrepreneurial ventures in the Limpopo Province will arise from this study to provide useful knowledge in this field of research. Lack of such a framework has over the past decades led to crude generalisations of research results whose domains of validity have not been explicitly specified (Kunkel, 2001). Hence the tendency of African nations to transplant entrepreneurship policies from their mother colonies which do not fit their entrepreneurial environment.

### **3.8 CONCEPTUAL FRAMEWORK**

In order to resolve the gaps identified in the literature as well as the research problem and research questions, the following conceptual framework on the reclassification and redefinition of entrepreneurship was proposed. The framework clearly illustrates the problem which this research was going to cover.



**Figure 3.7:** Framework to Redefine and Reclassify Entrepreneurship

**Source:** Researcher's own construct

As shown in Figure 3.7, nations with consistent government policies such as China, Malaysia, Singapore and South Korea use entrepreneurship as a tool for strong economic growth. However, in Figure 3.7 we can clearly observe that where there are inconsistent government policies, poor entrepreneurship development is likely to be experienced. Such symptoms of poor entrepreneurship development are experienced in many developing nations in Africa. There are several problems such as misallocation of funds for entrepreneurial development, empowering wrong entrepreneurs, failure to understand problems faced by entrepreneurs, supporting schemes that are not suitable to entrepreneurs at different stages of entrepreneurial cycle, failure to identify real entrepreneurs and the failure to classify entrepreneurs.

However, it seems that there are several support programmes to stimulate entrepreneurial development in developing nations. Despite all the support schemes, developing nations are not yielding the desired results. This makes it difficult to determine whether entrepreneurship development can be a tool for economic growth. Therefore, as shown in Figure 3.7 possible gaps will be addressed by either redefining or reclassifying entrepreneurship, understanding the dynamics of entrepreneurship locally, or understanding entrepreneurial cycles which relate to specific nations. All these possible solutions to the gaps will be addressed in this research.

### **3.9 CONCLUSION**

Chapter 3 discussed the conceptual and related theory used to comprehend the South Africa's entrepreneurship policy landscape. Furthermore, discussions relating to current entrepreneurial classifications and typologies were discussed. Chapter 4 presents the methodology used to gather data.

## CHAPTER FOUR

### RESEARCH METHODOLOGY: GROUNDED THEORY PROCEDURES

#### **4.1. CHAPTER OVERVIEW**

The preceding chapters reviewed the literature as it relates to this research and developed a conceptual model to answer the research question. This chapter describes grounded theory procedures in developing a taxonomy of entrepreneurial ventures, which is, in turn, used to answer research questions. It begins with discussion on the selected research paradigm at its justification. This is followed by justification of the grounded theory approach as it relates to the research problem. The next section discusses the sampling frame and units of analysis. The subsequent sections outline procedures and instruments. The chapter concludes by considering the ethical considerations for this research.

#### **4.2. INTRODUCTION**

Analysis of the literature in the previous chapter culminated in the identification of a research gap and research problem. Subsequently, a conceptual model was developed based on theoretical constructs related to the development of a taxonomy of entrepreneurial ventures. The purpose of the study is *to develop a new taxonomy of entrepreneurial ventures in the Limpopo Province of South Africa that is reflective of the local socio-economic imperatives*. In light of such, a process of building theory from data will be used to develop this taxonomy (Guba & Lincoln, 1994).

This chapter therefore, addresses two principals. Firstly, the chapter provides an explicit paradigmatic positioning of the grounded theory methodology, discussing the most relevant views of ontology and epistemology that can be used as alternative starting points for conducting grounded theory research. The chapter introduces the grounded theory approach, as it is important to acknowledge the existence of other approaches and locate the grounded theory in relation to them. As an important part of this discussion, the chapter defines the grounded theory in relation to the present study.

Secondly, the chapter firmly links the discussions to the potential value of grounded theory research to the field of entrepreneurship. Acknowledging the fact that the procedures of applying grounded theory are basically no different in entrepreneurship than in other fields of research, this chapter therefore introduces the grounded theory procedures and brings the

entrepreneurship discussion alive by adopting the grounded theory approach to address the research problem of this particular study.

#### **4.3. RESEARCH PARADIGM**

Research paradigms are basic belief systems or worldviews that guide researchers' inquiry (Creswell & Zhang, 2009; Guba & Lincoln, 1994; Healy & Perry, 2000). Creswell (2012) identified four main philosophical worldviews used in social research, namely: (1) postpositive, (2) social construction, (3) advocacy/ participatory, and (4) pragmatic, as depicted in Table 4.1.

**Table 4.1:** The Four Paradigms

Post positivist	Advocacy/Participatory	Constructivism	Pragmatism
Determination	Political	Understanding	Consequences of actions
Reductionism	Empowerment issue-oriented	Multiple participant meanings	Problem Centred
Empirical observation and Measurement	Collaborative	Social historical construction	Pluralistic
Theory verification	Change oriented	Theory Generation	Real-world practice oriented

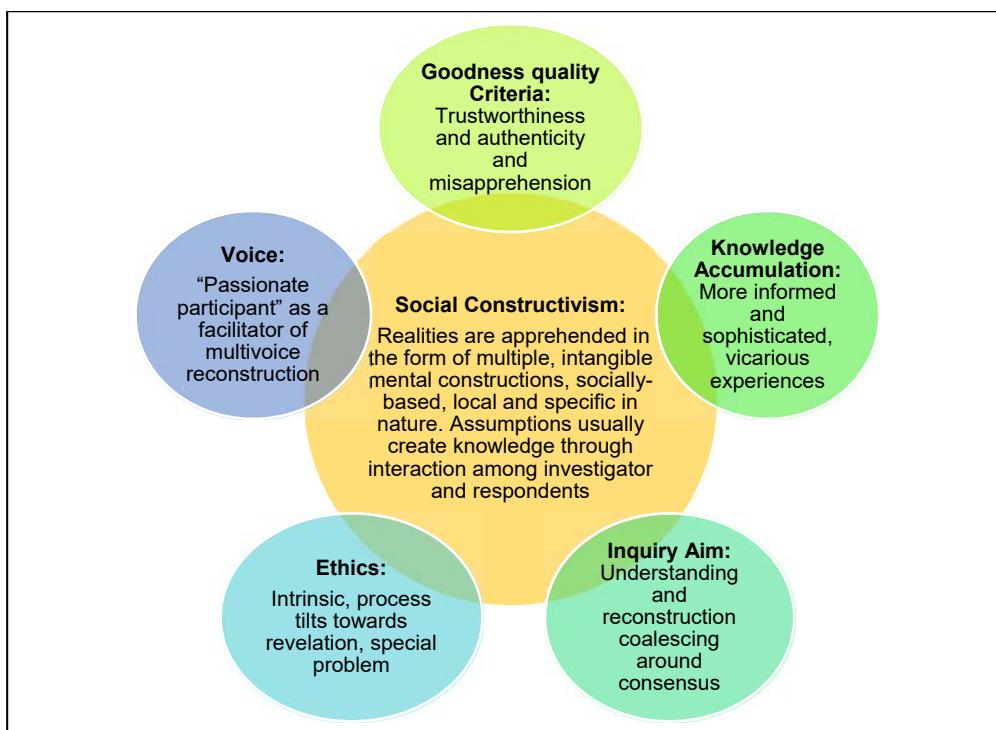
**Source:** Creswell (2009)

For the purpose of this study, the constructivist paradigm was used since it involves an understanding of multiple participant meanings and allows for theory generation as shown in Table 4.1. Thus, as postulated by Neergaard and Ulhøi (2007), social constructivism entails a relativistic ontology and a subjectivistic epistemology. An ontological position refers to the researcher relationship with the reality of his study, and a realist ontology is objective (Creswell, 2009).

On the other hand, subjectivistic epistemology is a theory of knowledge, and how it is achieved in a manner that knowledge about the world is gained through self-analysis (Neergaard & Ulhøi, 2007). Therefore, social constructivism also allowed the study to drive meaning constructed by individual entrepreneurs, as well as exploring the taxonomical issues of entrepreneurial ventures in the Limpopo Province of South Africa.

#### 4.3.1. Basic Assumptions of the Social Constructivism Paradigm

This research is grounded on theory derived from data which was systematically collected and analysed using an iterative process of considering and comparing earlier literature (Pandit, 1996). Before choosing a research paradigm which is in line with the later approach, it is important to understand grounded theory methods as a part of the family of qualitative research methods (Strauss & Corbin, 1994). Most important to note, is that qualitative research has no theory or paradigm that is distinctly its own; consequently, several paradigms may be adopted in qualitative research methods.



**Figure 4.1:** Basic Assumptions of the Social Constructivism Paradigm

**Source:** Researcher's own construct

As highlighted in the previous section, for the purpose of this study, the social constructivist paradigm was used since it involves an understanding of multiple participant meanings and facilitated theory generation. The social constructivism paradigm also allows for interpretive and naturalistic approaches to data collection and analysis and is multimethods (Charmaz, 2014). Figure 4.1 shows basic elements which justify the selection of social constructivism as a paradigm for this particular study.

#### **4.3.1.1. Purpose of Inquiry**

As shown in Figure 4.1, the purpose of inquiry is the understanding and rebuilding of the constructions that people (including the investigator) initially hold, aiming towards consensus, but still open to new theory as evidence and complexity improvement (Charmaz, 2014). Under social constructivism the researcher was cast in the role of participant and facilitator in this process, a position that some critics have faulted on the grounds that it increases the inquirer's role outside realistic expectations of skill and competence (Creswell, 2009). In light of this assumption, the purpose of this study was to open new theory through the development of a new taxonomy of entrepreneurial ventures in the Limpopo Province of South Africa. This further justified the selection of social constructivism as the research paradigm.

#### **4.3.1.2. Knowledge Accumulation**

Another basic assumption shown in Figure 4.1 pertains to knowledge accumulation. With social constructivism, knowledge accumulates only in a relative sense through the realisation of ever more informed and erudite theory via an iterative process of considering and comparing earlier literature (grounded theory) (Charmaz & Belgrave, 2007). With this paradigm varying concepts were brought into comparisons. One significant mechanism for transfer of knowledge from one setting to another is the provision of vicarious experience by in-depth interviews. Therefore, it is important to understand that this basic assumption to the paradigm is in line with the principles of the grounded theory which was used to develop a taxonomy of entrepreneurial ventures in the Limpopo Province.

#### **4.3.1.3. Ethics and Goodness Quality Criteria**

As indicated in Figure 4.1, ethics is intrinsic to the social constructivism paradigm. It is intrinsic because of the inclusion of participant values in the inquiry. Starting with grounded data and respondents' existing constructions, new theory can be generated (Mills, Bonner & Francis, 2006). Such theory worked towards increased information and the sophistication of the respondents' constructions as well as the inquirer's construction. Social constructivism assumes an incentive- a process tilt- for revelation; hiding the inquirer's intent is destructive for the aim of uncovering and improving constructions (Mills et al., 2006). Basic assumption for goodness quality proposes two sets of criteria: the trustworthiness criteria of credibility (paralleling internal validity), and the authenticity criteria of fairness and ontological authenticity which enlarge personal constructions and educative authenticity which lead to

improved understanding of the construction of others and tactical authenticity which triggers action (see Figure 4.1) (Rennie, 2000).

#### **4.3.1.4. Voice**

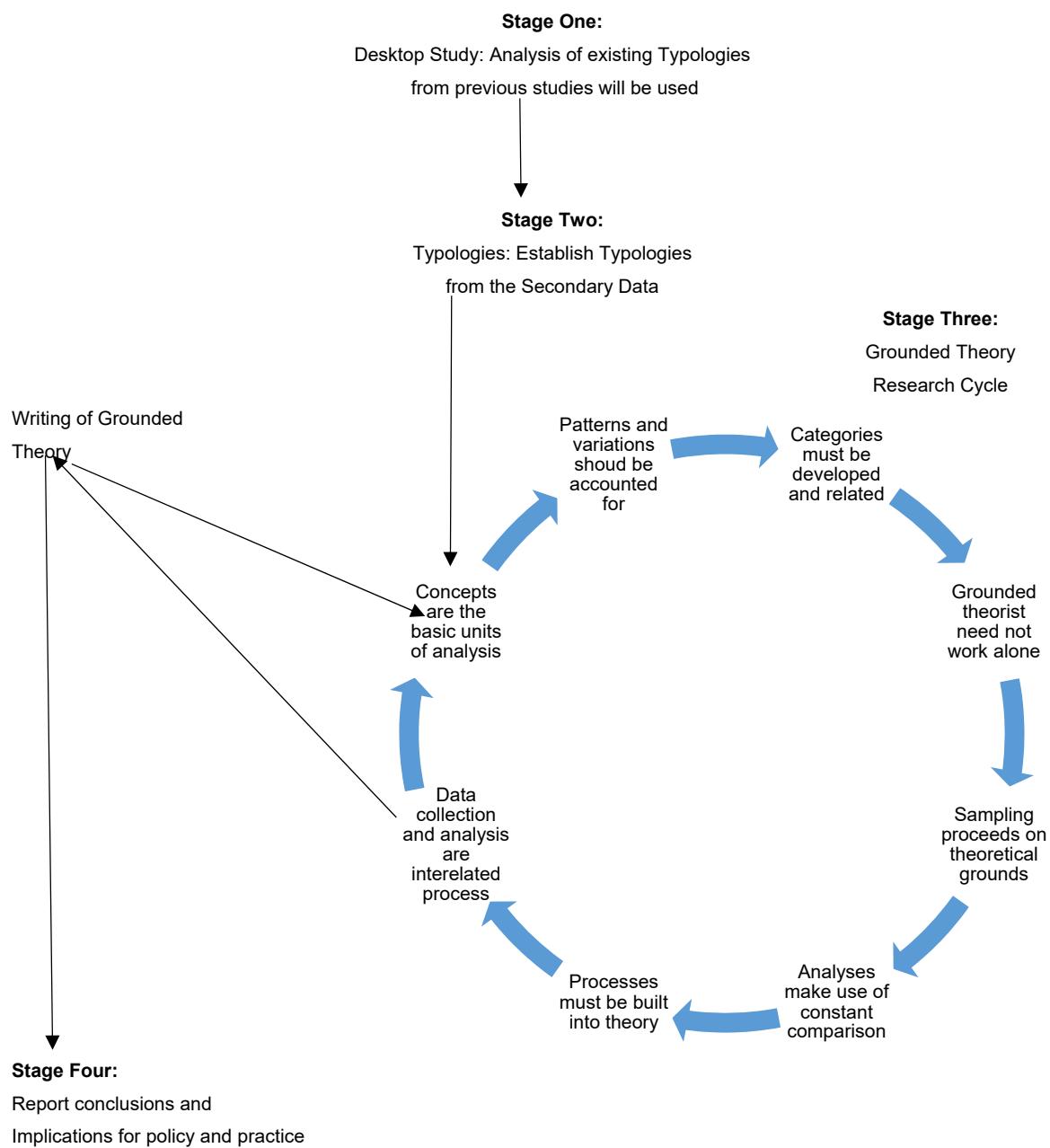
As part of another assumption which social constructivism assumes, the investigator's voice was that of the "passionate participant" actively involved in easing the "multivoice" reconstruction of his or her own construction, as well as those of all other contributors (see Figure 4.1). Change was facilitated as reconstructions were formed and individuals were stimulated to act on them (Rennie, 2000). Again this basic assumption to the paradigm is in line with the principles of the grounded theory which was used to develop a taxonomy of entrepreneurial ventures in the Limpopo Province.

### **4.4. BUILDING GROUNDED THEORY IN ENTREPRENEURSHIP RESEARCH**

This research seeks to explore the taxonomical and definitional issues of entrepreneurial ventures in the Limpopo Province. Detailed analyses of data from different entrepreneurs in Limpopo was explored to develop a new theory which helped in conceptualising entrepreneurial classifications and the definition of entrepreneurship in the South African environment.

In light of the "what?" and "how?" research questions pertaining to this study, a qualitative research methodology through the grounded theory was appropriate (Guba & Lincoln, 1994), and was adopted. For this study, a grounded theory approach was useful as it enabled a multi-method approach of collecting data, such as observations, interviews, and focus group discussions (Neergaard & Ulhøi, 2007). This was particularly important for this study as it explored complex social issues that are pre-paradigmatic (e.g. the taxonomical issues of entrepreneurial ventures in the Limpopo Province) (Wiid & Diggines, 2010).

Grounded theory facilitated theory-building from data (Neergaard & Ulhøi, 2007) which in this case, facilitated the reconceptualisation and reclassification of entrepreneurship in South Africa. The research design, as shown in Figure 4.2, was guided by the following steps: (1) a desktop study, (2) typology construction, (3) primary data collection (grounded theory research cycle, and (4) theory building together with report conclusions and implications for policy and practice.



**Figure 4.2:** The Research Methodology Process

**Source:** Researcher's own construct

#### 4.4.1. Stage 1: Desktop Study

In the light of the above, the study at this stage used the scattered empirical evidence accumulated from past studies and integrated them with the grounded data to create a common typology which was relevant for both policymakers and academics. This constituted the first stage in the data collection process of this study (see Figure 4.2).

#### **4.4.2. Stage 2: Typology Construction**

Stage two involved the construction of typologies through an analysis of entrepreneurship literature. Typologies at this stage were important, since they facilitate the process of building a taxonomy of entrepreneurial ventures. As a consequence, a general framework specifying the type of entrepreneurial ventures in the Limpopo Province developed earlier in the review (see Figure 3.7), provided useful knowledge in this field of research at this stage.

#### **4.4.3. Stage 3: Grounded Theory Research Cycle**

Grounded theory procedures and principles are clarified at this stage (see next section). As argued by Charmaz (2014), these procedures and principles were taken seriously in conducting this study. In this study the researcher treaded a fine line between satisfying the suggested criteria and allowing for procedural flexibility in the face of the inevitable eventualities of the project. However, to the extent that circumstances permit, following the procedures with care gave this project rigour. The procedures and principles described in the grounded theory research cycle (Figure 4.2.) are as follows:

##### **4.4.3.1. Data Collection and Analysis are Interrelated Processes**

In the grounded theory, notwithstanding this study, the analysis begins as soon as the first bit of data has been collected. By contrast, a number of qualitative investigators gather much of their data before the systematic analysis process. For this research, analysis was essential from the start, since it was used to direct the next interview. Furthermore, in order not to miss anything significant, the researcher analysed the primary bits of data for prompts. All seemingly relevant matters were fused into the succeeding set of interviews.

##### **4.4.3.2. Concepts are the Basic Units of Analysis**

Since the researcher is a “theorist” in this study, the theorist works with conceptualisations of data, not the actual data per se. More important to understand is that theories cannot be built with actual cases or activities as reported (Strauss & Corbin, 1994). Therefore, incidents, events, and cases in this research were analysed as possible indicators of phenomena, which were thereby given conceptual labels. For example, Respondent 1 indicated that:

*"Each day I range my actions over the afternoon, resting between businesses and studying,"*  
**(Respondent 1: 2)**

Therefore, the investigator labelled this phenomenon as "business advancement." As the investigator come across other cases, and when after contrast to the first, they appear to resemble the same phenomena, then these, too, were labelled as "business advancement." As argued by Charmaz (2014) in the grounded theory method, such concepts become more copious and more intellectual as the analysis continues. Consequently, this study accumulated the basic theory through comparing incidents and naming them like phenomena with the same term.

#### **4.4.3.3. Patterns and Variations must be Accounted for**

Data patterns were examined to check for uniformity in this study. Nevertheless, where that uniformity was not apparent, data patterns were also examined. For example, in this study the investigator noticed that entrepreneurs tend to believe that they are born entrepreneurs. However, the investigator also noted that other entrepreneurs believed that socio-economic challenges forced them to become entrepreneurs, a variation of the original pattern emerges. Consequently, finding patterns or regularities in this study helped in giving order to the data and assisted with integration.

#### **4.4.3.4. Categories must be Developed and Related**

In this study the investigator grouped concepts that pertain to the same phenomenon to form categories. As argued by Guba and Lincoln (1994), grounded theorists need to understand that not all concepts become categories. Therefore, this study treated categories in a higher level and regarded them as more intellectual than what the concepts represented. Indeed, categories and concepts were generated through the same analytic process of making comparisons to point out similarities and variances (Guba & Lincoln, 1994). The study consequently used categories as the cornerstones to develop a theory. As postulated by Mills et al. (2006) categories provided the means by which the theory was assimilated. Through such specification, in this study categories were defined and given explanatory power and more importantly with time, the latter developed into related data and shaped a theory.

#### **4.4.3.5. Grounded Theorists need not to work alone**

An essential part of this grounded theory research is analysing concepts and their associations with associates who have knowledge in the same practical area. By opening up the analysis to scrutiny of others the researcher guarded his work against bias. As suggested by Mills et al., (2006), consultations with other investigators often lead to novel perceptions and amplified theoretical sensitivity as well. Therefore, by carrying out the research project as a team, offered opportunities for increasing the probability of collaborative analysis to the researcher.

#### **4.4.3.6. Sampling Proceeds on Theoretical Grounds**

Seale (1999) argues that sampling in grounded theory proceeds not in terms of drawing samples of specific groups of individuals, units of time, and so on, but in terms of concepts, their properties, dimensions and variations. Indeed, on this project purposive sampling was followed as the project commenced. It is also important to understand the nature of sampling cohort together with the reasons for inclusion (Lomborg & Kirkevold, 2003). Based on this knowledge, groups of entrepreneurs shaped the representative population of the phenomenon under study. Consequently, after analysis of the first interviews, specific entrepreneurial typologies had more specific and complex meanings than the general questions or concepts with which the researcher began the study (BA, 2003).

#### **4.4.3.7. Analysis make use of Constant Comparison**

The basic building blocks of the grounded theory lie under the theme of constant comparison. Therefore, as an incident was noted in this research, it was then compared against other incidents for similarities and differences. This labelled resulting concepts, and over time, they were compared and grouped as previously described. Guba and Lincoln (1994) postulated that making comparisons assists the researcher in guarding against bias, for he or she is then challenging concepts with fresh data. More importantly, such comparisons in this study helped to achieve greater precision (the grouping of like and only like phenomena) and consistency (always grouping like with like).

#### **4.4.3.8. Processes must be built into Theory**

As argued by Guba and Lincoln (1994), the process may also represent purposeful action or interaction that is not necessarily progressive, but changes in response to prevailing

conditions. In this grounded theory study, process had numerous implications. The study also made use of a process analysis where a phenomenon was broken down into stages, phases, or steps as highlighted in Chapter 5 and 6 to follow.

#### **4.4.4. Stage 4: Report Conclusions and Implications for Policy and Practice**

A detailed discussion of the implications of the study was provided at this stage. The study used theoretical memos which is an integral part of doing grounded theory. Usually, the investigator cannot readily keep track of all the categories, properties, hypotheses and generative questions that evolve from the analytical process. This therefore, means that a system must be applied for doing what brings the use of theoretical memos. More so, the memos were involved in the formulation and revision of theory during the research process since memos were not simply ideas.

#### **4.4.5. Feasibility of the Grounded Theory Methodology**

Over the past decades, there has been little empirical validation of current entrepreneurial typologies and there is conflict on what is the best taxonomy to describe entrepreneurs in South Africa. This situation demands research which involves building theory from data (grounded theory procedures). In conducting this research, the investigator benefits from unique means to facilitate an understanding of the complexity of entrepreneurial taxonomies in the Limpopo Province. The collection and analysis of qualitative data from entrepreneurs in the Limpopo Province allows the investigator to drill deep into taxonomical issues among entrepreneurs in the Limpopo Province.

Acknowledging that there is scant literature on entrepreneurial typologies and this is the first research of this nature in the Limpopo Province, newness of the research area justifies the grounded theory approach. Therefore, theory-building benefited from this qualitative research in which the researcher identified important constructs from a novel viewpoint. Again, it was complex to understand the nature of entrepreneurial activities as well as to group these activities based on similar characteristics. Hence the need to engage in grounded theory research to build meaningful theory and propose a taxonomy for entrepreneurial ventures in the Limpopo Province.

#### 4.5. RESEARCH QUALITY CONSIDERATIONS FOR GROUNDED THEORY

In this section the key question appears to be whether grounded theory quality measures can be clearly articulated in its methodology. However, it is important to revisit Glaser and Strauss's (1967) monograph which argues that the label of "methodology" should be associated with grounded theory. Important to note is that in modern literature, methodology and methods are shown to be underpinned by ontological and epistemological assumptions (Charmaz, 2014).

- a) Ontology deals with questions of reality and asks, "What is the nature of the social world?" "Is there a reality external of individuals' perceptions of reality?"
- b) Such ontological questions inform epistemological questions of knowledge such as, "How is knowledge of the social world possible?" "Can knowledge be separated from the process of its production?" (Weed, 2009).

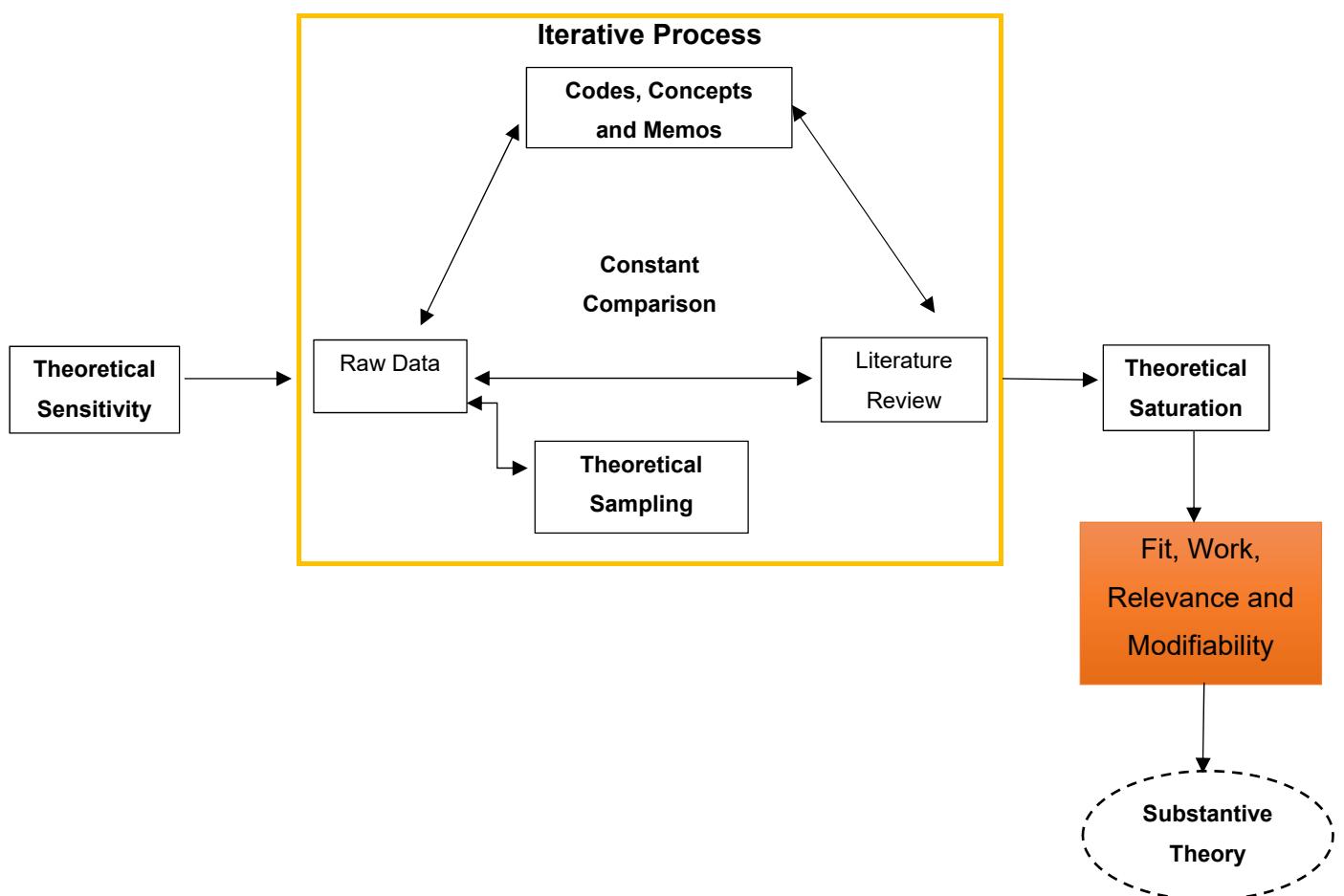
Having addressed such inquiries, considerations can turn to methodology which asks, "What techniques or reasoning should be followed in the creation of knowledge?" This simply resembles the overall research strategy. Finally, the strategy developed (methodology) guided the methods used, where the consideration is, "What specific procedures should be adopted to gather data?". Ultimately this answers the question on what data collection tools (for example, interviews and observation) were employed in this study.

As such, this research therefore, considered the grounded theory not only as a methodology, but as a "total methodology", that provided a set of ideologies for the whole research procedure. More often than not, the research quality of the grounded theory methodological process is compromised by researchers who believe that their research qualifies for the grounded theory label because they have chosen to employ some of the elements of the grounded theory. This therefore, calls for examination of the core elements of the grounded theory methodology, without which a study cannot rightly be claimed to be the grounded theory research as shown in Figure 4.3.

**An Iterative Process** – In ensuring quality, this research considered the grounded theory as not linear, and data collection was carried out simultaneously with data analysis. In doing so, data was collected, analysed and compared with the literature. Subsequently additional data was gathered to help improve concepts. The concepts were then analysed and compared with the literature and original concepts, leading to the intensive collection of further data, and so

the process continued until the theoretical coverage of the research area was adequate (see Figure 4.3.).

**Theoretical Sampling** - Another concept which was important in ensuring the quality of the grounded theory was the sampling procedure. This research therefore, followed grounded theory samples which sample data in relation to issues that develop from the analysis, such that anomalies are identified. Consequently, data in this research was collected to help improve and develop the theoretical concepts that were emerging from the analysis (see Figure 4.3). Unlike most sampling procedures, theoretical sampling in this study was aimed at refining ideas, not to increase the size of the original sample.



**Figure 4.3:** The Grounded Theory Process

**Source:** Modified from Weed (2009)

**Theoretical Sensitivity** - Data collection in this research was indeed guided by the emerging analysis (theoretical sampling), however, a key question maybe asked of what guides initial data collection? Indeed, this question is predominantly common among academics who

mistakenly believe that the grounded theory is an approach where the researcher enters the field without an understanding of the research area. Therefore, as shown in Figure 4.3 where theoretical sensitivity was included in this study's grounded research process, the later belief automatically becomes a lie, as supported with the earlier desktop work in the research literature review. Theoretical sensitivity in this research therefore, acknowledges that investigators approached the research area with an awareness of the research site but, importantly, without any preconceived ideas about what was discovered.

**Codes, Memos and Concepts** - In this study, the process of grounded theory coding was one where initial coding, in this case a word-by-word, seeks to describe entrepreneurial typologies before moving to a second stage, which took place via selective or focussed coding which conceptualised entrepreneurial typologies. This development from description to conceptualisation is aided by memo-writing. Memo-writing in this study allowed emergent notions and linkages to be properly noted and encompassed in the iterative analytical process. Consequently, the methodological strategy for this stage of the current research procedure was to move from codes (description) to concepts, aided by memos.

**Constant Comparison** - The constant comparative method is what holds together the iterative analytical process in current grounded theory research procedure. Initially, the comparison was between data and data, then between codes, then between codes and concepts, then between concepts and literature. Once the analysis developed beyond the initial stages, the constant comparison was between data, codes, concepts, and literature as a way of continually checking that the emerging insights were grounded in all parts of the analysis (Glaser, 1992; Strauss & Corbin, 1990).

**Theoretical Saturation** – Indeed in this study, the grounded theory was an iterative process; some indication therefore, is needed as to when further iterations are no longer necessary, and this is provided by the point of theoretical saturation (see Figure 4.3). Charmaz (2006) succinctly argues that saturation has been reached when gathering fresh data no longer sparks new theoretical insights, nor extends the properties of theoretical concepts. As such, theoretical saturation ensured that “the generated grounded theory had conceptual density and theoretical completeness”.

**Truth and validity in the grounded theory** - Indeed, literature confirms that validity and reliability are inappropriate measures of quality for grounded theory research (Lomborg & Kirkevold, 2003). Various scholars have attributed this to the linguistic meaning of the grounded theory approach (Charmaz, 2014; Charmaz & Belgrave, 2007; Glaser, 1992; Guba

& Lincoln, 1994; Lomborg & Kirkevold, 2003; Mills et al., 2006). However, as a concept, grounded theory has become loaded, and is associated with the imposition of criteria derived from ontological realism and epistemological positivism upon research that is not underpinned by such ontological and epistemological assumptions (Sparkes & Smith, 2013). As such, this research therefore, followed the path advocated by Sparkes and Smith (2013) in developing quality measures appropriate to the adopted grounded theory approach, namely:

1. **Fit:** “Fit” was ensured by constant comparison and theoretical saturation, it relates to how closely the concepts and theory generated fit the incidents and entrepreneurial taxonomies they represented (Weed, 2009).
2. **Work:** The theory generated from this research “works” if it will be able to offer analytical explanations for problems and processes in context to the taxonomical issues of entrepreneurial ventures in the Limpopo Province.
3. **Relevance:** The “relevance” of a theory in this research relates to the extent to which it dealt with the real concerns of entrepreneurs in the Limpopo Province.
4. **Modifiability:** Finally, the grounded theory in this study is “modifiable”, in that it is open to extension or further development to accommodate new insights provided by further empirical research in the future (Weed, 2009).

**Substantive Theory** – The Chakuzira 9 matrix of entrepreneurial ventures (C9 matrix), generated from this research project does not seek to be generically applicable. It is theory grounded in a substantive area which in this case, is the entrepreneurship field.

## 4.6. SAMPLING

The current qualitative study aims to provide illumination and understanding of complex psychosocial issues (taxonomical issues of entrepreneurial ventures in the Limpopo Province). Most usefully, the study answered humanistic 'why?' and 'how?' questions pertaining to entrepreneurial ventures in the Limpopo Province. It was therefore important to make careful consideration in selecting the best sampling strategy which effectively developed an understanding of complex issues relating to human behaviour.

### 4.6.1. Sample Size

As with any other qualitative study, an appropriate sample size for this current grounded approach was the one that adequately answered the research question. This therefore implies

that in this study, the number of required subjects became obvious as the study progressed, as new categories, themes or explanations stopped emerging from the data (data saturation). Clearly, the current grounded research calls for a flexible research design and an iterative, cyclical approach to sampling, data collection, analysis and interpretation. In total, five in-depth interviews with entrepreneurs were used to develop the substantive theory in this study.

#### 4.6.2. Sample Strategies

The iterative process of the adopted grounded theory means that samples are usually theory driven to a greater or lesser extent. As discussed earlier in the previous section, theoretical sampling necessitates building interpretative theories from the emerging data and selecting a new sample to examine and elaborate on this theory (Rennie, 2000). Consequently, the relative balance was governed by the research question and the chosen style of data analysis and interpretation.

More importantly the essence of conducting a grounded theory approach is that it is naturalistic. Indeed, this research studied real people in natural settings, rather than in artificial isolation. Sampling therefore included not only some of the individual's characteristics, but also temporal, spatial and situational influences, that is, the context of the study (Rennie, 2000). The researcher considered the broader picture:

- Would this entrepreneur express a different opinion if interviewed next week or next month?
- Would entrepreneurs feel differently if interviewed at home or at work?
- Should the researcher study entrepreneurs when they will be under stress or relaxed?

There is no correct answer to these questions, just as there is no perfect way to sample, but the influence that these factors had on the trustworthiness of the results was acknowledged. Consequently, theoretical sampling and purposive sampling techniques were used for the study and participants met the following criteria:

**Table 4.2:** Sampling summary

Sampling cohort	Reason for inclusion in the sample	Criteria for inclusion	Minimum number
Entrepreneurs	Raw data openly identifies what constitute entrepreneurship. Different entrepreneurial typologies will be extracted from the entrepreneurs.	Time and cost associated with collecting the information from typical start-ups, small, medium and micro entrepreneurs.	In-depth interview discussion for each of the following: Typical start-ups Small Entrepreneurs Medium Entrepreneurs Micro Entrepreneurs

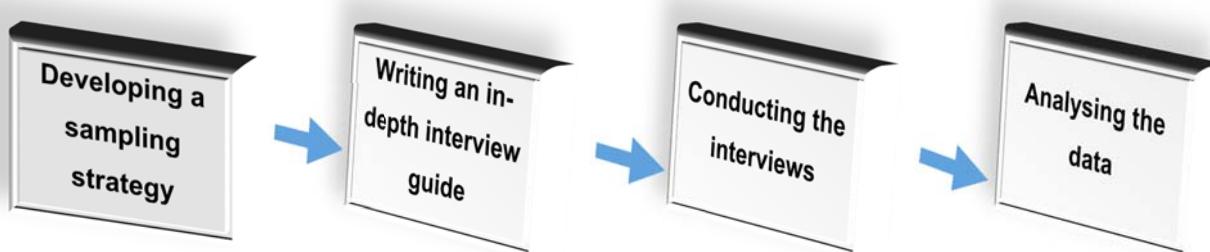
**Source:** Researcher's own construct

#### 4.7. RESEARCH INSTRUMENT

The purpose of designing the research as grounded theory was to conduct in-depth interviews with participants to collect data. Strauss and Corbin (1994) recommend that grounded theorists may use open-ended interview questions to collect their data. This affords the researcher the opportunity to ask respondents both facts and opinions about a specific events or clarifications.

#### 4.8. CONDUCTING AN IN-DEPTH INTERVIEW

As postulated by Ritchie, Lewis, Nicholls and Ormston (2013), the four steps involved in conducting in-depth interviews which this research followed, were: (1) developing a sampling strategy, (2) writing an in-depth interview guide, (3) conducting the interviews, and (4) analysing the data (see Figure 4.4).



**Figure 4.4:** Steps involved in conducting in-depth interviews

**Source:** Researcher's own construct

#### **4.8.1. Developing a Sampling Strategy**

The first step in conducting in-depth interviews in this study was developing a sampling strategy. The researcher indeed spoke to the right people who gave useful answers to the research questions. More importantly, the research aims were used to help the investigator to determine who should be interviewed.

#### **4.8.2. Writing an In-depth Interview Guide**

An in-depth interview guide is a method for structuring an interview and ensuring that important questions will not be forgotten during the interview. The researcher had specific objectives in mind in determination of what to ask the entrepreneurs. More importantly, questions were asked in natural, conversational language, avoiding jargon or technical terms which the entrepreneurs might not know. The guide was kept fairly brief, and was focused on the research objectives in such a manner that the researcher was able to get as much in-depth input from each entrepreneur as possible.

#### **4.8.3. Conducting the Interviews**

Most of the in-depth interviews were conducted in an environment in which the respondents were comfortable. This included the respondent's home, workplace, or an appropriate public place (such as a quiet restaurant or coffee shop). During the interviews, it was important to establish good rapport with the respondent and put him or her at ease. The investigator's main responsibility was to listen, observe and guide the respondent through the conversation until all the important issues on the guide had been explored.

#### **4.8.4. Analysing In-depth Interviews**

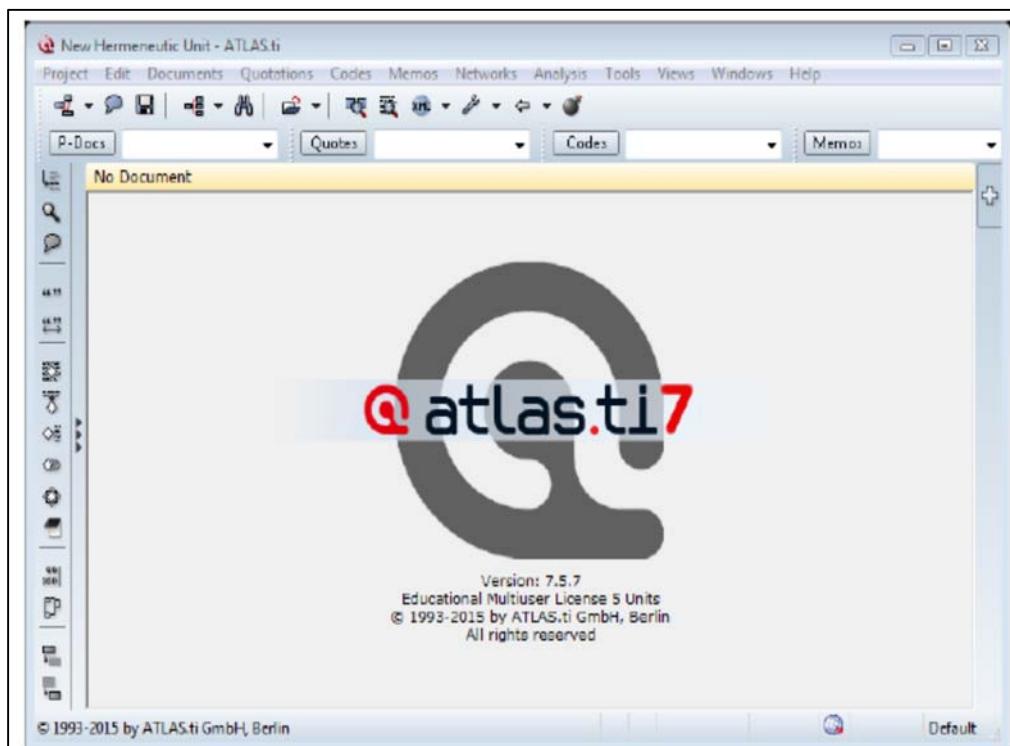
The in-depth interviews were recorded, using a digital voice recorder, and then transcribed. The transcriptions were analysed using ATLAS.ti, a qualitative data analysis computer programme. The final interview guide which was used during the data collection phase, is attached in the Appendix section (see Appendix 1).

#### 4.8.4.1. ATLAS.ti

ATLAS.ti is a Scientific Software Development and is a useful qualitative data analysis (QDA) tool. It is very flexible and user-friendly. The product enables researchers to assign codes or labels to text, sounds, pictures, or video; to search these codes for patterns; and to construct classifications of codes that reflect stable models of the conceptual structure of the underlying data (Lewis, 2004). For the purposes of this research, ATLAS.ti 7.5.7 was used.

Although there are numerous other QDAs available, for the purposes of this study ATLAS.ti was selected mainly for three reasons: Firstly, easy access to training and support for the programme. Secondly, in comparison with other qualitative software, ATLAS.ti was more cost effective and within the financial budget of the research. Finally, recommendations from other researchers such as Archer (2008) and Lewis (2004) were considered in the decision to use ATLAS.ti.

Overall, ATLAS.ti has four main stages called “managers” that process data. These are the document manager, quotation manager, code manager and network manager. The different ATLAS.ti stages are discussed next.



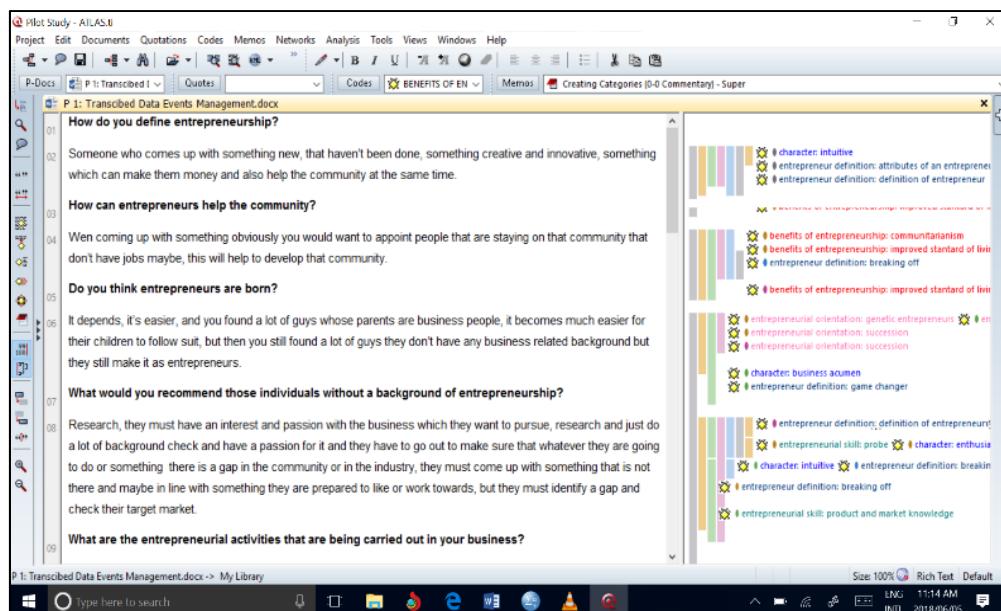
**Figure 4.5:** ATLAS.ti Main window

**Source:** ATLAS.ti 7.5.7

Data from the respondents was analysed using framework analysis. The different ATLAS.ti stages were used to explain the framework analysis in the following pages:

## STEP 1: Sociological Perspective

Since the investigator decided to follow a qualitative research, the data collection phase of this methodology began with a sociological perspective of a general problem area, rather than a preconceived conceptual framework (Glaser, 1978; Neergaard & Ulhøi, 2007). The researcher thus began with an attitude of openness (asking RQ1), thereby ensuring that the emerging codes were extracted from the interview. All the information extracted from the interviews was transcribed and imported to the ATLAS.ti to form the Primary Document (PD) as shown in Figure 4.6.



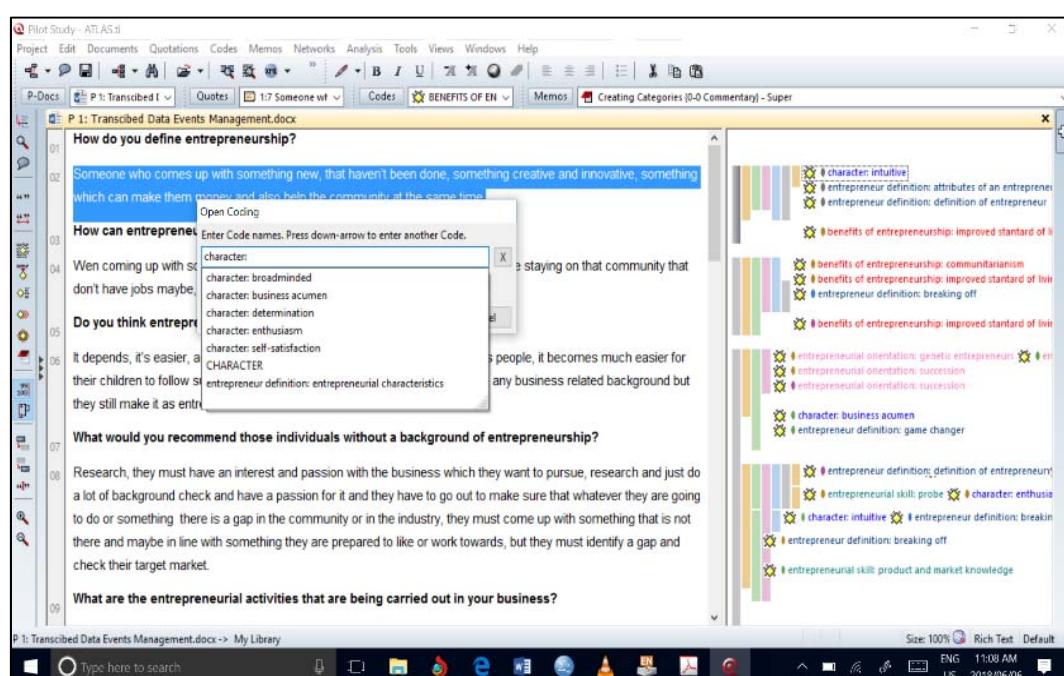
**Figure 4.6:** ATLAS.ti Primary Document Manager Window

**Source:** ATLAS.ti 7.5.7

The Primary Document Manager programme can store and analyse several documents simultaneously, and these are temporarily stored in the Primary Document Manager (for example, P1: Transcribed Data Events Management dox in Figure 4.6). Furthermore, the PD allows for the creation of Primary Document families, which assisted in organising data for this study.

## STEP 2: Constant Comparison and Open Coding

The next step involved the generation of various categories by constant comparison of data through a procedure known as open coding (Åge, 2011). This procedure saturated the whole research process, since it involved comparing cases to cases, and then comparing the emerging data to more cases throughout the data collection process (Heath & Cowley, 2004). ATLAS.ti used the Code Manager to execute this process. By using this function, data was clustered into related ideas called codes (see Figure 4.7).



**Figure 4.7:** ATLAS.ti Codes option Window

**Source:** ATLAS.ti 7.5.7

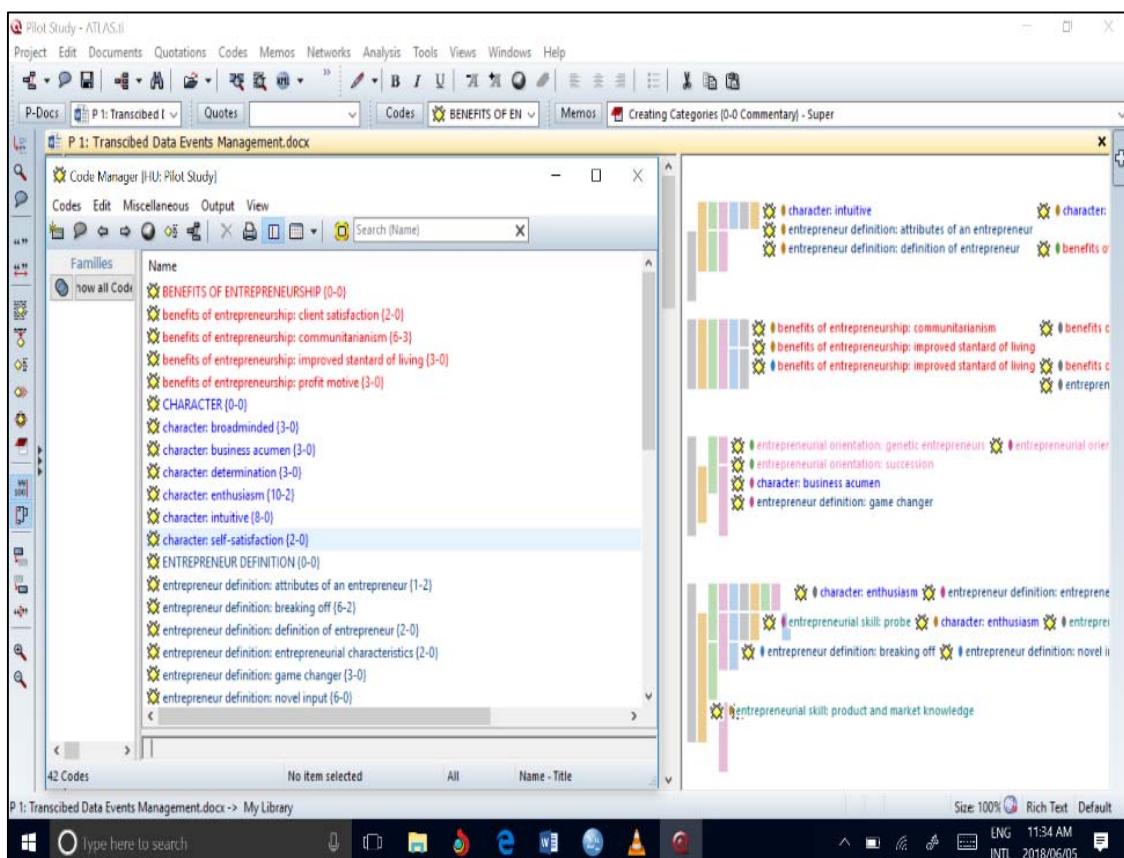
At this stage, the researcher obtained meaning from the paragraphs, sentences, phrases and words on the PD manager text on ATLAS.ti. The investigator highlighted the paragraph, sentence, phrase or word and right clicked on the highlighted text to create a code as shown in Figure 4.7. Continuously repeating this process on the PD manager text allowed the researcher to create multiple codes.

ATLAS.ti supports seven methods of assigning codes (Archer, 2008). First, there are codes that can be created without being associated to specific text. These are known as "Free Codes". "Open coding" is a technique in which a code is assigned to specific pieces of text, and this is the more common approach which was used by this study. Once codes have been stored in the Codes Manager, there is an option of assigned additional pieces of text with

existing codes from a list – “coding by list.” Another feature supported by the software is “In-Vivo” coding. This is assigning a code to text utilising actual text as the code. “Quick coding”, on the other hand, assigns one specific code to multiple pieces of text. Then there is “Drag and Drop coding” whereby a code is assigned by dragging and dropping the code from a list of codes to a selected piece of text. Lastly, there is “Auto-coding,” which automatically allocates codes to specified sections of the text.

### STEP 3: Core Category and Selective Coding

Multiple codes were amalgamated into families (or themes) in which further analysis was conducted as shown in Figure 4.8.



**Figure 4.8:** ATLAS.ti Code Manager Window

**Source:** ATLAS.ti 7.5.7

With the continuation of the above procedure of constant comparison, the researcher established core codes (see character: self-satisfaction in Figure 4.8) based on the information proffered by the participants (Neergaard & Ulhøi, 2007), which is a category that holds all other categories together (for example **BENEFITS OF ENTREPRENEURSHIP** in Figure 4.8). When

the core code emerged, the researcher undertook the process of selective coding (Heath & Cowley, 2004). Selective coding allowed the researcher to compare incoming data to the core codes in a more precise manner than when the categories were first established (Neergaard & Ulhøi, 2007). In this process of selective coding, only variables related to the core codes were considered in order to generate improved categories.

#### **STEP 4: Building a New Theory**

Finally, the improved categories were compared to concepts in order to build a new theory. The way in which the various categories are related, is considered under a process of theoretical coding which is facilitated by the writing down of theoretical memos (Heath & Cowley, 2004) that elaborate on the theoretical codes. Theoretical memos here represented immediate notations of emerging categories and how they interrelated with core codes. The memos facilitated the identification of a new theory. The analysis phase ended with the theoretical writing (Åge, 2011); thus, all the details of the substantive theory were brought together in an overall conceptual description. This is then weaved into the existing literature on the subject of entrepreneurship.

#### **4.9. ETHICAL CONSIDERATION**

To protect research participants from any potential negative impact arising from this study, this study followed the regulations and guidelines stipulated by the University of Venda Research Ethics Committee. To maintain high ethical standards, the following measures and regulations were adhered to:

- I. Informed consent – all respondents and participants were notified of the nature of their participation in the research beforehand. Research assistants explained to all participants exactly what they were expected to do, as well as their rights as research participants, including the right to withdraw from participation at any stage of the research. After this, all respondents' consent was sought and secured prior to commencement of any interview.
- II. Right to privacy – the identities of respondents and their opinions were treated confidentially. Participants were reminded not to provide details about their identities and any other information that might suggest their identities (such as names or addresses).

- III. Dignity - the dignity and character of all stakeholders were upheld; participants were not subjected to embarrassing behaviour.
- IV. Honesty – findings of the study were reported honestly, even when results turned out to be unfavourable or different from the researcher's expectations. Moreover, works other than the researcher's was appropriately cited.

#### **4.10. CONCLUSION**

Chapter 4, the Research Methodology, has provided the methodology used in this study in the form of the use of the grounded theory. This method has been extensively described and justified throughout this chapter. The following chapter presents the findings that emerged from the data analysis.

## CHAPTER FIVE

### DATA ANALYSIS AND RESULTS

#### 5.1. CHAPTER OVERVIEW

Chapter 4 described the grounded theory approach and how it was applied as a methodology in this thesis. More importantly, the grounded theory methodology was used to answer the research questions, as outlined in Chapter 1. Chapters 2 and 3 provided an extensive review of the literature as it relates to the definitional issues of entrepreneurship and entrepreneurs. The purpose of the two succeeding chapters, therefore, is to outline processes and procedures undertaken in the data analysis phase of this dissertation. Three critical aspects are described in the two chapters. These include: (1) a description of the analysis tools used, (2) an explanation of the data analysis processes, and (3) presentations of the findings, including the major categories as well as themes that emerged from the data analysis.

#### 5.2. INTRODUCTION

As outlined in Chapter 1, this research sought to answer three research questions:

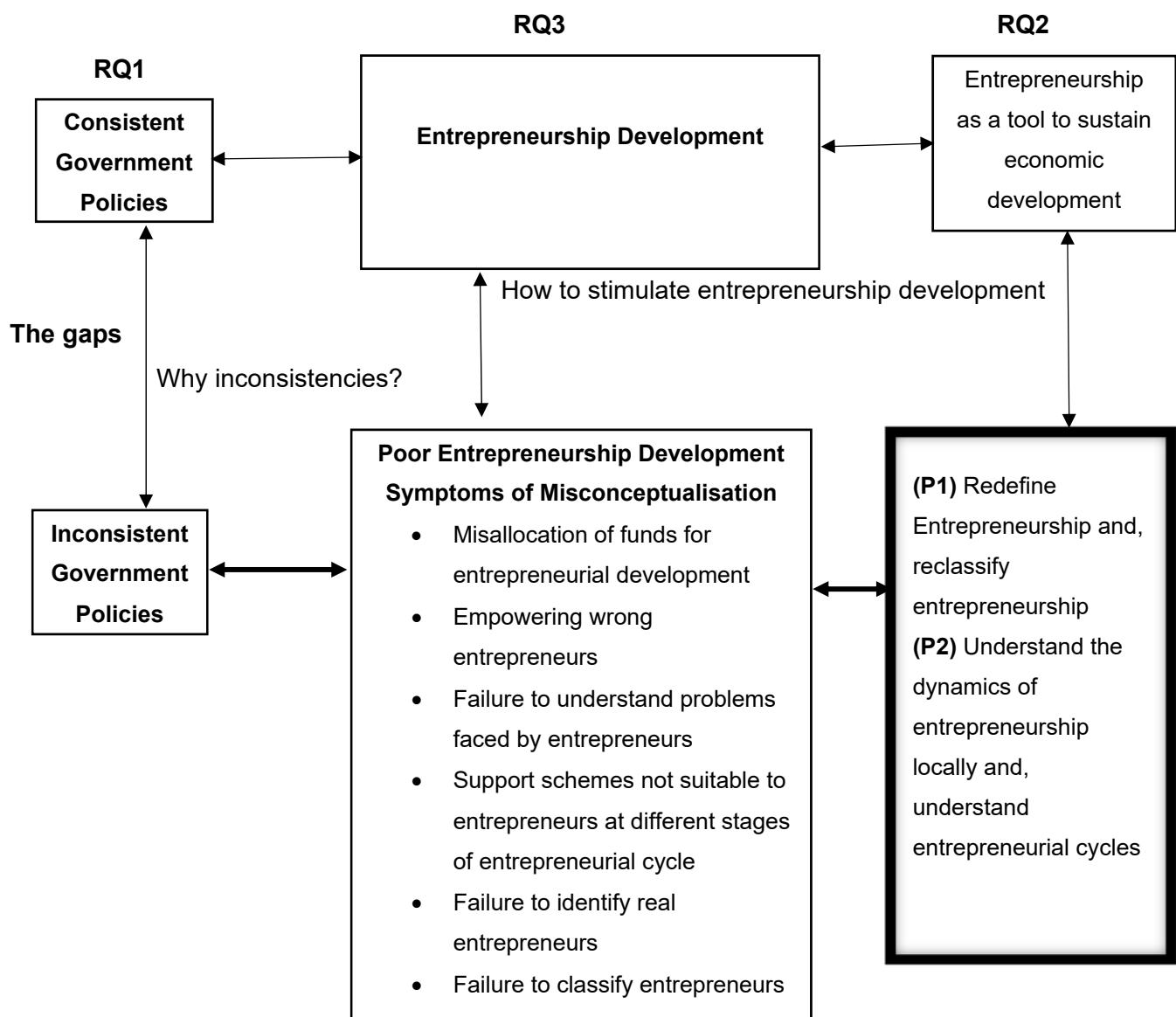
- RQ1:** *What constitutes entrepreneurial activities in South Africa?*
- RQ2:** *How can entrepreneurs be more efficiently classified and categorised to better reflect the South African entrepreneurship dynamics given the current entrepreneurial environment?*
- RQ3:** *How can the government stimulate entrepreneurship development across the emergent entrepreneurship typologies?*

The above “how?” and “what?” questions solicited the application of qualitative research methodologies framed within the grounded theory procedures (Wiid & Diggines, 2010). In this thesis, the grounded theory facilitated theory-building from data (Neergaard & Ulhøi, 2007), which permitted the reconceptualisation and reclassification of entrepreneurship activities in South Africa. The latter processes involved the use of inductive analysis procedures, which according to Patton (1990), involves the determination of patterns, themes and categories as they emerge out and were ‘grounded’ within the data, rather than being imposed apriori (x). To aid the data analysis process, two main propositions were developed from the proposed conceptual framework (initially presented in Chapter 1, and hereinafter repeated in this chapter as seen in Figure 5.1).

P1: To propose a framework for classifying entrepreneurial ventures in the Limpopo Province of South Africa.

P2: To identify actionable strategies that stimulate entrepreneurship development in the Limpopo Province of South Africa.

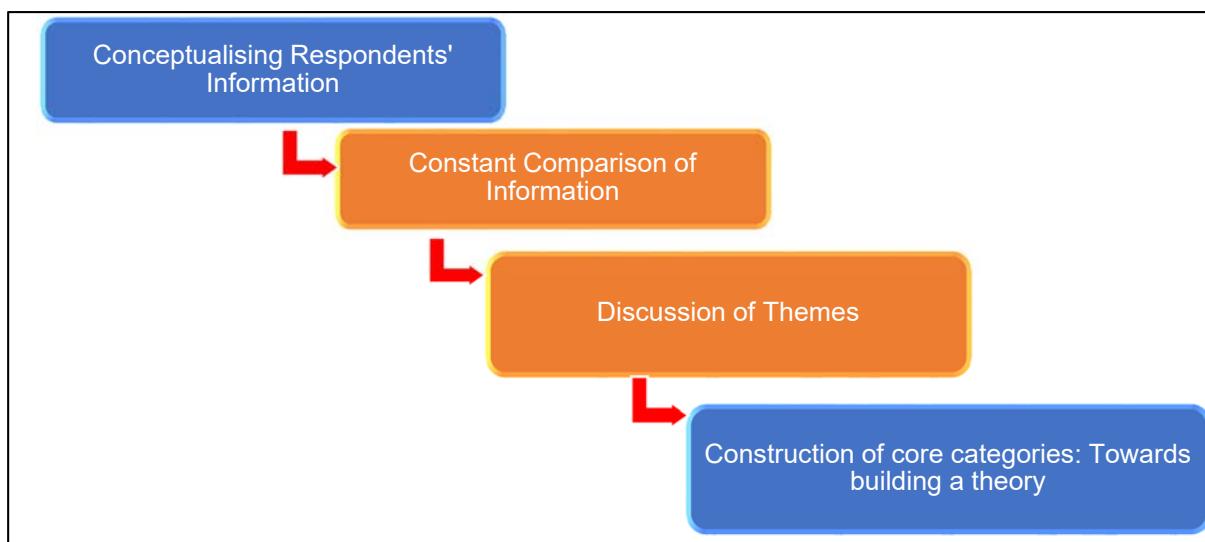
These propositions as presented in the research questions in Figure 5.1, guided the inductive data analysis in this chapter.



**Figure 5.1:** Framework to Redefine and Reclassify Entrepreneurship

**Source:** Researcher's own construct

As explained in Section 4.7, in-depth interview transcripts and field notes represented the primary data from which thematic analysis was conducted. The methods of data analysis mostly involved examining, labelling and organising interview transcriptions into themes. This process was executed in iterative cycles of comparing incoming data from respondents with secondary data from Chapters 2 and 3, the literature review sections. This was done to test the formulated propositions (Yin, 2003; Weed, 2009; Chamz, 2014). In performing the data analysis for this research, a four-step framework analysis approach was followed. Figure 5.2 summarises the procedures of the framework analysis, as applied in this thesis. Figure 5.2 illustrates framework analysis to include: (1) conceptualising the respondents' information, (2) constant comparison of information, (3) discussion of themes, and (4) presentation of results. The first two sections will be discussed in this chapter and the other two phases in the subsequent chapter.



**Figure 5.2:** Data Analysis Process (Framework Analysis)

**Source:** Researcher's own construct

### 5.3. CASE DESCRIPTION AND THE PRESENTATION OF RESPONDENTS' PROFILE

This section provides a thorough description pertaining to participants of this research. In total, data was collected from five entrepreneurs in the Limpopo Province through in-depth interviews. This process allowed the researcher to shift the descriptive events shared by the participants into a deeper understanding of the respondents' entrepreneurial experiences. The business people who were interviewed had many similarities, but a lot of crucial differences were also noted. Cognisant of such differences, the study established a list of descriptors that assisted in scrutinising each respondent's information. The descriptors were developed from

the in-depth inquiry of the entrepreneurial activities of the five interviewed entrepreneurs as shown in Figure 5.3.



**Figure 5.3:** Entrepreneurial Factors

**Source:** Researcher's own construct

The following section comprises the presentation, discussion and analysis of collected information pertaining to the five entrepreneurs who participated in this study. Since respondents' information was from the public spheres (entrepreneurial environment) which is perceived to be sensitive, entrepreneurs' true names and business names are withheld. Instead, throughout this chapter and the dissertation, pseudonyms (indicated by asterisks \*) are used to mask the identities of the respondents.

#### **Respondent 1: Tshilidzi\***

Tshilidzi\* owns a company known as Tshilidzi Events\* and she was born and raised in Thohoyandou in the Limpopo Province of South Africa. Tshilidzi\* used her savings and capital from government departments to start her events business. The events business was established in 2008 and hires sound, stages, plasma screens and video recordings. Tshilidzi\* is now an inspiration to most women entrepreneurs in Thohoyandou, including three women entrepreneurs who have since started similar service businesses recently. Tshilidzi\* believes that her inborn passion contributed much to the continuity and success of her business. She had this to say about her inborn passion:

*"Research, they must have an interest and passion with the business which they want to pursue, research and just do a lot of background check and have a passion for it and they have to go out to make sure that whatever they are going to do or something there is a gap in the community or in the industry." (Respondent 1; Quote 16)*

Tshilidzi\* displays a lot of inborn passion from her sentiments, but another aspect displayed here is that she is an opportunity identifier. As an entrepreneur, she always strives to bring new ideas evidenced in a number of service businesses she is currently operating. Tshilidzi\* later diversified into a clothing business in 2011 after she had received some training on how to make clothes. Her inborn passion coupled with the drive to bring new ideas has led her to venture into new areas. She pointed out that after strong market analysis she had to venture into a new market of making hats and selling clothes. She indicated that:

*"It's something that I realised in our province, that a lot people are not making hats."*  
**(Respondent 1; Quote 22)**

Tshilidzi\* had the inborn passion, but she highlighted that it was difficult for her to raise and acquire the initial capital to start her business. Coupled with bureaucracy and corruption, it was not easy for her to get a loan from government support schemes in the country. Initially she had to raise about R500 000 to meet the government loan requirement. More so, it was difficult for her to secure the required collateral needed to obtain such a loan. She intimates her experience as follows:

*"For interest sake, if I am starting my business where do I get like R500 000 to meet their loan requirement. My point then is, it becomes very difficult for people from disadvantaged backgrounds to get such security."*  
**(Respondent 1; Quote 60)**

However, with all these challenges Tshilidzi\* remained committed and she thinks strategically to overcome all the challenges that might attack her business. She is also able to balance her daily business operational duties by effectively buying her stock, paying her workers and always having something that keeps her business running. Such abilities are the major success factors that enabled Tshilidzi\* to diversify and build other businesses as well as continuously growing her events business. Up to date, Tshilidzi Events\* is reaching a decade of operation and the business is always striving to keep its customers happy. One of the success measures is evidenced in the company's motto, "we are satisfied when our client is happy."

**Respondent 2: Thabhani Moleya\***: A drop-out from formal education, Thabhani Moleya\* always chased his dream to become a professional leather designer. Family pressure proved to be a major shortcoming to the achievement of his dream. At first it was pressure from parents who never supported his dream of becoming an entrepreneur, and later on it was pressure to support his wife and kids. Indeed, a man should provide for his family, but with mentorship of his uncle, Thabhani\* became an established designer of leather jackets, school shoes, sandals and formal shoes. Thabhani\* identified family pressure and lack of educational background as the major problems which his business faced at its infancy. He alluded:

*That year my dream seemed like it was shutting since I had no capital or even a place to start my business and that same year 2014, I got married to my wife. I had to shift my focus because I was not getting enough money to support my family - that's when I had to start working as a truck driver. (**Respondent 2; Quote 16**)*

The respondent further alluded that:

*My uncle started from designing a shoe, belt, and all the products I am designing now. I worked with him for about two years then he encouraged me to do a certificate in designing with a local college. (**Respondent 2; Quote 9**)*

After realising the need for educational skills, Thabhani\* went to college and after graduating from college, he revived his entrepreneurial dream, although he was faced with some challenges which included lack of capital and physical space to do his business. Thabhani\* soldiered through as he used his product market knowledge to operate from home successfully. His customer base began to increase as he was operating from home. Thabhani\* had to use his networking and effective communication skills to register his company in 2014, which has been in full operation up to date:

*My mind was blank on how I could do that, thank google I had to ask it all the processes of registering a company and I found some answers. It was not easy as it was written on the internet but through my connections and help from my other customers who had their own businesses, I managed to register my company which we call TM Leather Designers up to date. (**Respondent 2; Quote 25**)*

Thabhani\* believes that entrepreneurs are born and have an inborn passion for risk-taking and strength to deal with challenges. However, his entrepreneurial drive was more socio-economic evidenced by family pressure which he shoulders. Understandably, Thabhani\* was

driven by a psychological need to succeed, as well as the economical need to survive. More so, it is important to describe him as a positively stimulated person with the zeal to solve problems at a risk, all to the economic benefit thereafter. He stated that:

*What constitutes entrepreneurship are the characteristics of an individual such as the ability to be able to identify the need and value of service or goods and take initiative action. Some may refer to it as problem identification in order to come up with unique solutions, which includes the entrepreneur's enthusiasm and creativity and boldness in the face of new challenges including risk-taking. (Respondent 2; Quote 36)*

It is common among a number of entrepreneurs that they lack family support at early stages. Asserting this, Thabhani\* got married to a supportive wife who also spent some sleepless nights helping him to realise his dreams. Thabhani\* also believes in studying market trends for him to improve his products as well as meet the current and future demands. Today, Thabani's\* company, TM Leather Designers\* is operating successfully and it is using improved machinery. The machines which were bought using government finances, help the company to keep abreast with all the technological changes occurring in the leather industry. Thabhani's\* future plans include supplying his products to big established retailers such as Edgars, Truworts and Woolworths. The company which is in its fourth year of operation has seen a growing number of clients and attends to the particular "tailor-made" needs of its customers. This is one of the features which have made the company flourish over the past three years.

**Respondent 3: Loretta Sibuyi\***: A single mother who have shown a lot of commitment and determination in achieving her dreams. Loretta Sibuyi\* always believed in herself, a great implementer of her dreams who fights for what she believes in. Loretta\* today is an inspiration to a lot of young woman in the Limpopo Province, as she is one of the members of Future Females Limpopo. Loretta\* plays a key role in the Future Females platform she had that established, inspired as well as provided support to existing and aspiring female entrepreneurs in the province. Loretta\* is also a good networker who has used her entrepreneurial experience to help with the provision of a physical and emotional environment, where aspiring women entrepreneurs can connect with others and access key resources (mentorship, funding and education). Indeed, her strong implementation skills have contributed much to the continued existence of her designing company. Born in a family where her mother was her role model, Loretta\* has always been a dream chaser and a strong implementer of all her dreams.

*"And I think that goes into what I will define as an entrepreneur. An entrepreneur is an individual like I say before, an individual who have an idea, and is able to see how this idea will be able to manifest itself and at the same time being able to implement, not only implement, but also follow it through, through the hard times and the simpler times because most people always assume that entrepreneurship is easy. They forget that sometimes it can be hard, you can go for two years without gaining anything."*

**(Respondent 3; Quote 11)**

Driven by an inborn passion coupled with parental influence, Loretta\* soldiered through to realise her dreams. Nevertheless, there were some basic entrepreneurial challenges which she faced in achieving her entrepreneurial dream. She identified time management problems as well as family pressure as the main stumbling blocks in setting up her company named Payne Designers\*. It was really important for Loretta\* to keep the balance between her daily entrepreneurial activities and the expected family chores of a single mother. She echoed that during her life experience as an entrepreneur, time management was always a challenge and she thinks that it's always difficult for women to balance their time. More so, she postulated that time management and family expectations slow down the success of aspiring and existing female entrepreneurs in the Limpopo Province. She alluded that:

*"And I guess that's why I found myself a little bit wanting because I have put myself into more than one thing and the reason behind that is because I do not want to stagnate myself and at the same time I don't want to, I don't want to lose myself into my dream. I still have to be realistic and I ask myself what is it I am doing and what is out there because you can bury yourself into your work for a very long time and you forget who you are as an individual. So, you have to schedule your time, you have to especially to me as a single mom I have to schedule my time I have to schedule my family time my personal time, my other activities."* **(Respondent 3; Quote 22)**

Through hard work, effective time management and strategic thinking, Loretta\* was able to brush off all the challenges mentioned earlier. Indeed, her lifetime as an entrepreneur was not easy; she managed to become a registered and established professional designer. Payne Designers is situated in Louis Trichardt (now Machado), a small town in the Limpopo Province, the company has a beautiful website where one can place orders. This made the company to reach all possible markets, although there are plans to construct physical shops in major cities of South Africa. Today Payne Designer is successfully meeting its customer needs through an effective system of customer relationship management which ensures that individual customer needs are well met.

**Respondent 4: Tapiwa Zhou\***: A former civil servant in Zimbabwe, Tapiwa Zhou\* was pushed by the socio-economic challenges in his mother country to start a business with his wife in South Africa. One of a number of emigrant entrepreneurs found in this country, Tapiwa\* and his wife had shown a lot of hard work and determination to achieve their dreams. Their arts and craft business has grown to one of the major tourist attractors in Hoedspruit, another small town in the Limpopo Province. Tapiwa described the town as a safe tourist destination and a place where their arts and crafts business can flourish.

*"We have different sizes for our products and we make chicken bowls used for egg storage as well. We also make bicycles, motorbikes and guitars, but our main theme is animal making so this business is eye-catching and for those who want decorations for their homes, hotels and lodges we make the big five and African flowers so it is advantageous for foreign visitors to keep memories of their visits to Africa when they are back in their countries."* (**Respondent 4; Quote 36**)

Understandably, this kind of business requires effective marketing skills and a physical marketplace from which to operate a showroom. However, Tapiwa indicated that at first he didn't have a physical place, he used to move around selling his pieces to a limited group of customers. Through referrals, the market increased and there was need for an operational place as well as labour force. Today the business employs five local men who are paid according to the number of pieces which they make a day.

*"At work we have five boys whom we are working with, which means it is a growing business. The boys are paid according to the pieces they work on, let's say if he does a piece of R35, if he does 3 pieces worth R35, we calculate R35 by 3 pieces, and that will be his money. If he works for R1 000 a day they are paid R1 000. Among the boys, there are those whom we have been working with for years which means the business is moving."* (**Respondent 4; Quote 28**)

He spoke delicately and overstressed the role that his company is helping to uplift the standards of living of the five employed boys. For him, since he believed that he had suffered during his 10-year stint as a civil servant in Zimbabwe, art is more about social status and job creation and uplifting community standards. Relating to how they managed to register their business and securing a proper place to operate from, he indicated that it was difficult:

*"We once faced a challenge as we were not registered sellers as the South African government requires one to be certified in order to have a legit business. We processed the required documentation for us to be able to operate well with the business. However, the place we were operating from was sold and the new owners told us to vacate the place as they were not interested in having us at that place anymore. It was quite tough when we vacated the place as we spent some days at home trying to locate a convenient and strategic place for the business. Luckily God intervened and we got a place from which we are operating from, till now."*

**(Respondent 4; Quote 12)**

This market place which he fought for is situated beside a busy R2 provincial road that links two provinces in South Africa, namely the Limpopo Province and Mpumalanga: Tapiwa\* believes that the long attractive route which links four popular towns: Hoedspruit, Tzaneen, Hazyview and Bushbuckridge which are gateways to major tourist attraction in the eastern part of the Limpopo Province, is a long-term success factor for his art business. This route also connects the province's main destination site, the Kruger National Park and other destination areas in the Mpumalanga Province. This marketplace has become a popular roadside stopover in the Limpopo Province.

**Respondent 5: Mpho and John\*:** This family business headed up by a newly-wedded couple portrayed different sentiments from the earlier respondents. In a type of business which the couple referred to as a general dealer, they are involved in fruit and vegetable tenders to hospitals around the Limpopo Province and are outsourcing construction works with big businesses. Without any entrepreneurial family background, the young couple described their need to solve simple problems in the market as their main entrepreneurial drive:

*"The passion that drives our business is provision of goods and services to the people. And in provision of these, there should be more of dedication and commitment because, sometimes if you don't know how to do something, but the more you are determined the more you are committed to, it works out because the minute you tell yourself that you committed to something it means that you are eliminating all the other options and focusing on that, eliminating things like the academic route which entails schooling and then working for a company or a department or any other thing except entrepreneurship." (Respondent 5; Quote 5)*

With a lot of family support and strong educational background the two owners are registered business dealers who have used their educational skills to acquire a number of tenders and businesses. They both have a postgraduate degree in business-related fields and are networked to a number of powerful white-collar people around the Limpopo Province. However, the couple experienced a lot of financial challenges when their company was at its infancy stage. This can be evidenced in the following excerpt:

*"For our initial capital, first of all a car was supposed to be bought in the form of a bakkie that will load all the things we supply because we really need transportation every time, and we had to buy initial stock. The first thing we bought was tomatoes. So, it was more like going to Tshakuma vegetable market to pay them and 40 crates by then it was more like a maximum of R700 depending on the type of tomatoes we bought back then because there are different types of tomatoes." (Respondent 5; Quote 10)*

The couple, who evidently never made company decisions together, indicated that they never lacked a strategic focus. They cautiously echoed that strategic thinking can be a useful tool in achieving success and following your own dreams. The couple vividly understand and believe that their business format of tenders should not be left out when one defines an entrepreneur, since they have solved a lot of problems in the society. The company which was registered in 2010 is now reaching its eighth year of operation and the couple are planning on engaging in e-marketing practices in the near future. Table 5.1 summarises the descriptors of each case as discussed earlier in Figure 5.3.

**Table 5.1.** Summary of the Respondents' information

RESPONDENT	INTRINSIC FACTOR			EXTRINSIC FACTOR	
	Entrepreneurial Character	Entrepreneurial Skills	Entrepreneurial Drive	Entrepreneurial Challenges	Entrepreneurial Success Factors
<b>Respondent 1: Tshilidzi *</b>	<ul style="list-style-type: none"> <li>• Broadminded</li> <li>• Commitment and determination</li> <li>• Hardworking</li> <li>• Inventive</li> </ul>	<ul style="list-style-type: none"> <li>• Educational skills</li> <li>• Business management skills</li> <li>• Multi-tasking skills</li> </ul>	<ul style="list-style-type: none"> <li>• Business growth</li> <li>• Financial gains</li> <li>• Inborn passion</li> <li>• Parental influence</li> </ul>	<ul style="list-style-type: none"> <li>• Financial</li> <li>• Lack of vision</li> <li>• Time management</li> </ul>	<ul style="list-style-type: none"> <li>• Family support</li> <li>• Networking</li> <li>• Strategic thinking</li> <li>• Skills support</li> </ul>
<b>Respondent 2: Thabhani Moleya*</b>	<ul style="list-style-type: none"> <li>• Broadminded</li> <li>• Inventive</li> <li>• Commitment and determination</li> </ul>	<ul style="list-style-type: none"> <li>• Multi-tasking skills</li> <li>• Risk-taking</li> <li>• Business management skills</li> <li>• Educational skills</li> <li>• Communication skills</li> <li>• Mentorship</li> </ul>	<ul style="list-style-type: none"> <li>• Socio-economic influence</li> <li>• Inborn passion</li> <li>• Parental influence</li> </ul>	<ul style="list-style-type: none"> <li>• Family pressure</li> <li>• Lack of vision</li> <li>• Time management</li> <li>• Financial</li> <li>• Corruption</li> </ul>	<ul style="list-style-type: none"> <li>• Family support</li> <li>• Networking</li> <li>• Strategic thinking</li> <li>• Skills support</li> </ul>
<b>Respondent 3: Loretta Sibuyi *</b>	<ul style="list-style-type: none"> <li>• Commitment and determination</li> <li>• Hardworking</li> <li>• Inventive</li> </ul>	<ul style="list-style-type: none"> <li>• Multi-tasking skills</li> <li>• Risk taking</li> <li>• Business management skills</li> <li>• Educational skills</li> <li>• Communication skills</li> </ul>	<ul style="list-style-type: none"> <li>• Business growth</li> <li>• Socio-economic influence</li> <li>• Inborn passion</li> <li>• Parental influence</li> <li>• Financial gains</li> </ul>	<ul style="list-style-type: none"> <li>• Family pressure</li> <li>• Lack of vision</li> <li>• Time management</li> <li>• Corruption</li> </ul>	<ul style="list-style-type: none"> <li>• Family support</li> <li>• Networking</li> <li>• Strategic thinking</li> <li>• Skills support</li> </ul>
<b>Respondent 4: Tapiwa Zhou*</b>	<ul style="list-style-type: none"> <li>• Commitment and determination</li> <li>• Hardworking</li> <li>• Persistence</li> </ul>	<ul style="list-style-type: none"> <li>• Business management skills</li> <li>• Mentorship</li> <li>• Communication skills</li> </ul>	<ul style="list-style-type: none"> <li>• Business growth</li> <li>• Socio-economic influence</li> <li>• Inborn passion</li> <li>• Parental influence</li> <li>• Financial gains</li> </ul>	<ul style="list-style-type: none"> <li>• Family pressure</li> <li>• Time management</li> <li>• Corruption</li> </ul>	<ul style="list-style-type: none"> <li>• Family support</li> <li>• Strategic thinking</li> <li>• Skills support</li> </ul>
<b>Respondent 5: Mpho and John*</b>	<ul style="list-style-type: none"> <li>• Commitment and determination</li> <li>• Persistence</li> </ul>	<ul style="list-style-type: none"> <li>• Business management skills</li> <li>• Educational skills</li> </ul>	<ul style="list-style-type: none"> <li>• Financial gains motive</li> <li>• Socio-economic influence</li> </ul>	<ul style="list-style-type: none"> <li>• Family pressure</li> <li>• Time management</li> <li>• Financial</li> <li>• Corruption</li> </ul>	<ul style="list-style-type: none"> <li>• Networking</li> <li>• Strategic thinking</li> </ul>

Source: Researcher's own construct

## 5.4. CONSTANT COMPARISON OF THE ENTREPRENEURS' INFORMATION

This second phase of data analysis involves the generation of various codes in ATLAS.ti by constant comparison of data through a procedure known as open coding (Åge, 2011). This procedure, will saturate the whole research process since it will involve comparing of respondent's information with emerging codes (Heath & Cowley, 2004). Evidently from the previous chapter, the study employed the grounded theory, the data collection phase of this methodology which certainly begins with a sociological perspective of a general problem area, rather than a preconceived conceptual framework (Glaser, 1978; Neergaard & Ulhøi, 2007). The researcher thus began with an attitude of openness (asking RQ1).

### RQ1: *What constitutes entrepreneurial activities in South Africa?*

Information presented in Table 5.1 provides a description of codes where respondents' information was categorised using a set of descriptors. The descriptors emerged from the first research question and this process allowed the study to be familiar with each respondent. In this stage, an in-depth exploration of emerging codes is also conducted. This will ensure that the emerging codes will clearly define entrepreneurship in relation to the information revealed by the respondents (Heath & Cowley, 2004). The following categories emerged after a constant comparison of respondents' information, and their discussions are expounded in the following passage:

#### 5.4.1. Definition of an Entrepreneur

After discussions with the five entrepreneurs, constant comparison allowed the study to conduct an in-depth exploration of respondents' information. This was done in order to discern how the processes or patterns that were revealed by each respondent, refuted or expanded the propositions on entrepreneurial definitions introduced earlier in Chapter 2. Seven key elements were common in the entrepreneurial definitions of entrepreneurs in the Limpopo Province. These were:

1. **Innovator:** Critical to strong entrepreneurial prospects is an entrepreneur's ability to bring new ideas into the community. Novel inputs in the community represents a strong sellable idea in the marketplace which can flourish for a continued period of time. The respondents in this study are located in small towns far from the major cities, this gives prospective businesspersons an opportunity to bring unique ideas into their

communities. Understandably, for this reason the questioned entrepreneurs are constantly keen to start a new business as evidenced in the following excerpts:

*"It's something that I realised that in our province that there are not a lot people who are making hats. I had to go and do a course and they taught me how to do those things and make clothes and I started doing it because I realised that a lot of people are focused on other stuff like 'minwenda' and all that."*

**(Respondent 1; Quote 23)**

*"What constitutes entrepreneurship are the characteristics of an individual such as the ability to be able to identify the need and value of service or good and take initiative action. Some may refer to it as problem identification in order to come up with unique solutions, which include the entrepreneur's enthusiasm and creativity and boldness in the face of new challenges ensuring risk-taking."*

**(Respondent 2; Quote 36)**

2. **Enhancer of quality products:** Due to technology and forever-changing needs of the customers in today's marketplace, quality of products matters most in the consumer's final purchasing decisions. Entrepreneurs, be it in rural areas, towns, cities or metropolitans, are selling quality. For this reason, entrepreneurs should continuously engage in market research and determine the ever-changing needs of consumers. This calls for an entrepreneur to enhance the quality of products periodically. Failure to do so, will result in a business dying in its infancy. It is for that reason we find some similarities in the following extracts given by respondent one and three:

*"Research, they must have an interest and passion with the business which they want to pursue, research and just do a lot of background check and have a passion for it and they have to go out to make sure that whatever they are going to do or something, there is a gap in the community or in the industry."*

**(Respondent 1; Quote 16)**

*"I fall under pre-entrepreneur and a necessity entrepreneur because initially when I started, well I did it because I loved what I did. You know, I felt like I could do what I would and I could do it well and provide better services for customers at an effective price."* **(Respondent 3; Quote 49)**

3. **Implementer:** Entrepreneurs are idealists and idealists always try to implement their ideas. For the interviewed entrepreneurs in the Limpopo Province, especially those with multiple ideas, their ability to implement ideas is seen as strong personality traits towards capitalising their imaginations. Entrepreneurship is not complete without the execution of thoughts, therefore an entrepreneur is an implementer of ideas. It is for that reason that respondent 3 in different quotations cited the following:

*"Uhm, based on my own experiences what I think constitutes as entrepreneurship is being able to move from having an idea or dream and to actually executing it. Most people feel that you have capital to start any kind of business, but into today's day and age it's literally about jump-taking the leap. Personally, my business was bootstrap business, and I had an idea and I saw a gap in the market in terms of the visual design industry and I took it."*

**(Respondent 3; Quote 6)**

*"And I think that goes into what I will define as an entrepreneur. An entrepreneur is an individual like I said before, an individual who has an idea, and is able to see how this idea will be able to manifest itself and at the same time being able to implement not only implement but also follow it through, through the hard times and the simpler times because most people always assume that entrepreneurship is easy. They forget that sometimes it can be hard, you can go for two years without gaining anything."* **(Respondent 3; Quote 11)**

4. **Opportunity Identifier:** Among other features, what describes an entrepreneur is his aptitude to ascertain an opening in the marketplace. An entrepreneur ought to be attentive and reflect tactical issues in such a way that he will always be able to ascertain and scrutinise any given opportunity in the marketplace. Central to comprehend, is the fact that there is always a business prospect unfilled in a commercial marketplace, regardless of your operating environment. Cognisance of such, entrepreneurs in the Limpopo Province have cited the entrepreneur as an opportunity identifier in the following excerpts:

*"As an entrepreneur I am committed to my business and so determined to meet my customers' needs. In doing so I take a lot of what I call calculated risks when solving my customers' problems as well as pursuing new business*

*opportunities which might be interesting in the market.” (Respondent 2; Quote 46)*

*“I had an idea and I saw a gap in the market in terms of the visual design industry and I took it.” (Respondent 3; Quote 58)*

5. **Problem Solver:** Key in the definition of an entrepreneur is the ability to solve problems. This applies to both the founders of their entrepreneurial venture, and the leaders of their teams. The interviewed entrepreneurs acknowledged that they must be responsible for identifying and solving the problems of their customers, partners, employees and their entrepreneurial venture, in general. This is evidenced in the following extracts:

*“They are individuals driven more by psychological need to succeed rather than economical need to survive. I am a positively stimulated person with the zeal to solve problems at a risk, all to an economic benefit thereafter.” (Respondent 2; Quote 42)*

6. **Risk Takers:** Entrepreneurs in this regard bet it all on one roll of the dice. Understandably, the cross-examined entrepreneurs said that; If they fail in their actions, they fail spectacularly and in such a way that they don’t live to fight another day. However, it is the ability to take a calculated risk which had seen them achieving their dreams. Therefore, evidently from the respondents’ information, entrepreneurs calculate the odds and work hard to mitigate all the risks involved until there is no risk left. This is what the respondents had to say:

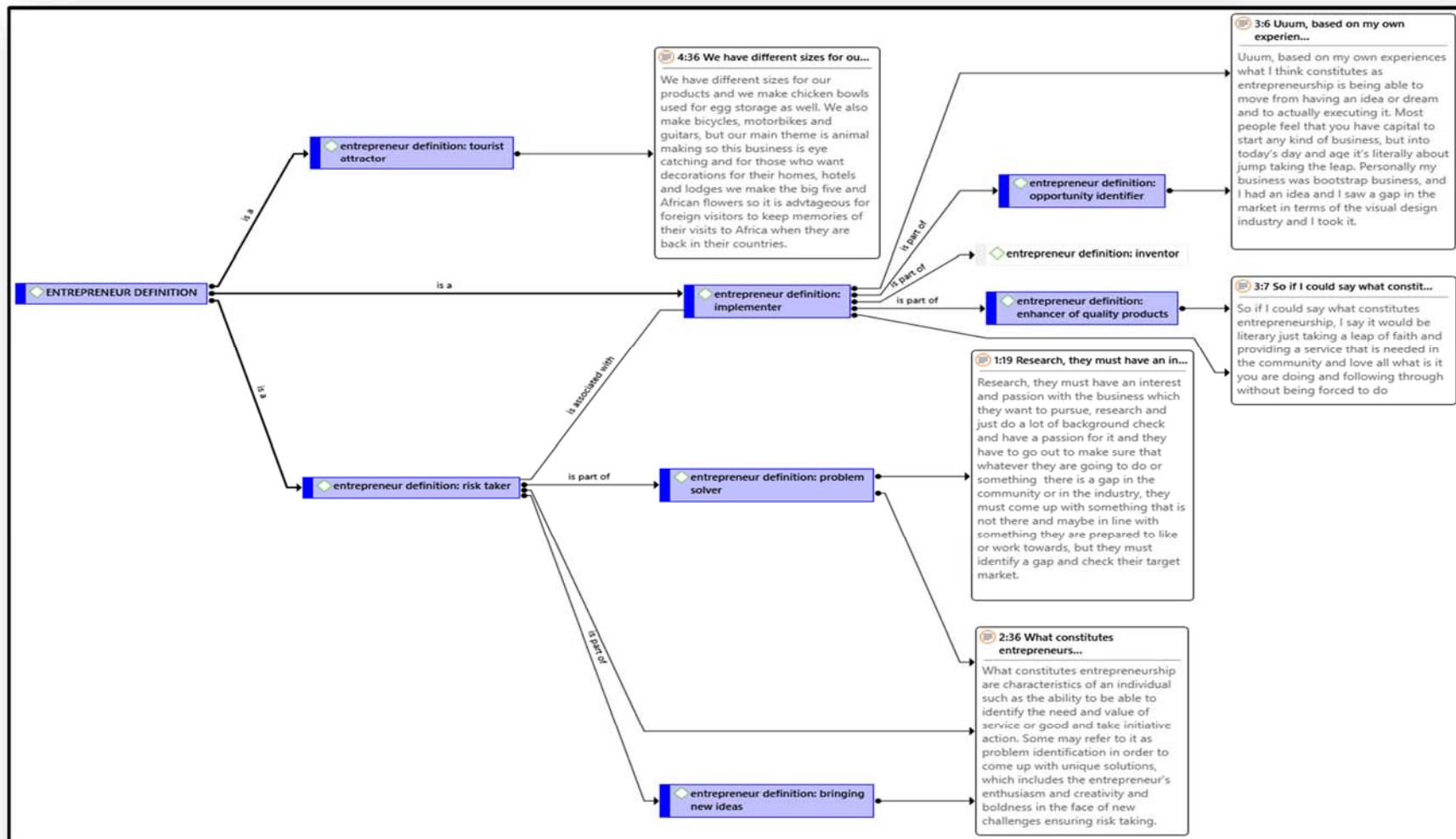
*“On willing to take calculated risk I am not afraid to take risks, as this is something I have done in my entire life. Uhm, it’s naturally something that I have done my whole life. There is a point where I felt that, my mom always raised me to take risks leave with no regrets.” (Respondent 3; Quote 32)*

*“As an entrepreneur I am committed to my business and so determined to meet my customers’ needs. In doing so I take a lot of what I call calculated risks when solving my customers’ problems as well as pursuing new business opportunities which might be interesting in the market.” (Respondent 2; Quote 46)*

**7. Tourist attractor:** With tourism being acknowledged as a tool for bringing economic benefits to a country, there is a growing number of tourism entrepreneurs around the country. One of the interviewed respondents stated the importance of attracting tourists to the country and defined himself as a tourist attractor:

*"We have different sizes for our products and we make chicken bowls used for egg storage as well. We also make bicycles, motorbikes and guitars, but our main theme is animal making so this business is eye-catching and for those who want decorations for their homes, hotels and lodges, we make the big five and African flowers so it is advantageous for foreign visitors to keep memories of their visits to Africa when they are back in their countries." (Respondent 4; Quote 36)*

Figure 5.4 summarises the critical elements found in the definitions of an entrepreneur.



**Figure 5.4:** Defining the entrepreneur

**Source:** Entrepreneur definition using ATLAS.ti

#### 5.4.2. Business Management

Constant comparison across codes indicates that business management principles are important for every entrepreneur. With entrepreneurial definitions discussed earlier in the preceding passage, the research now focuses on business management. Four key elements were common in the description of business management philosophies of entrepreneurs in the Limpopo Province. These were:

- 1) **Cash Management:** In general, the interviewed entrepreneurs concur that there is need for a basic understanding of monetary statements. An entrepreneur should be able to manage cash efficiently that is, be able to interpret cash and calculate basic ratios to help in the financial management of the business (such as profit percentage, return on investment). Respondent 1, 3 and 5 explained that:

*“Not really, that’s why I am saying this, of course as a business person I don’t want to work for charity or work as a charity organisation, but I must be able to make profit and make money. At the same time for me what is more important is I should be able to buy stock and pay my workers, and have something that will keep your business running and be able to build another business and grow my business. I don’t think you go to work for profit only, otherwise you may go to work and say this dress is R10 000 and all you want will be to make profit, but you must have the mentality of growing your business and money comes later, then profit, then growth of the business.” (Respondent 1; Quote 36)*

*“In terms of profit in my business its fluctuating, it’s fluctuating because you have months in which you do not make any income.” (Respondent 3; Quote 35)*

*“For our initial capital, first of all a car was supposed to be bought in form of a bakkie that will load all the things we supply because we really need transportation every time and we had to buy initial stock and the first thing we bought was tomatoes. So, it was more like going to Tshakuma vegetable market to pay them and 40 crates by then was more like a maximum of R700 depending on the type of tomatoes we bought back then, because there are different types of tomatoes.” (Respondent 5; Quote 10)*

- 2) **Diversification:** This business management component was proffered by the interviewed businesspersons. They indicated that it relates to how entrepreneurs market their business and sell their products, as well as how entrepreneurial ventures build their brand. Such was indicated in the following excerpts:

*"It depends, but for me it's more of peace and when I am at peace with my clients and make sure that my clients will continue doing business with me"*  
**(Respondent 1; Quote 43)**

*"The belts and jackets which we were designing were so nice that a lot of customers who had bought one had to refer another customer to me."*  
**(Respondent 2; Quote 21)**

- 3) **Human Resource Management:** Staff competence together with their management proved to be another issue raised by the respondents. Better working environment, good working hours, entrepreneurs' soft skills, and a satisfying remuneration package, were among other factors evidenced in the following extracts:

*"it's like where it's easy to put a team together and grow it but you get to a point where a team can feel that they can do more without you, so that is a characteristic....Because you have to know how to manage it and....sometimes you must learn to separate yourself from your team, and just understand who they are as individuals and take time, and most of the people in your team will never understand that and it's a tricky one."* **(Respondent 3; Quote 31)**

*"At work we have 5 boys whom we are working with, which means a growing business. The boys are paid according to the pieces they work on, let's say if he does a piece of R35, if he does 3 pieces worth R35, we calculate R35 by 3 pieces, and that will be his money. If he works for R1 000 a day, they are paid R1 000. Among the boys, there are those whom we have been working with for years, which means the business is moving."* **(Respondent 4; Quote 28)**

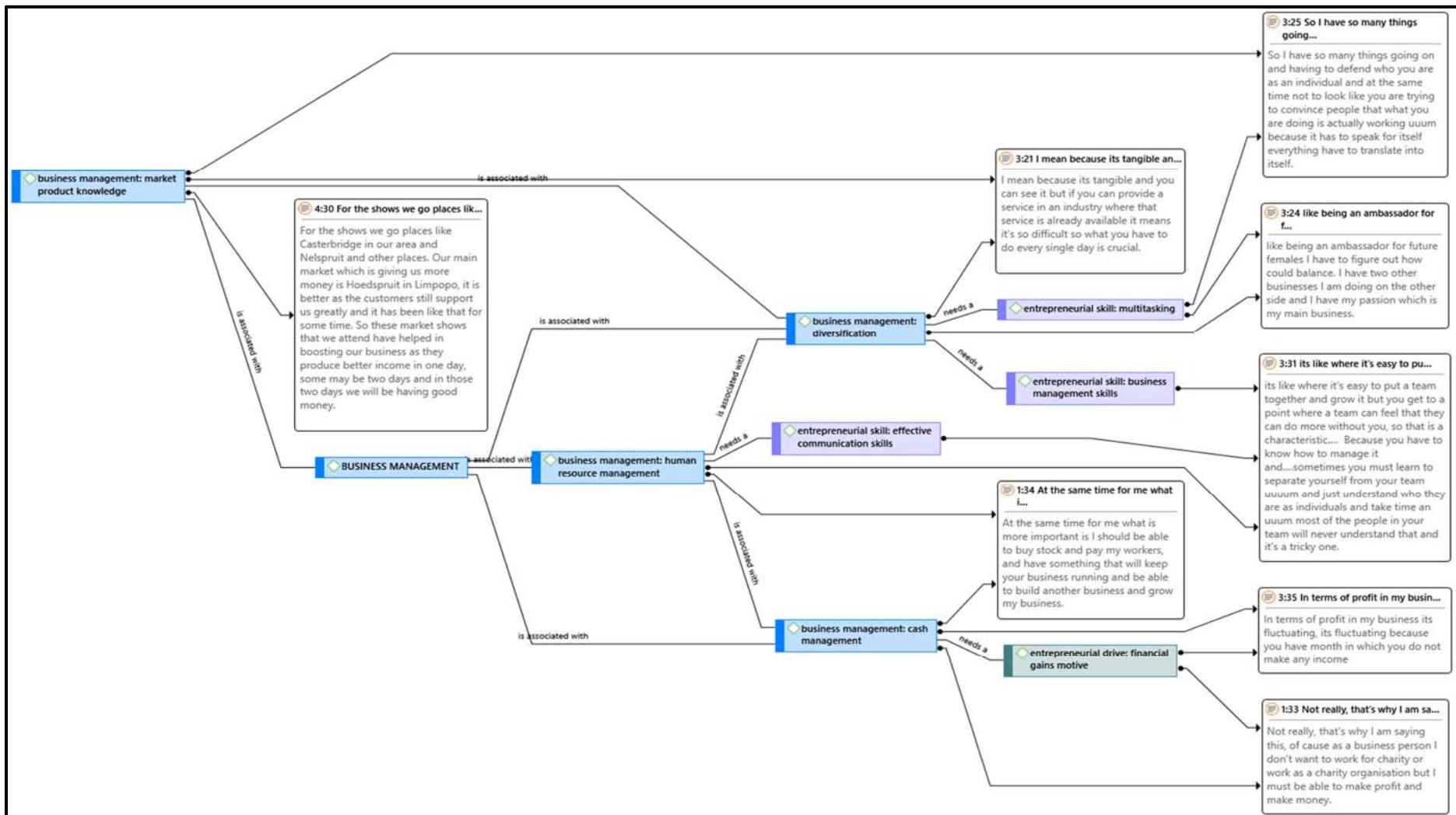
- 4) **Market Product Knowledge:** Constant analysis of market trends and knowledge about customer needs were mentioned as important aspects which give the entrepreneurial venture a competitive advantage. This is what the respondents had to say:

*"Research, they must have an interest and passion with the business which they want to pursue, research, and just do a lot of background check and have a passion for it and they have to go out to make sure that whatever they are going to do or something there is a gap in the community or in the industry, they must come up with something that is not there and maybe in line with something they are prepared to like or work towards, but they must identify a gap and check their target market." (Respondent 1; Quote 19)*

*"Personally, my business was bootstrap business, and I had an idea and I saw a gap in the market in terms of the visual design industry and I took it." (Respondent 3; Quote 5)*

*"We use the pink colours for the flamingos so that they attract customers with their shouting colour. Also our business needs advertising as it will help us to lure customers to our place of business for them to see our products and increase our clientele base so that it boosts our business, enabling us to fend for our families." (Respondent 4; Quote 42)*

Figure 5.5 summarises the critical elements indicated by respondents as business management.



**Figure 5.5:** Business Management Network

**Source:** Business Management using ATLAS.ti

### 5.4.3. Benefits of Entrepreneurship and Success Factors

After discussions with entrepreneurs, four main benefits of entrepreneurship and four success factors were cited in the Limpopo Province. These were:

1. **Communal uplifting:** These are benefits in which entrepreneurship directly uplifts the community. Certainly, a number of benefits directly accrue upon establishing an entrepreneurial venture in the society. Such benefits indicated in the following excerpts were proffered by the interviewed entrepreneurs:

*“Just someone who is willing to provide goods and services that are needed by people for a profit or maybe sometimes not for a profit. It’s not all about profit just like in our business we have this Rothendelana Youth Empowerment programme whereby we group youth from different backgrounds and we try to provide mentorship to them and increase awareness on how to go about the processes when they want to become entrepreneurs you know, making them aware of initiatives such as the NYDA, SEFA, SEDA and all those kinds of things.” (Respondent 5; Quote 8)*

2. **Improved customer satisfaction:** The business persons in the Limpopo Province confirmed that entrepreneurship is associated with new quality products in the marketplace. These new products usually improve satisfaction to the ultimate consumer. The entrepreneurs indicated that:

*“When my client is happy I am at peace, for me I am happy, I feel like this is it. I get satisfied when my client is happy and when I have satisfied my client, I feel like I have succeeded in making sure this business is flourishing, to me this is how I measure success of my business.” (Respondent 1; Quote 42)*

3. **Improved standards of living:** From the information proffered by the entrepreneurs, these are benefits such as job creation which comes from establishing an entrepreneurial venture in the society. These benefits are shown in the following extracts:

*“When coming up with something obviously you would want to appoint people that are staying in that community that don’t have jobs maybe, this will help to develop that community.” (Respondent 1; Quote 8)*

- 4. Technological benefit:** All the benefits which are associated with the use of modern technological advancement. In this study technical benefits were mainly to the advantage of the entrepreneur, where the entrepreneur can use technology to improve his marketing skills or to reach out to a larger customer audience. Comments were:

*“My mind was blank on how I could do that. Thanks to Google, I had to ask it all the processes of registering a company and I found some answers.”*  
**(Respondent 2; Quote 24)**

*“So we have business cards and email addresses, but our challenge is on creating a website which will help us to sell our stuff outside the country via online sales, but we want to thank God because our business is doing quite well and making us survive.”* **(Respondent 4; Quote 44)**

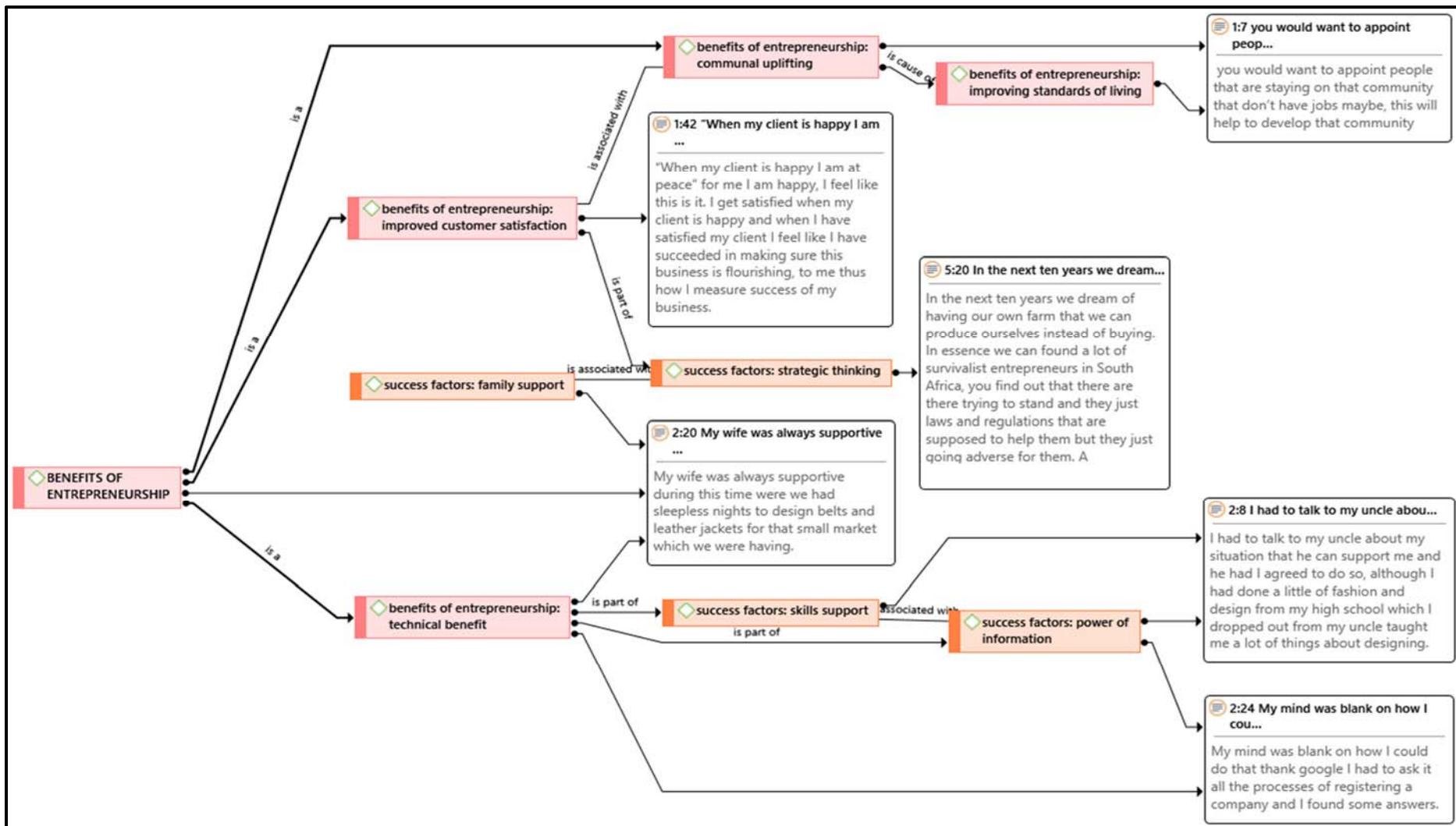
*Of course, now with technology, there are some databases which you register, unlike before where you had to wait for a call then as people you go and bid for a tender and then based on your proposals the best proposal will get it.*  
**(Respondent 5; Quote 18)**

- 5. Success factors:** Closely linked to the benefits of entrepreneurship are the success factors. Four critical success factors are; (1) family support, (2) power of information, (3) skills support, and (4) strategic thinking, which were proposed by the entrepreneurs in the Limpopo Province. They indicated that:

*“My wife was always supportive during this time where we had sleepless nights to design belts and leather jackets for that small market which we were having.”*  
**(Respondent 2; Quote 20)**

*“What I was doing was both, I was doing my business and my job but when I lost my job it became a necessity where I didn’t have a choice. I have a degree and I have a postgraduate degree as well, so I always found out that everywhere I applied to do a certain job they always insist that I was over qualified however.”* **(Respondent 3; Quote 50)**

Figure 5.6 summarises the benefits of entrepreneurship and the related success factors.



**Figure 5.6:** Benefits and success factors of entrepreneurship

**Source:** ATLAS.ti

#### 5.4.4. Entrepreneurial Challenges

The next section comprises challenges faced by the entrepreneurs, using the previously set propositions in Chapter 2 and the earlier section which described respondents' information. The study evaluated the challenges with regard to the classification challenge, corruption, family pressure, financial challenge, and lack of vision, as well as the time management challenge.

1. **Classification Challenge:** Important to comprehend is that this challenge indeed confirms that there is a need to develop a taxonomy of entrepreneurial classifications which represents local entrepreneurial dynamics. The interviewed entrepreneurs highlighted the need to reclassify entrepreneurs and they are even facing challenges to position themselves in certain clusters of the current classifications:

*"Indeed, at times passion is the characteristic which shaped my business but economic benefit and chance take precedence. However, in my own opinion one cannot classify entrepreneurs in one group as they are all different as they all have different traits about them to succeed in their ventures." (Respondent 2; Quote 47)*

Respondent 3 even highlighted that classifications can be made according to entrepreneurial activities as well as the geographical location of the business. The respondent explained:

*"So, there are lot of activities of an entrepreneur, they vary from an individual to individual even from town to town." (Respondent 3; Quote 26)*

Also evident in the respondents' responses on the issue of classification challenges, was how the government is failing to understand the entrepreneurial dynamics together with entrepreneurial challenges:

*"Usually in South Africa most governments have endorsed the classification of entrepreneurs as SMMEs and a lot of support has been channelled towards improvement of these SMMEs. However, some classifications such as survivalist and opportunist are evident in the environment." (Respondent 2; Quote 53)*

2. **Corruption:** The majority of the respondents in this study relate to the corrupt systems evident in the administration processes of various government institutions which support entrepreneurs. Entrepreneurs advocated for the removal of red tape and provision of clear paths when they apply for business documents and other business needs:

*"However, the government should provide for a clear path, they should be specific people for specific things and the level of bureaucracy should be low as possible. Like if you are saying that this is the section for funds they should be people who deal specifically for providing funds and then if it is for small businesses." (Respondent 5; Quote 19)*

Furthermore, the entrepreneurs' views are that the current administration procedures are not designed to support business growth. These were the sentiments from respondents 2 and 3:

*"However, with provision of all these support systems there is limited effort being done to develop entrepreneurship due to rampant corruption in South Africa for example corruption activities such as embezzlement funds meant for entrepreneurship support and development." (Respondent 2; Quote 60)*

*"Government needs to find ways and means to help entrepreneurs who are building their businesses and at the same time it's not just government only, it's also a responsibility of the community because government can put money into a business but if you fall in the wrong place." (Respondent 3; Quote 53)*

3. **Family pressure:** One of the biggest challenges which entrepreneurs indicated is separating business from personal feelings. Often, if one family member is going through some problems, for instance, business resources and business funds are usually channelled to support the family members. In the long run as pointed out by the entrepreneurs, professional decisions can also be affected by longstanding personality differences, interfering with daily entrepreneurial operations. The opposite is also true, since personal events can also suffer from the professional entrepreneurial relationships with family members feeling distant from the entrepreneur in question. The entrepreneurs indicated that:

*"That year my dream seemed like it was shutting since I had no capital even a place to start my business and that same year 2014 I got married to my wife."*  
**(Respondent 2; Quote 13)**

More importantly, respondent 3 cited the need to balance her family duties and also entrepreneurial tasks, she had this to add:

*"So you have to schedule your time, you have to especially to me as a single mom, I have to schedule my time I have to schedule my family time my personal time my other activities."* **(Respondent 3; Quote 23)**

4. **Financial Challenge:** The entrepreneurs overstressed the role of capital in running their entrepreneurial venture. They indicated that, capital is what keeps the business going. Even if the business is profitable on paper, entrepreneurs still need enough cash flow to pay workers and pay for daily variable costs. Staying on top of this cash flow and getting capital from loans, lines of credit or investors, were described as some of the top concerns and stress factors of being an entrepreneur.

*"Funds, initial start-up funds or capital usually are the most challenging part because usually when you want to start your business and you don't have enough capital it becomes a bit challenging and difficult."* **(Respondent 5; Quote 9)**

Respondent 2 also indicated the importance of raising start-up capital and how it was an entrepreneurial challenge:

*"That influenced a lot because that was a major drive for me to start out my own things. Starting a business here was not easy - the moment I dropped out from school I had no money and any physical place to operate from."*  
**(Respondent 2; Quote 5)**

5. **Lack of Vision:** As the leaders of the entrepreneurial ventures, it's the duty of the leader to remain calm, positive and contained, even when the business is in crisis mode. Otherwise, some entrepreneurs tend to get stressed and may perform less than optimally, in that process losing their vision. The entrepreneurs indicated that keeping up one's "leader" persona is hard and stressful work, but must be done to protect the

interests of the group as well as counter the lack of vision. In light of lack of vision as an entrepreneurial challenge, the respondents had this to say:

*"I had to shift my focus because I was not getting enough money to support my family that's when I had to start working as a truck driver." (Respondent 2; Quote 15)*

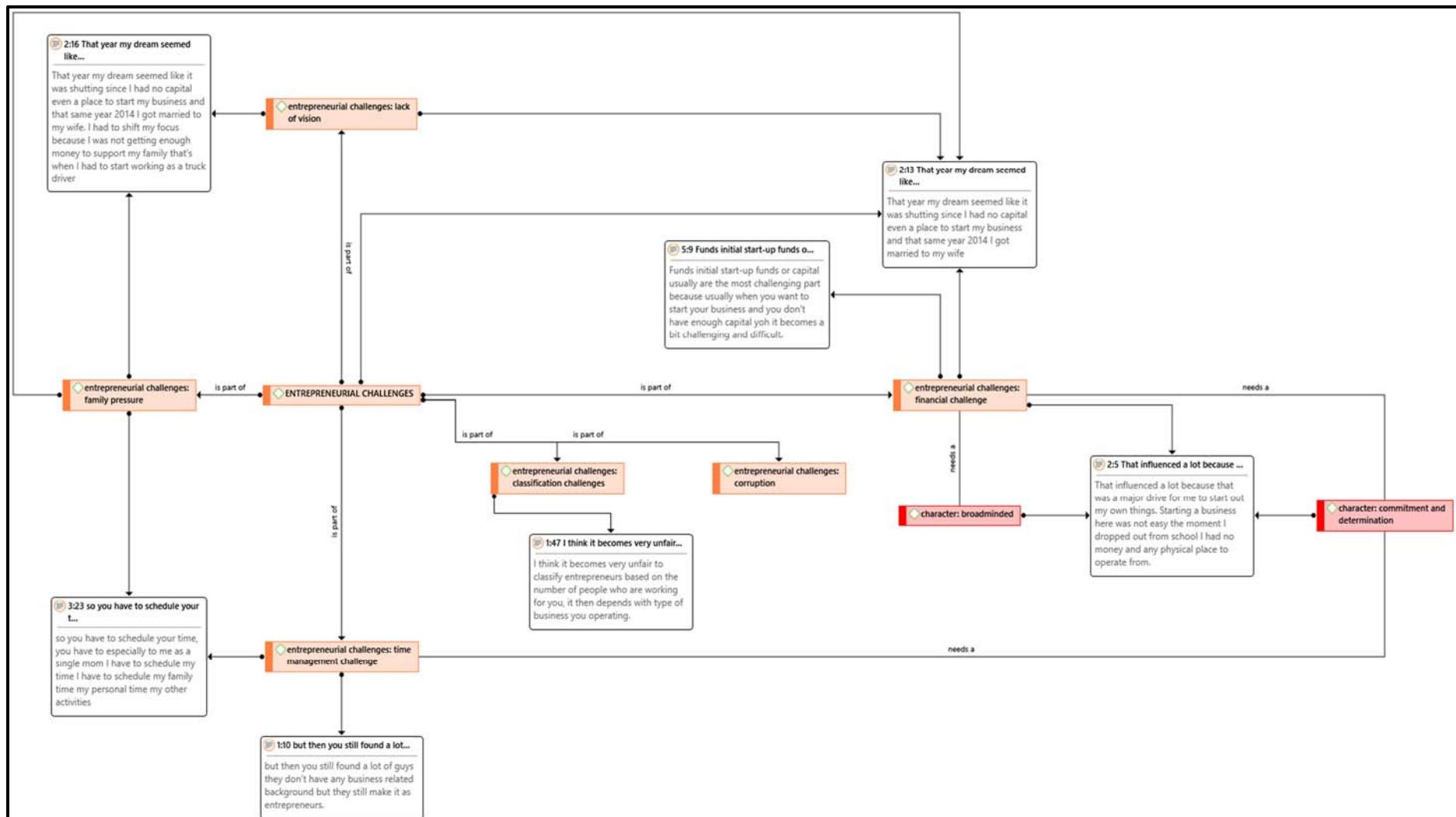
6. **Time management challenge:** Evident from the interviews, there isn't enough time in the day for an entrepreneur. Entrepreneurs need to meet with people, businesspersons need to do research, entrepreneurs need to attend events, and operational tasks can easily pile up. Even if the entrepreneur is passionate or loves his entrepreneurial tasks, usually the daily schedule is so packed that there's barely time to think. Consequently, the entrepreneurs' stress levels will begin to skyrocket and time management becomes a barrier to entrepreneurial intentions. The respondents indicated that:

*"And I guess that's why I found myself a little bit wanting because I have put myself into more than one thing and the reason behind that is because I do not want to stagnate myself and at the same time I don't want to, I don't want to lose myself into my dream I still have to be realistic and I ask myself what is it I am doing and what is out there because you can bury yourself into your work for a very long time and you forget who you are as an individual." (Respondent 3; Quote 22)*

Respondent 5 also added these sentiments on the issue of time management as a challenge to entrepreneurs:

*"Starting a business is time consuming, because when we started we were the owners at the same time as the employees, so the time we committed to the business was too much. We operate our business from home such that it takes some family time and disturbs our smaller place there and we are planning on building or renting out a physical place where we operate from." (Respondent 5; Quote 16)*

Figure 5.7 summarises the challenges of entrepreneurship and the related success factors.



**Figure 5.7:** Challenges Faced by Entrepreneurs

**Source:** ATLAS.ti

## 5.5. CONCLUSION

This chapter presented the results of the research. The chapter started by providing justification for the use of an abbreviated conceptual frame, which was the basis for data analysis. Furthermore, the study presented the different stages charted in the data analysis process. This includes the use of ATLAS.ti, the qualitative software used to analyse the data. Chapter 6 will discuss and explain how the model was constructed.

## CHAPTER SIX

### MODEL CONSTRUCTION

#### 6.1. CHAPTER OVERVIEW

The previous chapter of the data analysis phase conceptualised and compared entrepreneurs' information. This chapter turns to the two last important aspects of the data analysis phase where the study will construct themes and core categories. Main themes which emerged from the discussions in preceding chapters will be discussed. The themes will be discussed for the study to understand the variations in results from the literature presented earlier in Chapter 2 and Chapter 3. The chapter will conclude with the generation of new theory where core categories in the study are used to build a taxonomy of entrepreneurial ventures in the Limpopo Province.

#### 6.2. INTRODUCTION

In continuation to the preceding procedure of constant comparison, this section of the study discusses the main themes of the study. Importantly, the section which discusses themes will summarise the relationships between the postulations and actual findings of this study. The main themes developed in this study will be discussed in line of the research questions. Furthermore, the study established core categories based on the activities proffered by the entrepreneurs (Neergaard & Ulhøi, 2007), which is a category that holds all other categories together. Part of this section is also the process of selective coding (Heath & Cowley, 2004). Selective coding allowed the study to compare incoming data to the core categories in a more precise manner than the categories established in the earlier sections (Neergaard & Ulhøi, 2007). In this process of selective coding, only variables related to the core categories were considered in order to generate improved themes.

#### 6.3. CONSTRUCTION OF THEMES

The study now turns to the construction of themes, comprising an analytic process which gives sense to all the categories discussed earlier. Through the construction of themes, the study used illustrations that summarised the main themes constituting a piece of text. The construction of themes is usually a robust and highly sensitive technique for the systematisation and presentation of qualitative analyses. Most importantly for this study, it helped in the analysis of entrepreneurs' information. The following presentations allowed for

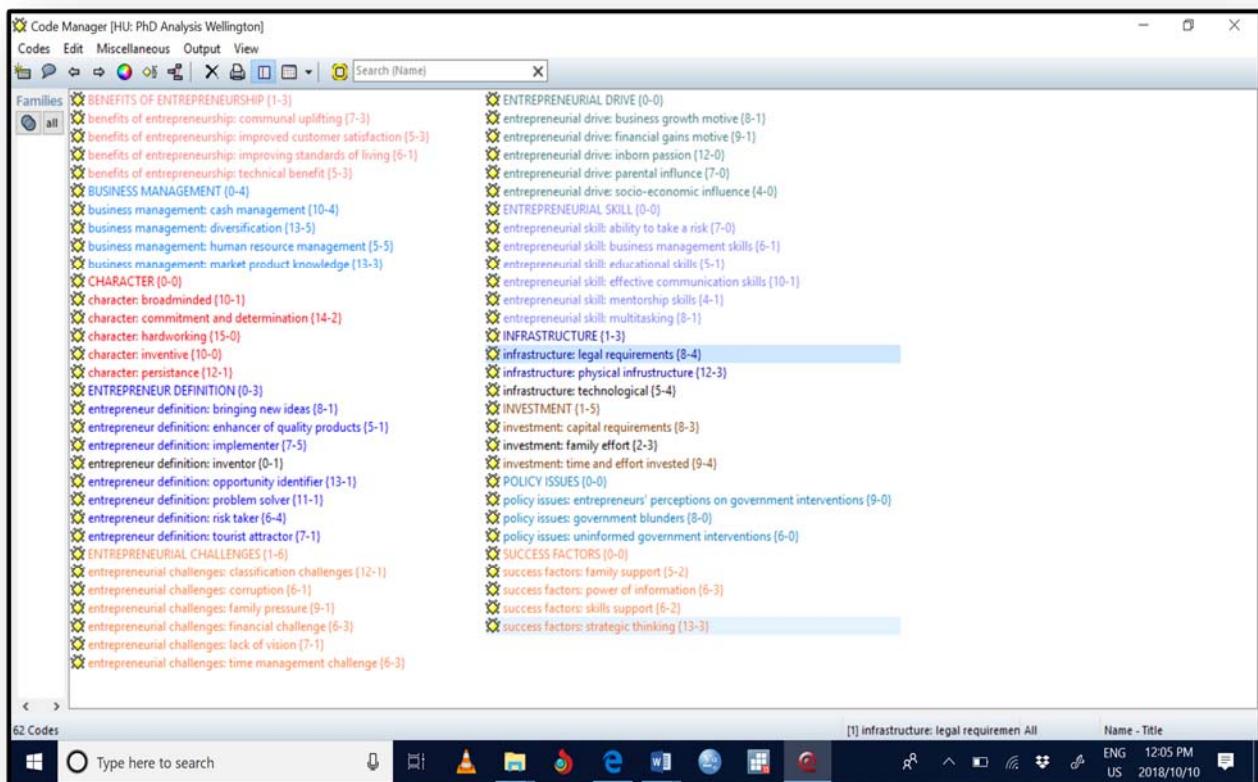
an insightful and rich exploration of entrepreneurs' information and also discovered uncluttered structures underlying the entrepreneurial activities in the Limpopo Province. As highlighted in the introduction, the main themes developed in this study will be discussed in line of the research questions.

### 6.3.1. Research Question 1

Research Question 1 seeks to explore on the different entrepreneurial activities of entrepreneurs in the Limpopo Province. More so, solicitations on the daily activities in relation to the way entrepreneurs conduct their business, were also central to this question. The study addressed the following aspects in seeking to answer RQ1.

- (1) The life story of the entrepreneur, particularly on how the entrepreneur established his business and the current performance of the business.
- (2) The aspects regarding how the entrepreneur defines entrepreneurship. For example, the entrepreneurs take on the notion that entrepreneurs are born.
- (3) The characteristics which shape the entrepreneurs' daily operational activities and how they meet these operational plans.
- (4) The success factors and challenges which entrepreneurs face in the day to day management of their entrepreneurial ventures.
- (5) The entrepreneurs' management styles, especially the management of finances and human resources.

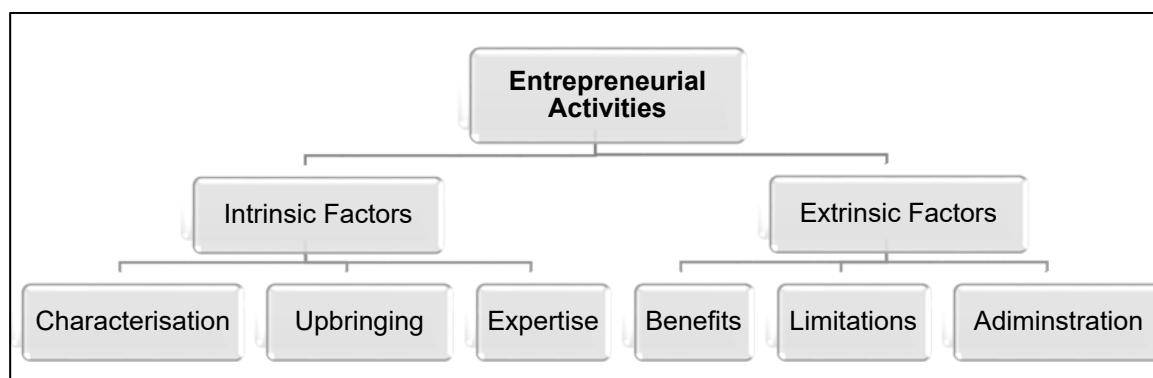
Solicitation of answers to the above questions led to the development of codes using ATLAS.ti. Furthermore, the codes were grouped into relevant categories according to their similarities. A process was necessitated by constant comparison of information proffered by entrepreneurs as discussed earlier in Section 5.4 of this study. The categories and codes developed for this study are shown in Figure 6.1.



**Figure 6.1:** Code and Categories

**Source:** ATLAS.ti

Continuation of comparisons across each category facilitated the researcher to develop themes which had been used to report the findings in this section. Furthermore, cross examination of the categories was made through a process of Noticing, Coding and Thinking (NCT). The NCT process enabled the study to formulate a road map which assisted in determining codes and categories relevant in answering Research Question 1 as indicated in Figure 6.2.



**Figure 6.2:** Map to report and answer Research Question 1

**Source:** Researcher's own construct

In total six (6) themes were extracted to answer Research Question 1, and are discussed next.

### 6.3.2. Entrepreneurial Activities

In understanding entrepreneurial activities, the following themes were developed base on the categories and codes formulated from the interviews using ATLAS.ti.

- **Intrinsic Factors**

1. **THEME 1: *Characterisation of entrepreneurs:*** Descriptions of individual entrepreneurs' characters, which narrate the local definitions of entrepreneurs. These definitions which emanated from specific entrepreneurs' characters, also reveal the African entrepreneurship definitions, given the study's contemporary entrepreneurial environment (Limpopo Province).
2. **THEME 2: *Upbringing of the entrepreneur:*** This relates to the way in which the entrepreneur was nurtured and his drive to start an entrepreneurial venture. The study's setting reflects strong social ties in which culture and beliefs shape the whole background of the entrepreneur. This drive indeed, affects the entrepreneurs' business activities and the type of entrepreneurial venture.
3. **THEME 3: *Entrepreneurs' expertise:*** In this study the expertise relates to knowledge and skills which are inherited from our elders. Importantly, from a collectivist society as in the setting of the current study, entrepreneurial skills are supposed to be passed down to succeeding generations.

- **Extrinsic Factors**

4. **THEME 4: *Benefits of entrepreneurship:*** The benefits relate to the communal advantages and entrepreneurial success factors which accrue in the event of venturing into a business.
5. **THEME 5: *Entrepreneurial limitation:*** All sets of challenges and barriers which slow down or impede the creation of a new business in the Limpopo Province, were explored.

**6. THEME 6: Administration of the business:** In the context of this study, this relates to how the functional areas of the business are managed, and the business relations that exist with its relevant stakeholders.

#### 6.3.2.1. Characterisation of Entrepreneurs

As highlighted earlier in Section 2.3 of the literature review, contemporary writers such as Barringer (2012), Dollinger (2008), Frederick et al., (2006), Hatten (2015), Kearney et al., (2010), and Moos (2014) have presented a wide range of definitions of the term entrepreneurship. Within these works, typical questions that entrepreneurship researchers address include, (1) *What characterises entrepreneurship?* (2) *What differentiates entrepreneurship from other tools used by various countries for enhancing economic development?* and (3) *How can entrepreneurship be defined?* In the attempt of this theme to recharacterise, redefine and account for variations of such questions about entrepreneurial ventures, the study turned to explanations and information which were given by entrepreneurs.

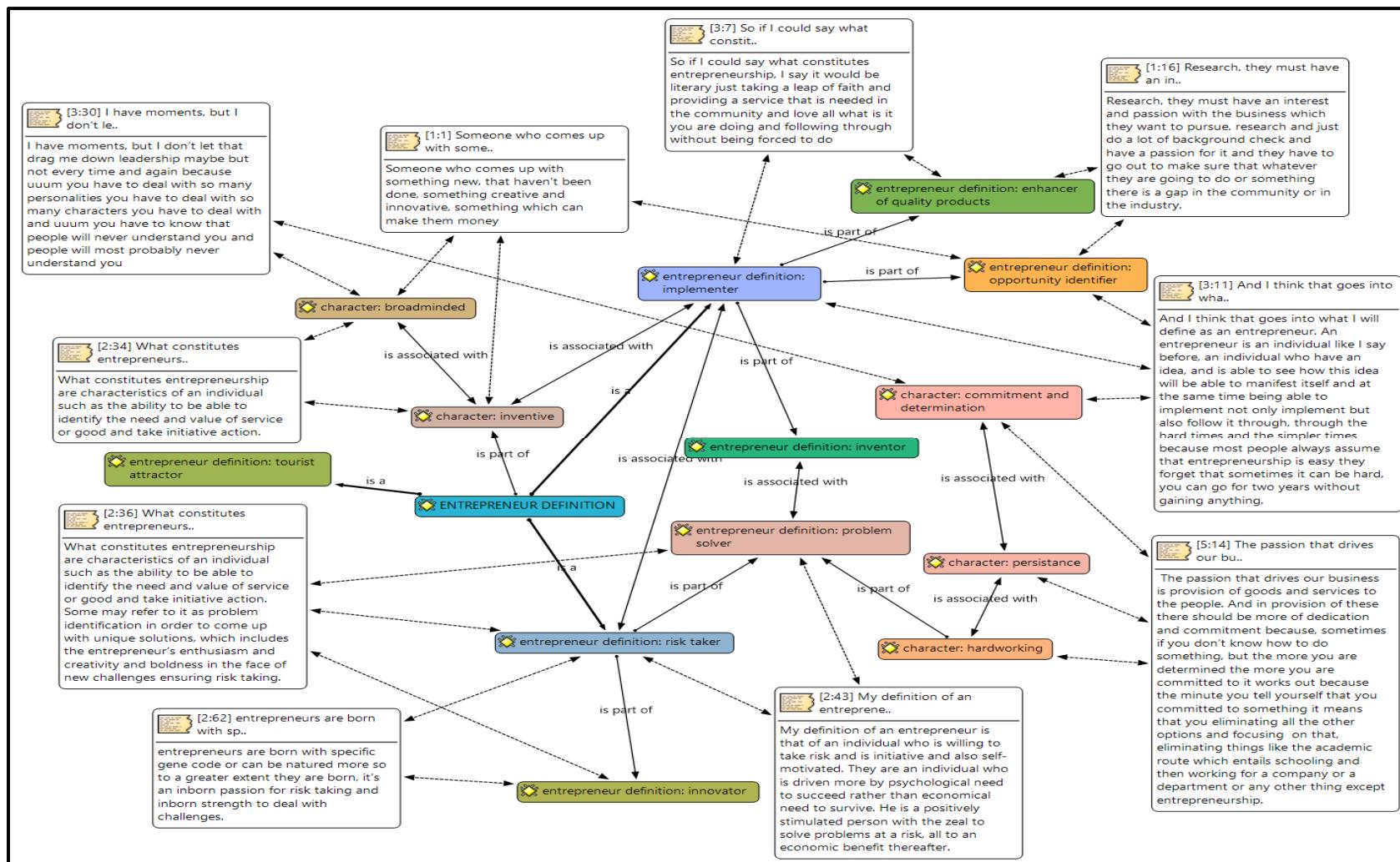
Earlier in Section 2.3 of the literature review, an entrepreneur was described by Timmons and Spinelli (2004), Frederick et al. (2006), Dollinger (2008), Venter et al. (2008), Nieman and Nieuwenhuizen (2015), Kearney et al. (2010), Barringer (2012), Spinelli (2012) and Hatten (2015) as a value creator, innovator, organiser, opportunity identifier and a risk taker. However, the study defines the entrepreneur as an implementer, inventor, and enhancer of quality products, opportunity identifier, problem solver, risk taker and tourist attractor.

Certainly, there are a lot of similarities in the desktop data from the literature review and the respondents' raw data. It is now important to understand that from the comparisons of desktop data and raw data, there are new qualities which emerged in the attempt to define the entrepreneur. Therefore, this research understands that it is important to define an entrepreneur in the entrepreneurial environment context. Generalisation of the definitions usually omits important aspects related to the entrepreneurial environment of the entrepreneur.

An understanding calls for definitions which are specifically directed towards entrepreneurs' character and environment. Such a definition reveals the African entrepreneurship definitions given the study's contemporary entrepreneurial environment (Limpopo Province). In terms of the entrepreneurial character, a number of authors as described in Section 3.5.2 of the literature review, attributed their classifications to three key entrepreneurial characteristics namely:

- *The need for achievement*
- *Risk-taking propensity*
- *Commitment* (Duchéneaut (1999); Filion (1998a); Marchesnay (1998))

However, this study established broadminded, commitment and determination, hardworking, inventive and persistence as key characteristics of the entrepreneur. These characteristics concur with Dhliwayo et al. (2017) as Table 2.1 displayed in the literature review . More importantly, these described core personal characteristics associated with each of these entrepreneurs often depict core common entrepreneurial activities of an entrepreneur. Figure 6.3 summarises the characterisation of entrepreneurs for this study.



**Figure 6.3:** Entrepreneur Characterisation Network

**Source:** ATLAS.ti

### 6.3.2.2. Upbringing of the entrepreneur

Robert (2016) postulated that child upbringing is one of the most challenging responsibilities for a parent, and the manner in which children are brought up, usually defines their character. Ahl and Nelson (2010) established a link between child upbringing and entrepreneurship by first of all looking at how to train children to become entrepreneurs. Ahl and Nelson (2010) contended that for one to become a successful entrepreneur, the following should be imparted from a parent to a sibling:

- a) Training children diverse languages to enhance communication skills.
- b) Encouraging families to be familiar with recent technology.
- c) Allowing families to brainstorm ideas (finding current problems and suggest possible solutions).
- d) Leading by example (parents should have their own businesses or enterprises).
- e) Encouraging children to read books on business.

Indeed, all these are Eurocentric ways of imparting entrepreneurial knowledge to siblings. The respondents in this study seem to concur with all these methods, but there is an extension on what drives one to be an entrepreneur in the African society. The respondents in this study also singled out that apart from the immediate family, the general environment in which one was raised and to which one is currently subjected, can contribute to a person's entrepreneurial drive. This was indicated by Respondent 5 in this excerpt:

*"Ok we have started or I would say that although growing up it was more of a thought or an idea and nothing really which I was interested in materialised however, when I settled my partner was a more of business kind of person and I guess the outflow was just passed to me. So life as an entrepreneur to me is just ordinary." (Respondent 5; Quote 6)*

For this reason, this study therefore treats upbringing as the way in which the entrepreneur was natured and his drive to start an entrepreneurial venture. The study's setting reflects strong social ties in which culture and beliefs shape, the whole background of the entrepreneur. This drive indeed affects the entrepreneur's business activities and the type of entrepreneurial venture.

### 6.3.2.3. Entrepreneurs' expertise

In their interviews when giving descriptions of their entrepreneurial activities, the entrepreneurs proffered a number of skills necessary for one to become an entrepreneur. Consulting the collected works in Chapter 2 of the literature review, a number of skills identified are also essential for one to successfully establish an entrepreneurial venture. Michelacci (2003) listed ten different skills which an entrepreneur needs to have (Section 2.5. of the review). However, the study discovered the following as the main entrepreneurial skill:

- Ability to take risk
- Management skills
- Educational skills
- Effective communication skills
- Mentorship/ leadership skills
- Multi-tasking skills

The two common skills which entrepreneurs highlighted were effective communication skills and multi-tasking. Again, as mentioned earlier, entrepreneurs need the ability to balance their activities in a collectivist society such as our study stetted. Culture, religion and societal norms play a part in all the activities in which the entrepreneur engages. For example, it is the duty of the mother to clean, wash and feed the family in our society. It then becomes difficult for a mother who is a single parent to balance her entrepreneurial duties and the day to day family chores. This is evidenced in the following quotation:

*“So you have to schedule your time, you have to especially to me as a single mom I have to schedule my time I have to schedule my family time, my personal time my other activities.” (Respondent 3; Quote 23)*

Following the expressions in the above excerpt, multi-tasking abilities become as crucial as any of the already listed entrepreneurial abilities. However, it is evidenced that in our study setting, such expertise and skills are passed down from generations to generation. Hence, this study regards entrepreneurial expertise or skill as knowledge which is inherited from our elders. This associates personal upbringing and entrepreneurial expertise as common elements towards the success of entrepreneurs in the Limpopo Province.

#### 6.3.2.4. Benefits of entrepreneurship

The benefits and success factors of establishing an entrepreneurial venture come into light under the following theme. Entrepreneurial benefits can be discussed separately; that is the benefits or success factors of the entrepreneur and the benefits to the community and economy at large. Following the suppositions by Benaki, Alexandrakis and Apostolopoulos (2007) which identified the benefits and success factors of entrepreneurs as increment of tax base, environmental benefits through Corporate Social Responsibility (CSR) practices, creation of local jobs, contributions to the local community, and community identity and involvement. This study proposed community upliftment, improved customer satisfaction, improved standards of living and technical benefits as the benefits of entrepreneurship. Furthermore, the study also established family support, the power of information, skills support and strategic thinking as the entrepreneurial success factors.

Strong similarities can be observed from the benefits and success factors discussed in the literature and those established by the research. Nevertheless, it is important to understand that from the study's benefits and success factors, a lot of emphasis was placed on how entrepreneurial activities benefit the local community and the contributions to the standards of living of the society. This is explained in the following extract from Respondent 1 during the interviews:

*“When coming up with something obviously you would want to appoint people that are staying in that community that don’t have jobs maybe, this will help to develop that community.” (Respondent 1; Quote 8)*

Consequently, the study defines benefits and success factors of entrepreneurs in relation to the communal advantages, as well as entrepreneur success factors which accrue in case of venturing into a business.

#### 6.3.2.5. Entrepreneurial limitation

According to Gwija et al. (2014), lack of skill is considered to be a major limitation to entrepreneurial actions in Africa, as exposure to necessary critical knowledge and experience to do business may not have been acquired as yet. Most entrepreneurs in Africa often lack mentorship, which includes acquiring important soft skills, that is, time management, corporate professionalism and management skills training (Gwija et al., 2014). Again, most entrepreneurs on this continent are usually not in interaction with other entrepreneurs, which

could increase their ability to collaborate and network, thereby improving their ability to find more opportunities, had they been exposed.

In light of the above challenges, this study identified a plethora of entrepreneurial limitations which include corruption, family pressure, financial challenge and lack of vision. Indeed, one or two limitations have been mentioned earlier in the literature, but there are variations in these challenges. The variations might be as a result of different entrepreneurial activities which entrepreneurs perform. Other causes of such variations include the location of the business and the nature of the entrepreneurial venture. Likewise, the challenges revealed in this study are specific to the business as well as specific to the location of the entrepreneurial venture.

#### **6.3.2.6. Administration of the business**

Critical to any entrepreneurial venture activity are the daily administrative processes. Nieman and Nieuwenhuizen (2009) described a number of functional areas in the day to day operations of a business. The functional areas include among others, finance, human resources, general management, purchasing and supply and marketing needs coordination for an entrepreneurial venture to be successful. Hence, an entrepreneur should be cautious about how to deliver plans, exercise leadership and control, as well as monitor all these differing functional areas. This study therefore, acknowledged marketing management (product knowledge and diversification), cash management and human resources management which an entrepreneur needs to administer in the Limpopo Province.

### **6.4. CONSTRUCTION OF CORE CATEGORIES**

From the preceding sections, six main categories were discussed. These categories include: definition of an entrepreneur, business management, benefits of entrepreneurs, entrepreneurial drive, success factors and entrepreneurial challenges. The discussions of this section turn to the core categories which contain the six mentioned categories. Indeed, the core categories have different influences and different bearings on the categories discussed in the preceding sections. The following core categories emerged after probing the entrepreneurs and their discussions are expounded in the following passage:

#### 6.4.1. Investment

Entrepreneurs invest in different resources besides the financial amounts invested. The entrepreneurs indicated that investment choices are critical to their ultimate decisions to start a business. The entrepreneurs also showed there is a great need for one to conduct a thorough market analysis and identify the investment choices available. From the interviews it is also important to understand that investment choices form the basis in the determination of the type of business, as well as the benefits and the challenges which might accrue from the start-up. These are some of the investment needs which were mentioned by the entrepreneurs:

*“I needed new machinery and a place to operate from, through networking and help from colleagues I was advised to approach government bodies which help entrepreneurs, such as the NYDA and SEDA and indeed I got some help in terms of my operating space which is the one we are using now, as well as some capital to buy new machinery.”* (**Respondent 2; Quote 29**)

Respondent 2 in that excerpt indicated the most common type of investment which is needed by entrepreneurs, comprising capital to acquire the physical infrastructure. This was also mentioned by Respondent 4 in the following excerpt:

*“It was quite tough when we vacated the place as we spent some days at home trying to locate a convenient and strategic place for the business. Luckily God intervened and we got a place from which we are operating till now. The place we were offered by the owner, is white. He gave us some rules of the place and we are renting monthly.”* (**Respondent 4; Quote 14**)

Apart from capital to acquire infrastructure, the entrepreneurs also highlighted that entrepreneurs also invest their time, expertise and effort and family efforts as indicated by Respondent 5 and Respondent 3 below:

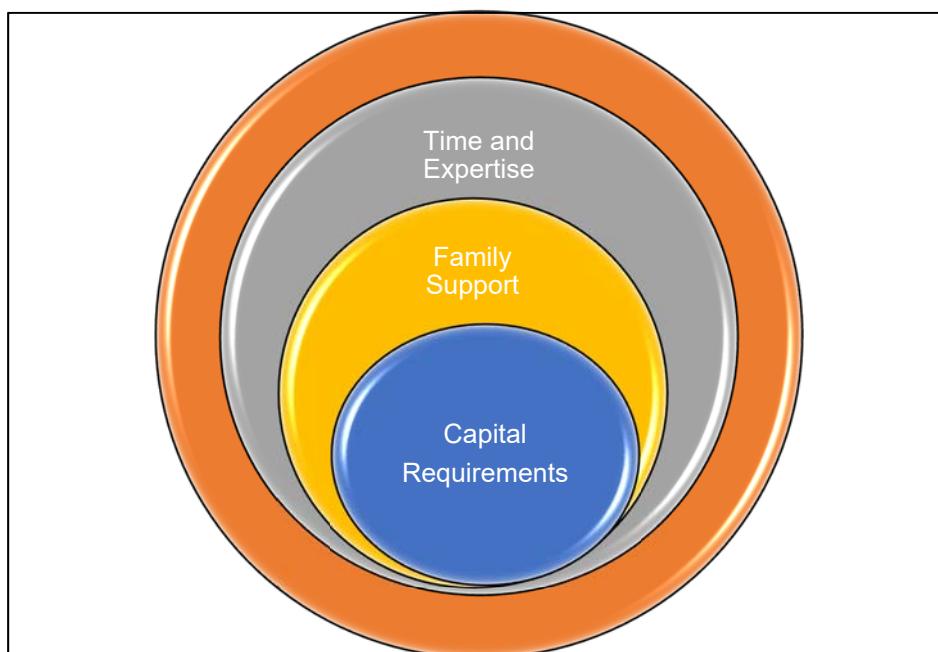
*“Starting a business is time consuming, because when we started we were the owners, and at the same time the employees, so the time we committed to the business was too much. We operate our business from home such that it takes some family time and disturb our smaller place there and we are planning on building or renting out a physical place where we operate from.”* (**Respondent 5; Quote 16**)

*“And I guess that’s why I found myself a little bit wanting because I have put myself into more than one thing and the reason behind that is because I do not want to stagnate myself and at the same time I don’t want to, I don’t want to lose myself into my dream. I still have to be realistic and I ask myself what is it I am doing and what is out there because you can bury yourself into your work for a very long time and you forget who you are as an individual” (Respondent 3; Quote 22)*

As for family involvement and efforts, this is what Respondent 2 indicated:

*“My wife was always supportive during this time where we had sleepless nights to design belts and leather jackets for that small market which we were having.” (Respondent 2; Quote 16)*

From what was indicated by the respondents, the study summarised the core category investment as indicated in Figure 6.4:



**Figure 6.4:** Elements of Investment

**Source:** Researcher's own construct

#### 6.4.2. Infrastructure

Regarding another core category for this study, entrepreneurs expressed their views on what kind of infrastructure they need when starting an entrepreneurial venture. This was one of the

most difficult categories to analyse as the responses proffered were so different across the spectrum of entrepreneurs. Nevertheless, the entrepreneurs clearly explained some of the much-needed infrastructure for their entrepreneurial venture's success. The respondents indicated the need for technological, physical and legal infrastructure:

*"We processed the required documentation for us to be able to operate well with the business. However, the place we were operating from was sold and the new owners told us to vacate the place as they were not interested in having us at that place anymore." (Respondent 4; Quote 12)*

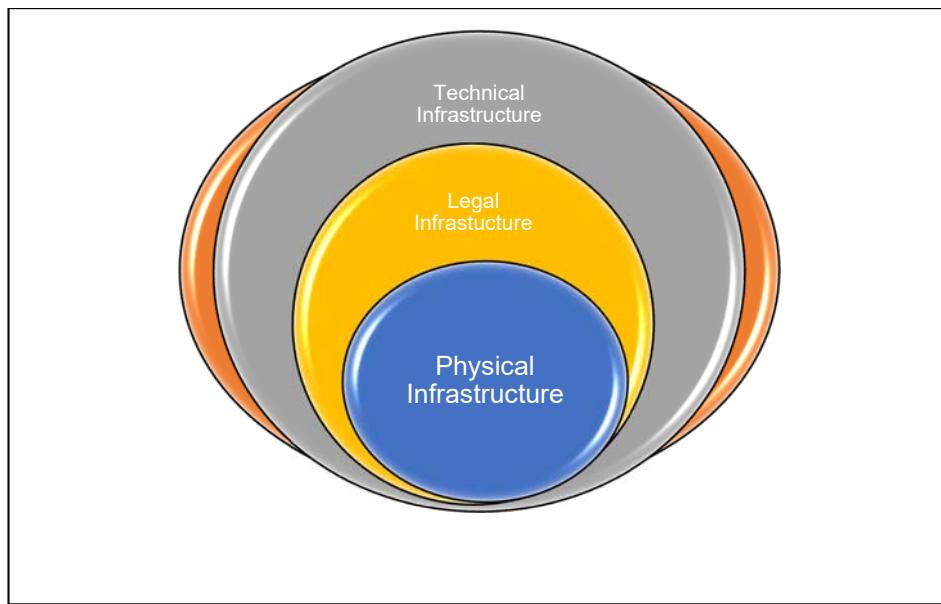
And in terms of physical infrastructure, Respondent 4 also indicated that:

*"We also plead with the government to help us access shades as it is a challenge especially during rainy seasons and as of now, it is really hot and we have nothing to give us shade. The landlord is failing to construct the shade as he is also trying to survive. So we ask the government to provide us with shades or to sponsor us so that we construct our own shades which will be a good thing as long as business goes on."*  
**(Respondent 4; Quote 40)**

Respondent 5 gave an account of the importance of technical infrastructure as indicated in the following quotation:

*"Of course, now with technology there are some databases which you register unlike before where you had to wait for a call then as people you go and bid for a tender and then based on your proposals the best proposal will get it." (Respondent 5; Quote 18)*

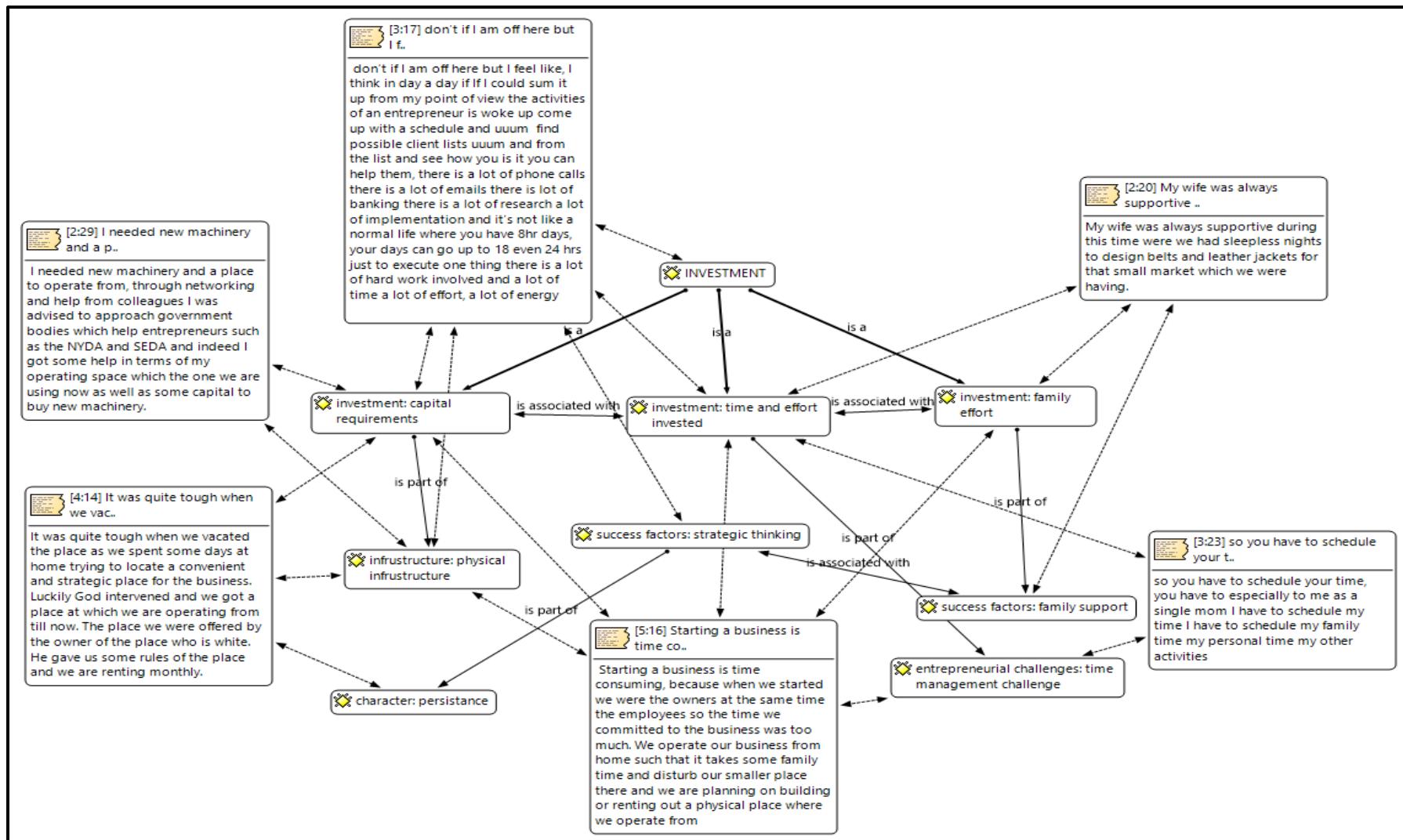
From what was indicated by the respondents, the study summarised the core category infrastructure as indicated in Figure 6.5:



**Figure 6.5:** Elements of Infrastructure

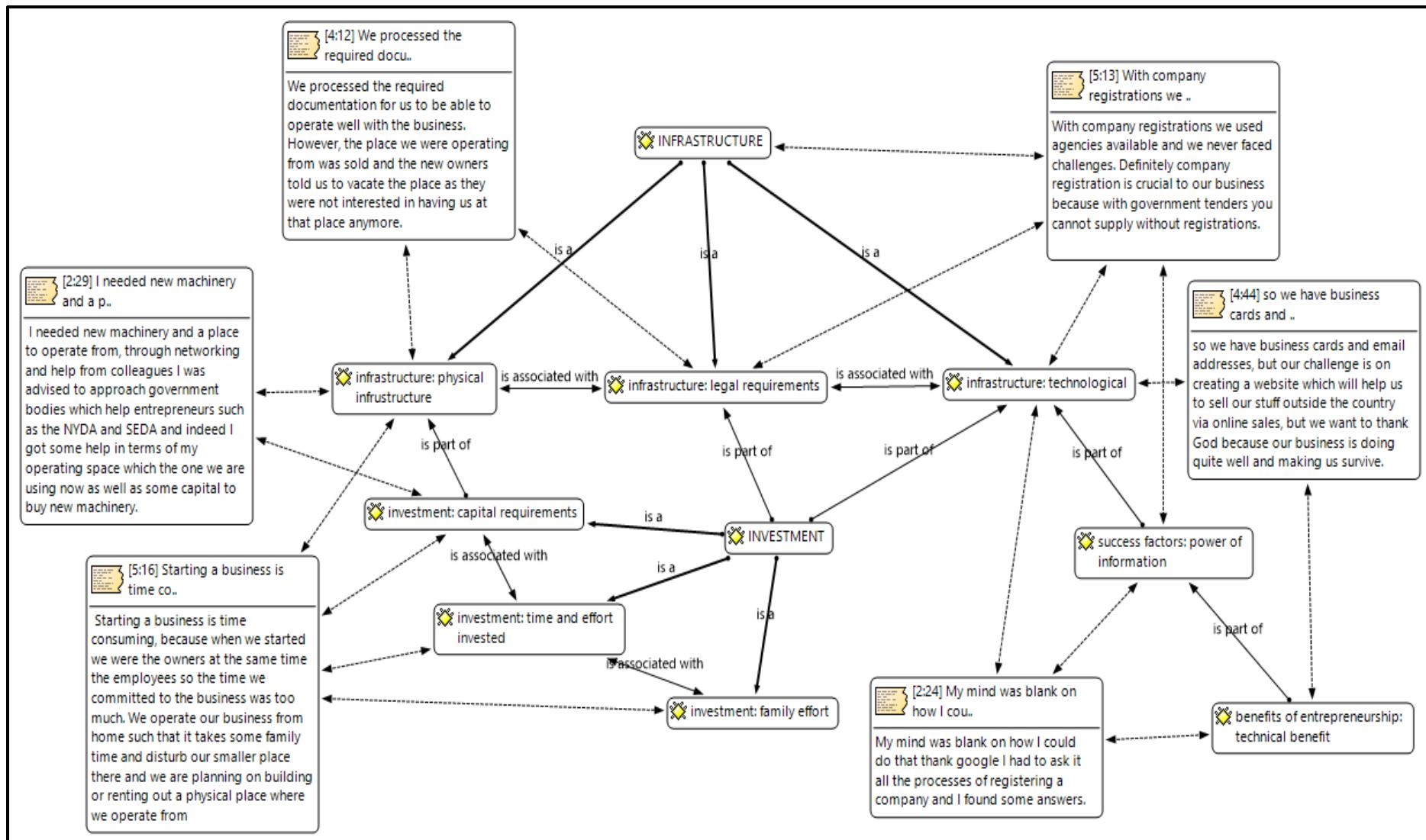
**Source:** Researcher's own construct

The core categories presented in Figure 6.5 affect all the entrepreneurs and have a direct impact on the entrepreneurial definition, success factors, challenges, drive and skills. Figure 6.6 and Figure 6.7 illustrate the core categories networks:



**Figure 6.6:** Investment analysis

**Source:** ATLAS.ti



**Figure 6.7:** Infrastructure analysis

**Source:** ATLAS.ti

## 6.5. CONSTRUCTING AN ENTREPRENEURIAL TAXONOMY

After establishing the core categories, the study compared all categories to the core category in a more precise manner than when the categories were first established. Variables related to the core categories are considered in this section in order to generate improved theory. More so, the improved theory was compared to all the concepts discussed in the preceding sections and new theory was constructed. Heath & Cowley (2004) recommend the writing down of theoretical memos at this stage of the analysis, which represent immediate notations of emerging entrepreneurial taxonomies and how they interrelate with core categories. The memos indeed facilitated the identification of a new entrepreneurial taxonomy presented at the end of this study.

### 6.5.1. Comparison of Investment and Other Related Categories

The core category (investment) codes were compared against related categories using a matrix approach. The process allowed the study to identify categories with similar characteristics. The process enabled the researcher to support the convergences that exist between the categories. Table 6.1 shows the matrix of common categories which were identified when investment was compared to its related codes.

**Table 6.1:** Comparison of investment and other related categories

<b>Business Management</b>	Respondent: 3 Quote: 17 <b>Cash Management</b>		Respondent: 2 Quote: 29 <b>Cash Management</b>
	Respondent: 2 Quote: 20 <b>Family Support</b>	Respondent: 2 Quote: 20 <b>Family Support</b>	Respondent: 3 Quote: 17 <b>Strategic Thinking</b>
	Respondent: 3 Quote: 17 <b>Strategic Thinking</b>		
	Respondent: 5 Quote: 16 <b>Strategic Thinking</b>	Respondent: 5 Quote: 16 <b>Time Management</b>	Respondent: 5 Quote: 16 <b>Time Management</b>
	Respondent: 3 Quote: 23 <b>Family Pressure</b>		
<b>Success Factors</b>		Respondent: 3 Quote: 32 <b>Ability to take Risk</b>	Respondent: 2 Quote: 29 <b>Effective Communication Skills</b>
<b>Entrepreneurial Challenges</b>			
<b>Entrepreneurial Drive/skill</b>	<b>Time and Expertise</b>	<b>Family Support</b>	<b>Capital Requirements</b>
<b>INVESTMENT</b>			

**Source:** Researcher's own construct

According to Table 6.1, considerable time should be scheduled by an entrepreneur to strategically plan for his business activities, at the same time, the same entrepreneur has to meet his family demands and more so, a lot of time should be allocated by the entrepreneur to manage his business efficiently. This resembles the complex aspects of effort and time invested in the business by the entrepreneur, and similarly time challenges like family pressure faced by the entrepreneur. As shown in the matrix, entrepreneurs should have effective communication skills, think strategically and manage their cash effectively for them to acquire the much-needed capital for funding purposes. Also critical to understand in Table 6.1, is that the risk entrepreneurs should always have time management skills. This is important for the entrepreneur in terms of family investment, which is often resembled by the effort and support given to the entrepreneur by the family members.

#### **6.5.2. Comparison of Infrastructure and Other Related Categories**

Similarly, like in the preceding section, the core category (infrastructure) codes were compared against related categories using a matrix approach. Categories with similar characteristics were noted from various quotations. More importantly, the question on which type of infrastructure is necessary for entrepreneurs to start an entrepreneurial venture, is highlighted. Table 6.2 shows the matrix of common categories which were identified when investment was compared to its related codes.

**Table 6.2:** Comparison of infrastructure and other related categories

	Business Management	Respondent: 4 Quote: 44 <b>Market/product Knowledge</b>		Respondent:4 Quote:44 <b>Market/product Knowledge</b>
	Success Factors	Respondent: 3 Quote: 17 <b>Strategic Thinking</b>	Respondent: 5 Quote: 13 <b>Power of Information</b>	Respondent: 2 Quote: 24 <b>Power of Information</b> Respondent: 2 Quote: 24 <b>Power of Information</b>
	Entrepreneurial Challenges	Respondent: 5 Quote: 16 <b>Family Pressure</b>		
		Physical Infrastructure	Legal Infrastructure	Technical Infrastructure
<b>INFRASTRUCTURE</b>				

**Source:** Researcher's own construct

Table 6.2 shows that entrepreneurs should have market and product knowledge for them to understand their infrastructure needs. Furthermore, entrepreneurs usually need to have information sources for them to acquire technological infrastructure. Such ubiquitous information is also critical for the acquisition of legislative infrastructure. If an entrepreneur is not connected to a source of information, it becomes difficult for such an entrepreneur to understand the dynamics in the forever changing technological environment.

### 6.5.3. Comparison of the Core Categories

The matrix comparisons done in the earlier sections resemble the building blocks of the study for the new theory (a taxonomy of entrepreneurial ventures in the Limpopo Province). Up to this discussion it has been clear that a matrix can be used to explain the different types of entrepreneurial needs in terms of the amount which entrepreneurs invest in their time and expertise, capital and family emotions. It is now important for the study to compare the total amount which entrepreneurs invest with their infrastructure needs as discussed earlier (physical infrastructure, legislative infrastructure and technological infrastructure). The matrix in Table 6.3 shows the comparisons of these two core categories.

**Table 6.3:** Comparison of infrastructure and other related categories

	Respondent: 2 Quote: 20		
	Respondent: 5 Quote: 13	Respondent: 4; Quote 1	
	Respondent: 5 Quote: 16 Respondent: 4 Quote: 44 Respondent: 3 Quote: 17 Respondent: 1 Quote: 14 Respondent: 4 Quote: 12 Respondent: 2 Quote: 20	Respondent: 5 Quote: 16 Respondent: 3 Quote: 32	
	Time and Effort	Family Support	Capital Requirements
	INVESTMENT		

**Source:** Researcher's own construct

From Table 6.3, it is critical to understand that the majority of entrepreneurs interviewed are in need of a physical structure, and invest a lot of their time and effort in their entrepreneurial ventures. The second significant classification in the matrix requires capital and physical infrastructure with the other classification of entrepreneurs falling within the zone where family

support and physical infrastructure are a requirement. Lastly, a classification which needs technological infrastructure and time and effort is also evidenced in the matrix. It is from this point that the research clearly brings a taxonomy of entrepreneurial ventures to inform of a matrix. A matrix which uses investment (time and effort, family support and capital requirements) and infrastructure (physical, legislative and technological) needs to explain different entrepreneurial ventures which are evident in the Limpopo Province.

This is what Charmaz (1995) understands to be looking beyond initial techniques, impressions and seeing evidence through multiple lenses. More importantly, as a grounded theorist, the study started with individual cases, incidents or experiences and developed progressively more abstract conceptual categories to synthesise, explain and understand data as well as identified patterned relationships within the data. The study has now moved from just an ordinary perspective, and provoked the researcher's imagination, utopias and prompts into the creation of a new theory, which is discussed in the succeeding section.

## **6.6. THE C9 MATRIX OF ENTREPRENEURIAL VENTURES IN THE LIMPOPO PROVINCE**

The study established the entrepreneurial activities as well as categorised and classified the entrepreneurs in the Limpopo Province. Thus, the study found nine typologies of entrepreneurial ventures in the Limpopo Province, the typologies are a true reflection of entrepreneurship dynamics for the current entrepreneurial environment. The nine types of entrepreneurs contained in the new taxonomy of entrepreneurial ventures in the Limpopo Province known as the **CHAKUZIRA 9 MATRIX** of entrepreneurial classification (C9 matrix) are: (1) Lifepreneurs, (2) Part-timers, (3) Hobby-preneurs, (4) Entre-employee, (5) Empreneurs, (6) Techpreneurs, (7) Carte-blanche, (8) Profeneurs, and (9) Smartpreneurs.

The names found in the new taxonomy result from the comparisons of categories in the preceding section. Therefore, the types of entrepreneurs contained in the C9 matrix are a description of use: (1) investment needs of an entrepreneur, (2) infrastructural needs of the entrepreneur (3) core activities of a particular entrepreneur, and (4) information as well technological needs of an entrepreneur. Table 6.4 describes some of the main characteristic of each entrepreneur in the C9 matrix.

**Table 6.4:** Main Characteristic of each Typology in the C9 Matrix

Entrepreneur name	Features
Lifepreneurs	Refers to business persons who venture into a business with the drive of changing their own standard of living and not for the sole purpose of making profits. A lifepreneur concentrates more on the life rewards provided to people that enjoy and have a passion for what they do. There is a possibility that the business will do particularly well since lifepreneurs are usually passionate.
Part-timers	Refers to a group of business persons who usually start their business for purposes of supplementing their income. Circumstances and goals of part-timers run the gamut, but many entrepreneurs of this nature operate from home and supplement their income from other sources. Part-timers start-ups are also considered by several businesspersons as a practical alternative in conditions where the ultimate realisation of the undertaking appears uncertain.
Hobbypreneurs	Hobbypreneurs are business persons who are traditionally geared towards making a living, while leisure is spent free from obligation. Hobbypreneurs usually have no distinction or boundaries between work and play, some even actively blur the line by monetising their hobbies.
Entre-employee	An entre-employee is an individual who, rather than only working as an employee, also finds and runs a small business, assuming all the risks and rewards of the venture. Entre-employees are also commonly seen as innovators, a source of new ideas, goods, services and business/or procedures.
Empreneurs	Central to the classifications of the C9 matrix, at this point entrepreneurship becomes a full-time job which should be taken seriously. From all the previous classifications, entrepreneurship seems to be a part-time job. In contrary, entrepreneurs use experience gained in the corporate world to start a new venture in which the entrepreneur uses profits gained from the start-up as a source of income to support the family.
Techpreneurs	A highly technological and family supported entrepreneurial venture. The entrepreneur in this classification has vast technical expertise and knowledge, but faces challenges in terms of capital acquisition. However, the study failed to pick up one entrepreneur who falls under this category.
Carte-blanche	The entrepreneurial venture indeed, requires a lot of capital in its set-up. The capital should be coupled with acquisition of physical infrastructure. This is a description of many franchise businesses, hence the classification name, Carte-blanche. The study didn't interview a franchise outlet, hence no entrepreneur could be found in this category.
Profeneurs	A grouping for all specialist entrepreneurs who are involved in a lot of legislative regulations as well as considerable amounts of capital for their businesses. Entrepreneurs who fall in this classification are usually involved in huge capital tenders and classic service offering experts. The study didn't interview any entrepreneur in the category.
Smartpreneurs	A standard typology which requires huge amounts of capital requirements and at the same time big investments in technological infrastructure. The Smartpreneurs are very smart in their investments and they critically analyse the markets before venturing into a business. Smartpreneurs' ideas are usually highly innovative and can uplift not only the society, but may have an impact to the whole world (examples include Bill Gates).

**Source:** Researcher's own construct

Overall, the main aim of this study was to develop a new taxonomy of entrepreneurial ventures in the Limpopo Province of South Africa that is reflective of the local socio-economic imperatives. The study's specific objectives were: (1) *To propose a framework for classifying entrepreneurial ventures in the Limpopo Province of South Africa, and* (2) *Identify actionable strategies that stimulate entrepreneurship development in the Limpopo Province of South Africa.* Consequently, in line with the main objective and the study's specific objectives, Table 6.5 presents a new taxonomy of entrepreneurial ventures in the Limpopo Province of South Africa that is reflective of local socio-economic imperatives. The C9 matrix depicted in Table 6.5 also serves as framework for classifying entrepreneurial ventures in the Limpopo Province of South Africa as described in Table 6.4.

**Table 6.5:** The new Entrepreneurial Taxonomy in the Limpopo Province

Infrastructure	Technological Infrastructure	HOBBYPRENEURS	TECHPRENEURS	SMARTPRENEURS
	Legislative Infrastructure	PART-TIMERS	EPRNEURS	PROFENEURS
	Physical Infrastructure	LIFEPRENEUR	ENTRE-EMPLOYEE	CARTE-BLANCHE
	Time and Effort		Family Support	
INVESTMENT				

**Source:** Researcher's own construct

## 6.7. CONCLUSION

The data analysis employed in this thesis was further presented and explained in this chapter. Through constant comparison and writing of theoretical memos, the model for entrepreneurial venture characteristics was established in this chapter. Further discussion of the model and how it relates to existing literature and its implications, are continued in Chapter 7.

## CHAPTER SEVEN

### CONCLUSIONS AND RECOMMENDATIONS

#### 7.1. CHAPTER OVERVIEW

Chapter 5 and Chapter 6 analysed data collected and introduced substantive theory (C9 matrix) which was generated through grounded theory procedures. Further to that, the two chapters discussed the findings and major themes that emerged from data analysis in relation to some of the research questions. This chapter will now critically discuss the C9 matrix in accordance with the aims and objectives of the study, as well as the research questions of the study. More so, the theoretical and practical implications of the C9 matrix on the body of knowledge are also discussed. Thereafter, conclusions and recommendations close this chapter and the thesis.

#### 7.2. INTRODUCTION

Joyner, Rouse and Glatthorn (2018) recommend that in concluding a thesis, the research objectives and main aim of the study should be evaluated. The study in this chapter communicates the C9 matrix and the implications thereof to the body of knowledge with the view of guiding future research in the discipline. As highlighted in Chapter 1, a review of literature produced the following research gap:

*The study argues that policy inconsistency, is evidence of a much deeper underlying problem in South Africa. Furthermore, the study argues that the lack of a clear conceptualisation of entrepreneurship is in fact the real problem that needs further inquiry. As such, this study will attempt to provide a thorough description of the entrepreneurial landscape from a South African perspective. More specifically, the study will relook contemporary South African entrepreneurship dynamics with a view to redefine, reconceptualise entrepreneurship.*

Thorough review of the above listed gaps in the literature led to the formulation of the following problem statement:

*Despite much government effort towards the development of entrepreneurship in South Africa, there is still a gap between policy formulation and policy implementation. More concerning is the fact that within South Africa, there are no proper standards to*

define, explain, and measure entrepreneurial activity. Hence, such a paucity means that South Africa like any other developing nation end up adopting international entrepreneurship policies and standards to regulate entrepreneurship. A vast majority of these policies are not entirely applicable to the South African context. In other words, these policies fail to account for and address lived-experiences and actual problems faced by South African entrepreneurs. More often than not, this problem emanates from failure to classify or define of entrepreneurship and entrepreneurial activities in the South African context.

Thereafter, the following three research questions were formulated to address the identified gaps and research problem:

**RQ1:** *What constitutes entrepreneurial activities in South Africa?*

**RQ2:** *How can entrepreneurs be more efficiently classified and categorised to better reflect the South African entrepreneurship dynamics given the current entrepreneurial environment?*

**RQ3:** *How can the government stimulate entrepreneurship development across the emergent entrepreneurship typologies?*

The research questions paved way to the formulation of the following aims and objectives:

- Develop a new taxonomy of entrepreneurial ventures in the Limpopo Province of South Africa that is reflective of the local socio-economic imperatives.
- Propose a framework for classifying entrepreneurial ventures in the Limpopo Province of South Africa.
- Identify actionable strategies that stimulate entrepreneurship development in the Limpopo Province of South Africa.

In order to resolve the research problem, the study was conducted within the constructivist paradigm which involved an understanding of multiple participant meanings and allowed for theory generation (C9 matrix) (Healy & Perry, 2000). The purpose of the study calls for an understanding and rebuilding of the constructions that people (including the investigator) initially hold, aiming towards consensus, but still being open to new theory as evidence and complexity improvement (Charmaz, 2014). Under social constructivism, the researcher was cast in the role of participant and facilitator in this process; a position that some critics have faulted on the grounds that it increases the inquirer's role outside realistic expectations of skill

and competence (Creswell, 2009). In light of this assumption, the purpose of this study was to open new theory through the development of a new taxonomy of entrepreneurial ventures in the Limpopo Province of South Africa, and this was done through the development of the C9 matrix which was introduced in Chapter 6.

### 7.3. IMPLICATIONS FOR THEORY, POLICY AND PRACTICE

This section discusses implications of the C9 matrix to theory, policy and practice. Importantly, this study has not only made significant contributions to the research problem theory, but also generated implications for a wider body of knowledge about this topic.

#### 7.3.1 Implications for Theory

The researcher acknowledges the works of pioneers in entrepreneurship domain such as Shane (2009), Cantillon (1755), Say (1815), Schumpeter (1954), Knight (1921), Hayek (????), Penrose (1950), Kirzner (1973) and Casson (1982, 2005) in describing entrepreneurial activities. What is more important to acknowledge, are the contributions of the behaviourists and the characteristics most commonly attributed to entrepreneurs as discussed in Section 2 of the review. Alarmingly, authors like Shane (2009) in his paper titled: *“Why encouraging more people to become entrepreneurs is bad public policy”*, criticised the promotion of venture creation. He wrote this:

*“Policy makers often think that creating more start-up companies will transform depressed economic regions, generate innovation, and create jobs. This belief is flawed because the typical start-up is not innovative, creates few jobs, and generates little wealth. Getting economic growth and job creation from entrepreneurs is not a numbers game. It is about encouraging the formation of high quality, high growth companies. Policy makers should stop subsidizing the formation of the typical start-up and focus on the subset of businesses with growth potential. While government officials will not be able to “pick winners,” they can identify start-ups with a low probability of generating jobs and enhancing economic growth. By eliminating incentives to create these low probability companies, policy makers can improve the average performance of new businesses.”*

The results of this study are contrary to Shane's (2009) propositions. In the Limpopo Province and African societies in general, start-ups have proved to be more innovative, a big source of employment and contribute to improved wealth and standards of living.

*"When coming up with something obviously you would want to appoint people that are staying in that community that don't have jobs maybe, this will help to develop that community." (Respondent 1; Quote 8)*

Even respondent 3 confirmed the communal benefit of improved standards of living associated with promotion of local start-ups.

*"So, if I could say what constitutes entrepreneurship, I say it would be literary just taking a leap of faith and providing a service needed in the community and love all what is it you are doing and following through without being forced to do that". (Respondent 3; Quote 7)*

The problem which the entrepreneurs highlighted is that the dynamics of rural entrepreneurship are not adequately understood to a greater extent, such that they are enormously undermined by policy makers. Consequently, because policy makers usually lack knowledge and information, entrepreneurs in small neglected towns and in rural areas are often subjected to a one-size-fits-all policy implementation. In light of all the inconsistencies, the C9 model provides policy makers, entrepreneurs and theorists with a description of entrepreneurial activities found in the rural and neglected provinces in Africa. Theorists can now use the C9 model to explain entrepreneurial dynamics in an African context and provide answers to wrong postulations made by early authors in the entrepreneurship domain.

Acknowledging that entrepreneurship is a multiheaded concept, creation of a typology provides criteria for classifying and understanding the different facets of entrepreneurship (Erikson, 2001). Elucidating entrepreneurship's variety through a typology is therefore important in building a taxonomy of entrepreneurial ventures. Nonetheless, studies dated from the early 1960s which were done in different environments by different authors, will give a basic understanding towards creation of entrepreneurial typologies (Erikson, 2001; Filley & Aldag, 1978; Miner, 2000; Smith, 1967; Smith & Miner, 1983; Ucbasaran et al., 2004).

As a consequence, a general framework specifying the type of entrepreneurial ventures in the Limpopo Province (C9 Matrix) which accrued from this study to provide useful knowledge in this field of the entrepreneurship domain. Lack of such a framework has over the past decades

led to crude generalisations of research results whose domains of validity have not been explicitly specified (Kunkel, 2001). Hence the tendency of African nations to transplant entrepreneurship policies from their mother colonies which do not fit their entrepreneurial environment. It is now crucial to use the C9 matrix as a tool to explain the local typologies and entrepreneurial needs.

### 7.3.2. Implications to policy makers and practice

In line with Research Question 3: **RQ3:** *How can the government stimulate entrepreneurship development across the emergent entrepreneurship typologies?* The study now turns to discussions of entrepreneurs' perceptions and the implications to policy. As discussed earlier in Chapter 1, South Africa, despite its massive investment in entrepreneurial support infrastructure, is characterised by low TEA levels and high unemployment and growing poverty levels (Gwija et al., 2014). Such a scenario begs the question: How is it that entrepreneurship transformed South-East Asia into an economic powerhouse, but seemingly is less effective in Africa?

Indeed, the study turned to entrepreneurship literature in attempt to answer this question. Nevertheless, up to date there is still evidence of policy inconsistencies in South Africa. Furthermore, it would also appear that a vast majority of African policymakers (including those in South Africa) lack the general understanding of the local entrepreneurial environment (Turton & Herrington, 2013). For instance, governments, on the one hand claim to be in support of entrepreneurial activities, (notable examples are the Black Economic Empowerment Act, No 53 of 2003 (BEE) in South Africa and the Indigenisation and Economic Empowerment Act, No 17 of 2007 (IEE) in Zimbabwe), at the same time, these governments engage in arresting traders and vendors. Government misconceptions are evidenced in the following excerpts:

*"It is doing enough only that people are not exposed to information about these support schemes. I personally think the government is doing enough for instance, I had to buy my stage material using money from the government. What I don't understand is the appropriateness of the funds of which the government must do market research first and find what the business is doing before funding it. The government was crazy on funding Khanyi Dhlomo's boutique they gave her about R30 million for a boutique but it didn't make sense to me, but well just selling expensive things was justification that she will make a lot of money but I feel the only thing that I don't get is that they will require you to have some form of capital before they fund you (for example when DTI*

wanted to pay for my material they said we can pay 40% of the stuff we are buying). For interest sake if I am starting my business where do I get like R500 000 to meet their loan requirement? My point then is it becomes very difficult for people from disadvantaged background to get such security. Otherwise I can just say the government is trying." **(Respondent 1; Quote 61)**

On adopting Eurocentric ideas, Respondent 2 had this to say:

"At the same time the government should also assist in transition from traditional and some Eurocentric social beliefs in regard to the common status quo. A status quo which encourages one to get good education and then apply that education, you have to work for an already established company." **(Respondent 2; Quote 61)**

On limited support, Respondent 3 had this to say:

"So, entrepreneurs do need government support. Government, is definitely not doing enough to develop entrepreneurs." **(Respondent 3: Quote 55)**

On policy inconsistence, Respondent 4 had this to say:

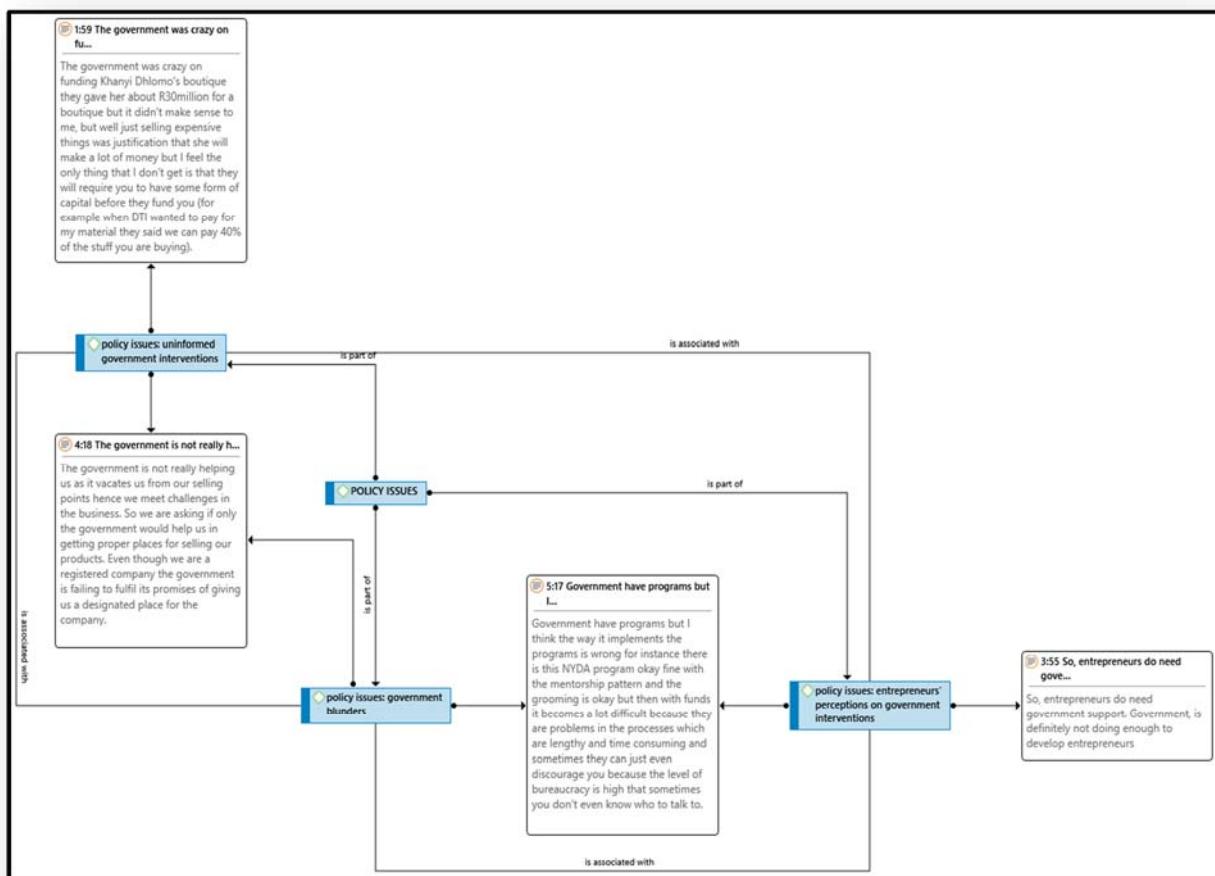
"The government is not really helping us as it vacates us from our selling points hence we meet challenges in the business. So we are asking if only the government would help us in getting proper places for selling our products." **(Respondent 4: Quote 17)**

On improving government bureaucratic and corrupt systems, Respondent 5 had this to say:

"Government has programmes but I think the way it implements the programmes is wrong for instance there is this NYDA programme, okay fine, with the mentorship pattern and the grooming is okay but then with funds it becomes a lot difficult because there are problems in the processes which are lengthy and time consuming and sometimes they can just even discourage you because the level of bureaucracy is high that sometimes you don't even know who to talk to." **(Respondent 5: Quote 17)**

A number of issues are evidenced in the listed extracts. Among other issues are: (1) the dynamics of local entrepreneurship are not adequately understood and to a greater extent, enormously undermined by policy makers, (2) the main users and beneficiaries of support institutions are urban, literate and well established entrepreneurs, (3) because of policy

makers and the lack of knowledge and information, the majority of local entrepreneurs are subjected to a one-size-fits-all policy implementation approach, and lastly, (4) as long as discourses between government and the local people are a once-off protest event, policy will continue misinterpreting the needs of the local community. Figure 7.1 shows the government misconception network:



**Figure 7.1:** Government Misconception of Entrepreneurs

**Source:** ATLAS.ti

In light of all the government blunders and misconceptions regarding local entrepreneurial activities, a description and a characterisation of local entrepreneurial needs are depicted in the C9 matrix. This may enable policy makers and the government to channel an appropriate amount of funds to a special typology which has its specific needs. It also becomes easy for the policy makers to identify the investment and infrastructural needs of each typology in the matrix, hence making the C9 matrix an initial point of reference before supporting an entrepreneur. The C9 becomes a bridge to gap between entrepreneurs' needs and government's misplaced funds. Furthermore, the C9 matrix can help the government in

stimulating entrepreneurship development across the emergent entrepreneurship typologies in South Africa.

## 7.4 CONCLUSIONS

From exploring the entrepreneurial activities in the Limpopo Province, the study established that the entrepreneurs may fall into five classifications which are represented in the C9 matrix by the following typologies:

- (1) Custompreneurs
- (2) Part-timers
- (3) Hobbypreneurs
- (4) Entre-employee
- (5) Entrepreneurs

### 1. Lifepreneurs: Represented by Respondents 1,2,3,4,5

In this classification, entrepreneurs are in dire need of the physical infrastructure and invest a lot of their time, effort and skill in the entrepreneurial venture. Entrepreneurship in this classification is lifestyle, and there isn't much capital needed for the business to kick start. Importantly, all the interviewed respondents displayed a lot of characteristics of this category (see Table 6.4).

### 2. Part-timers: Represented by Respondent 5

Interestingly, the grouping of part-timers reflects venture start-ups which can be changed at any given time. More so, the classification also includes the type of an entrepreneur who can start and stop, and then start again with an entrepreneurial venture. Entrepreneurship in this classification requires some legislative actions and a great deal of the entrepreneurs' time, effort and skill. Respondent 5 in this study seems to possess some of the features of this classification, a true reflection of all small tendering businesses, which are usually not fully involved into entrepreneurship (see Table 6.4).

### 3. Hobbypreneurs: Represented by Respondent 2

As described in the name of this classification, the entrepreneur here does his entrepreneurial activities for leisure purposes. The main drive of this entrepreneur might be a special technical

skill, such as data analysis skills. The entrepreneur in this grouping invests the skill and effort, as well as provides for the most needed technological infrastructure. In this study Respondent 2 highlighted a few distinctive features which might make him fall in this category (see Table 6.4).

#### **4. Entre-employee: Represented by Respondents 3,5**

A hybrid of employee-entrepreneur occurs where the entrepreneur is formally employed at a certain organisation. With vast knowledge of the corporate world, the entre-employee balances his entrepreneurial activities and work demands in his day-to-day activities. The idea here is that the entre-employee probably goes to work to utilise company resources such as high-speed Internet to the benefit of the start-up. More importantly, the entre-employee goes to work in order to secure collateral for loans of the start-up. A complex classification is represented by Respondents 3 and 5 in this study. The two respondents indicated that the entre-employee needs a lot of family support, since more time is devoted either to work demands or entrepreneurial activities (see Table 6.4).

#### **5. Entrepreneurs: Represented by Respondent 4**

Central to the classifications of the C9 matrix, this a point where entrepreneurship becomes a full-time job which should be taken seriously. From all the previous classifications, entrepreneurship seems to be a part-time job. In contrary, entrepreneurs use experience gained in the corporate world to start a new venture in which the entrepreneur uses profits gained from the start-up as a source of income to support the family. Family support is critical as the entrepreneur has to quit the formal job or retire from all the other income-supplementing activities, and substitute such activities with the start-up. Indeed, entrepreneurship at this time becomes a full-time job, therefore it becomes important for the company to meet all the legal requirements, comprising investing more in the legislative infrastructure. Lastly, the ability of an entrepreneur to take a risk is also important since one has to quit a formal job and become a full-time entrepreneur. Respondent 4 in this study falls into this category (see Table 6.4).

In conclusion, the Limpopo Province can be said to be highly characterised by Custompreneurs and Entre-employees. This is a true pattern considering the number of remote towns and the rural population found in the province. The major city in the Limpopo Province might arguably be Polokwane, which as compared to major cities in South Africa, is still far behind. Importantly, the majority of Entre-employees are found in small towns and the Custompreneurs are found in rural remote areas where culture and Ubuntu (humanity towards

others) take centre stage. The Custompreneurs usually need a physical place to start a business which might be enough in rural remote areas due to collectivism ties which dominate in these areas. Paradoxically, the government usually chase these entrepreneurs from their strategic locations citing legal requirements. This is not how we promote Custompreneurs. Using the C9 matrix discussed in the preceding chapter the government may avail the needs of Custompreneurs rather than engaging in an exercise of chasing the entrepreneurs from their strategic areas of operations. Likewise, policy makers and the government can use the C9 matrix to establish the needs of any other typology be it the Entre-employee, Hobbypreneurs, Part-timers, Emploneurs, Techpreneurs, Carte-Blanche, Profeneurs and the Smartpreneurs. Again, the new matrix which explains entrepreneurial ventures in Limpopo Province is depicted in Table 7.1.

**Table 7.1:** The C9 matrix of entrepreneurial classifications in the Limpopo Province

Infrastructure	HOBBYPRENEURS	TECHPRENEURS	SMARTPRENEURS
	PART-TIMERS	EMPRENEURS	PROFENEURS
	LIFEPRENEUR	ENTRE-EMPLOYEE	CARTE-BLANCHE
	Time and Effort	Family Support	Capital Requirements
INVESTMENT			

**Source:** Researcher's own construct

## 7.5. RECOMMENDATIONS

From the findings, the biggest challenge of the South African government in developing entrepreneurship across emergent typologies is largely: (1) the lack of a clear taxonomy of entrepreneurial ventures, and (2) the lack of clear implementation strategies of the available policies. The C9 matrix now provides a clear typology schema of entrepreneurs in the Limpopo Province which might serve as guide in all the implementation strategies of any entrepreneurship policy in South Africa. The schema is a representative of all the local

entrepreneurial ventures which might be established in the country. Furthermore, the C9 matrix provides entrepreneurial needs based on each entrepreneurial activity of all the entrepreneurial venture classifications depicted in the matrix. Therefore, the study recommends the government to use the C9 matrix in policymaking especially on:

- (1) Determining the entrepreneurial needs of each specific entrepreneur.
- (2) Classification complications (shift from the quantitative methods of classifications for example the SMMEs methods of classifications, since they do not represent entrepreneurs' needs).
- (3) Understanding local entrepreneurial dynamics (shift from Eurocentric understanding of entrepreneurs and use the C9 matrix as the basis of describing entrepreneurial typologies in South Africa).

## **7.6. FINAL WORDS ON THE CHAKUZIRA 9 MATRIX OF ENTREPRENEURIAL CLASSIFICATION**

The study of Lebambo (2017) on entrepreneurial policies and the development of micro-lodging enterprises in rural South Africa established the POEE (Penguin, Owl, Eagle, Eaglet) Entrepreneurship Development Model, which is a model for government intervention in developing entrepreneurship at micro level. The POEE indeed provides the government with a model on local micro-entrepreneurs, and developed four typologies of entrepreneurs namely the: (1) Penguin, (2) Owl, (3) Eagle, and (4) Eaglet. The two first typologies (Penguins and Owls) represent entrepreneurs who are part-timers and the last two (Eaglet and Eagles) represent full-time entrepreneurs. In comparison, the C9 matrix provides the government with a model for intervention across all start-ups locally. Importantly, the C9 matrix distinguishes between part-time entrepreneurs (Lifepreneurs, Part-timers, Hobbypreneurs and Entre-employees) and full-time entrepreneurs (Empreneurs, Techpreneurs, Carte Blanche, Profeneurs and Smartpreneurs). Furthermore, the C9 matrix suggests specific infrastructure and investment requirements for each of the nine typologies as shown in Table 7.1.

Section 3.6 of the review discussed literature on the current entrepreneurial typologies in South Africa. However, general classifications of entrepreneurs in South Africa as discussed earlier are classified in terms of the National Small Business Act 102, of 1996 (Act No. 102). The classifications are mainly concerning opportunists and survivalists, as well as in terms of the size of the business (for example the Small, Medium, Microenterprise Enterprise (SMMEs) classifications) (see Figure 3.5). Such classifications over the past years have seen

policymakers adopting a one-size-fits-all policy, which had as a consequence, the majority of government interventions targeting a particular group of entrepreneurs and ignoring the other groups. The C9 matrix provides a detailed analysis of entrepreneurial needs across all entrepreneurial typologies found in the local environment. Hence, the study proposes that the C9 matrix be used as a point of reference when policymakers implement their entrepreneurial intervention decisions. Consequently, if tested across all the local entrepreneurs, the C9 matrix becomes a perfect explanation to various taxonomies of entrepreneurial ventures across South Africa.

Acknowledging Kunkel (2001), new entrepreneurial activities are gestalts based on corporate and independent entrepreneurial actions (see Figure 3.6). The classifications as highlighted earlier still remain insufficient for a comprehensive description of entrepreneurial taxonomies within the South African context. The C9 matrix hence has now added to the body of knowledge the dynamics of entrepreneurial classification within the South African context. If properly adopted, the C9 matrix will be of great importance in correcting government policy inconsistencies in South Africa and will provide for a specific intervention strategy for each individual entrepreneur. Ultimately, this will minimise government blunders and all the classification problems which the contemporary entrepreneurial environment is facing in South Africa.

## 7.7. CONCLUSION

This chapter provided a summary of major themes emanating from the findings, and conclusions and recommendations were presented. Figure 7.1, the C9 matrix, illustrates a link between the Chapter 3 literature review and Chapter 7 which presents the main findings of the study. This correlation is imperative as it presents the final standpoint of the study, whether the study agrees or disagrees with the literature based on the findings. This comprises the contribution of new knowledge.

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## APPENDICES

### APPENDIX A: INTERVIEW GUIDE



University of Venda

### INTERVIEW GUIDE

for the

PhD Thesis entitled:

**A GROUNDED THEORY APPROACH TO EXAMINE THE TAXONOMY AND  
CLASSIFICATION OF ENTREPRENEURIAL VENTURES IN LIMPOPO PROVINCE**

**PhD in Business Management**

**COMPILED BY:** Wellington Chakuzira

Dear Participant

My name is Wellington Chakuzira and I am a student pursuing my PhD (Business Management) at the University of Venda. In order to complete my thesis, I am inviting you to participate in a research titled: "*A grounded theory approach to examine the taxonomy and classification of entrepreneurial ventures in the Limpopo Province.*"

The research questions formulated for the study are:

- RQ1:** *What constitutes entrepreneurial activities in South Africa?*
- RQ2:** *How can entrepreneurs be more efficiently classified and categorised to better reflect the South African entrepreneurship dynamics given the current entrepreneurial environment?*
- RQ3:** *How can the government stimulate entrepreneurship development across the emergent entrepreneurship typologies?*

**Be assured that all the information gathered from you will remain confidential.**

Thank you for taking the time to participate

Yours sincerely

Chakuzira Wellington  
Email: [wellychakuzira@gmail.com](mailto:wellychakuzira@gmail.com)  
Cell phone number: +27 71 018 3028

## **Section A: Definition of Entrepreneurship and entrepreneurial activities**

*Please note the questions provided below serve as a guideline, questions might be rephrased or changed during the group discussions process to solicit more information and to probe. The questions are aligned to the above research questions and also divided into areas of inquiry to assist the researcher in answering the questions.*

### **Definition of Entrepreneurship**

1. Based on your own experience, what constitutes entrepreneurship?
2. Are entrepreneurs born?
3. How would you define an entrepreneur?
4. What are the activities of an entrepreneur?
5. Are tender-entrepreneurs, entrepreneurs?

### **Section B: Classification of Entrepreneurship**

6. What is your take on the classification of entrepreneurship into:
  - a. SMME?
  - b. Survivalist vs Opportunist?
7. How appropriate or suitable are the definitions and classifications provided in books?
8. In your opinion, how can entrepreneurs be classified?

### **Section C: Government Support**

9. What is the role of the government in promoting entrepreneurship development in South Africa?
10. Do entrepreneurs need government support?
11. Is the government doing enough in developing entrepreneurs?

## RESEARCH DIARY

### List of all memos

Memo-Filter: All [3]

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### MEMO: Creating Categories (0 Quotations) (Super, 2018-05-22 17:07:56)

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### Began to work my Pilot study Data

In general

- Despite having an ethical letter from the University of Venda, it was difficult to arrange a single in-depth interview with the entrepreneurs.
- Language problems were also a critical barrier, the entrepreneurs were comfortable to conduct interviews using their native language.
- Most interviews which I managed to schedule, were scheduled during the evening when the entrepreneurs were tired.
- Managers of big companies would propose to act on behalf of the entrepreneur as they cited that the owners are always busy and they usually come to the company once a month.
- Since, my research adopted a grounded theory analysis, data analysis commenced upon collecting data from the pilot study.

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**The following codes and categories emanated from the first interview which was transcribed from an events management entrepreneur as a pilot study**

### BENEFITS OF ENTREPRENEURSHIP

benefits of entrepreneurship: client satisfaction  
benefits of entrepreneurship: communitarianism  
benefits of entrepreneurship: improved standard of living  
benefits of entrepreneurship: profit motive

### CHARACTER

character: broadminded  
character: business acumen

character: determination

character: enthusiasm

character: intuitive

character: self-satisfaction

### **ENTREPRENEUR DEFINITION**

entrepreneur definition: attributes of an entrepreneur

entrepreneur definition: breaking off

entrepreneur definition: definition of entrepreneur

entrepreneur definition: entrepreneurial characteristics

entrepreneur definition: game changer

entrepreneur definition: novel input

### **ENTREPRENEURIAL CHALLENGES**

entrepreneurial challenges: financial challenges faced by entrepreneurs

entrepreneurial challenges: lack of awareness

entrepreneurial challenges: loan security challenge

### **ENTREPRENEURIAL ORIENTATION**

entrepreneurial orientation: business description

entrepreneurial orientation: genetic entrepreneurs

entrepreneurial orientation: line of business

entrepreneurial orientation: motivation

entrepreneurial orientation: rationale

entrepreneurial orientation: succession

entrepreneurial orientation: tolerance of ambiguity

### **ENTREPRENEURIAL SKILL**

entrepreneurial skill: advanced training

entrepreneurial skill: financial management skills

entrepreneurial skill: probe

entrepreneurial skill: product and market knowledge

entrepreneurial skill: scrutinize

entrepreneurial skills: effective planning skills

### **POLICY ISSUES**

policy issues: government blunder

policy issues: power of information

policy issues: uninformed government interventions

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**The following codes were created after the third interview and saturation of data was now evident**

ability to take a risk

access to capital

advanced training

advantages of being employed

acquired entrepreneurial mind

availability of market opportunities

bad social practices

balancing social activities

benefits of the Internet

boldness

breaking new grounds

broadminded

business acumen

business advice

business complex nature  
business growth motive  
business management skills  
business profile  
business type laws  
capital requirements  
cash flow management  
characteristics of an entrepreneur  
classification dilemma  
client oriented  
cognitive entrepreneurs  
commitment and determination  
communal motivation  
communism  
communities  
community engagement  
community outreach  
community responsibilities  
company history  
company name  
company regulations  
complexity in entrepreneur definitions  
continued existence  
cooperate social responsibility (CSR)  
coping up with challenges  
corruption  
courageous  
customer concern  
customer engagement  
customer focused  
customer oriented  
daily activities of an entrepreneur  
description of product line  
determination  
different entrepreneurial activities  
different entrepreneurial orientations  
dissimilar entrepreneurial backgrounds  
diversification  
dream chaser/realisation  
dream realisation  
economic benefit  
educational background  
educational skills  
effective communication skills  
effective planning skills  
employee oriented  
employment a better option  
employment creation  
enthusiasm  
entrepreneur's profile  
entrepreneurial activities  
entrepreneurial background  
entrepreneurial drive  
entrepreneurial mind  
entrepreneurial orientations  
entrepreneurial support schemes  
entrepreneurs' perceptions on government interventions  
entrepreneurship development programmes  
events management  
existence of different business typologies

extended family support  
family commitments  
family disapproval  
family inheritance  
family pressure  
family support  
financial challenge  
financial classifications not clear  
financial gains motive  
financial indicator/measure  
financial management skills  
focus  
future planning  
game changer  
genetic entrepreneurs  
goal oriented  
good connections  
good networking  
government blunders  
government inconsistencies  
government interventions  
greed  
habitual entrepreneurship  
hardworking  
hereditary  
human resource management  
improving standards of living  
income supplementary entrepreneurship  
increase in client base  
increase of market size  
initiative  
innovative ideas  
internet as good information tool  
intuitive  
inventive  
labour laws  
lack of awareness  
lack of business skills  
lack of creativity  
lack of family support  
lack of physical infrastructure  
lack of vision  
leadership skills  
learning from mistakes  
legal requirements  
line of business  
loan security challenge  
long-term thinking  
losing an entrepreneurial mind  
losing focus  
low inventive skills  
machinery challenge  
market analysis  
market management  
market opportunity  
market research process  
marketing research  
mentorship  
mentorship skills  
middleman

multitasking  
need for a taxonomy of entrepreneurs  
need for achievement  
need for government interventions  
need for independence  
need for reclassifications  
need for technological advancement  
need to promote entrepreneurship  
need to redefine an entrepreneur  
novel inputs  
number of workers classifications not clear  
open minded  
operational place  
operational planning  
opportunity identification  
opportunity scrutiny  
opportunity/gap identification  
parental influence  
passionate  
perseverance  
persistence  
physical infrastructure  
policy inconsistencies  
positive cash management  
positioning  
positive knowledge of businesses  
power of information  
product market knowledge  
product oriented  
product range  
profit  
profit oriented  
referral marketing  
relative mentoring  
repeat purchases  
risk bearing  
risk factor  
role model  
role model's support  
scarcity of job opportunities  
self-discipline  
self-introspect  
service provision  
service/product range  
skills support  
social benefit  
socio-economic motive  
solopreneur  
special entrepreneurial typology  
status issues  
strategic thinking  
strong government support  
succession

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**Finally, no new codes were evident after conducting the fifth interview, consequently the following codes were used to develop categories for the study.**

ability to take a risk  
access to capital  
advanced training  
advantages of being employed  
acquired entrepreneurial mind  
availability of market opportunities  
bad social practices  
balancing social activities  
benefits of the internet  
boldness  
breaking new grounds  
broadminded  
business acumen  
business advice  
business complex nature  
business continuity  
business growth motive  
business management skills  
business profile  
business type laws  
capital requirements  
cash flow management  
characteristics of an entrepreneur  
classification dilemma  
client oriented  
cognitive entrepreneurs  
commitment and determination  
communal motivation  
communism  
communities  
community engagement  
community outreach  
community responsibilities  
company history  
company name  
company registrations  
company regulations  
complexity in entrepreneur definitions  
continued existence  
cooperate social responsibility (CSR)  
coping up with challenges  
corruption  
courageous  
customer concern  
customer engagement  
customer focused  
customer oriented

daily activities of an entrepreneur  
description of product line  
determination  
different entrepreneurial activities  
different entrepreneurial orientations  
different product range  
dissimilar entrepreneurial backgrounds  
diversification  
dream chaser/realisation  
dream realisation  
economic benefit  
educational background  
educational skills  
effective communication skills  
effective planning skills  
employee oriented  
employment a better option  
employment creation  
enthusiasm  
entrepreneur's profile  
entrepreneurial activities  
entrepreneurial background  
entrepreneurial drive  
entrepreneurial mind  
entrepreneurial orientations  
entrepreneurial support schemes  
entrepreneurs' perceptions on government interventions  
entrepreneurship development programmes  
events management  
existence of different business typologies  
extended family support  
family commitments  
family disapproval  
family inheritance  
family pressure  
family support  
financial challenge  
financial classifications not clear  
financial gains motive  
financial indicator/measure  
financial management skills  
focus  
future planning  
game changer  
genetic entrepreneurs  
goal oriented  
good connections  
good networking  
government blunders  
government inconsistencies  
government interventions  
greed  
habitual entrepreneurship  
hardworking  
hereditary  
human resource management  
improving standards of living  
income supplementary entrepreneurship  
increase in client base  
increase of market size

initiative  
innovative ideas  
internet as good information tool  
intuitive  
inventive  
labour laws  
lack of awareness  
lack of business skills  
lack of creativity  
lack of family support  
lack of funds  
lack of physical infrastructure  
lack of vision  
leadership skills  
learning from mistakes  
legal requirements  
line of business  
loan security challenge  
long term thinking  
losing an entrepreneurial mind  
losing focus  
losing focus  
low inventive skills  
machinery challenge  
market analysis  
market management  
market opportunity  
market research process  
marketing problems  
marketing research  
marketing strategy  
mentorship  
mentorship skills  
middleman  
migrant entrepreneurship  
multitasking  
need for a taxonomy of entrepreneurs  
need for achievement  
need for funds  
need for government interventions  
need for independence  
need for reclassifications  
need for technological advancement  
need to promote entrepreneurship  
need to redefine an entrepreneur  
networking challenges  
novel inputs  
number of workers classifications not clear  
open minded  
operational place  
operational planning  
opportunity identification  
opportunity scrutiny  
opportunity/gap identification  
parental influence  
passionate  
perseverance  
persistence  
physical infrastructure  
policy inconsistencies

positive cash management  
positioning  
positive knowledge of businesses  
power of information  
product market knowledge  
product oriented  
product range  
profit  
profit oriented  
referral marketing  
relative mentoring  
remove bureaucracy  
remuneration strategies  
rental costs  
repeat purchases  
risk bearing  
risk factor  
role model  
role model's support  
scarcity of job opportunities  
self discipline  
self introspect  
selling imported goods  
service provision  
service/product range  
shortage of buildings  
skills support  
social benefit  
social mentoring  
socio-economic motive  
solopreneur  
special entrepreneurial typology  
status issues  
strategic thinking  
strong government support  
succession  
survival strategy  
survivalist entrepreneurs  
target marketing  
technical benefit  
technical challenge  
technological advantage  
time and effort invested  
time management challenge  
tolerance of ambiguity  
uninformed government interventions  
varied measures of business success  
working capital management  
workshop challenges

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After reaching saturation the study moved to the process of the creation of categories. These categories were initially generated, but a lot of codes were still similar.

**BENEFITS OF ENTREPRENEURSHIP**

benefits of entrepreneurship: community engagement  
benefits of entrepreneurship: client oriented  
benefits of entrepreneurship: communal motivation  
benefits of entrepreneurship: communism  
benefits of entrepreneurship: communities  
benefits of entrepreneurship: community outreach  
benefits of entrepreneurship: community responsibilities  
benefits of entrepreneurship: cooperate social responsibility (CSR)  
benefits of entrepreneurship: customer concern  
benefits of entrepreneurship: customer engagement  
benefits of entrepreneurship: customer focused  
benefits of entrepreneurship: customer oriented  
benefits of entrepreneurship: employment creation  
benefits of entrepreneurship: improving standards of living  
benefits of entrepreneurship: social benefit  
benefits of entrepreneurship: technical benefit

**CHARACTER**

character: boldness  
character: breaking new grounds  
character: broadminded  
character: business acumen  
character: commitment and determination  
character: courageous  
character: determination  
character: dream chaser/realisation  
character: dream realisation  
character: enthusiasm  
character: focus  
character: game changer  
character: goal oriented  
character: hardworking  
character: initiative  
character: innovative ideas  
character: intuitive  
character: inventive  
character: need for achievement  
character: need for independence  
character: open minded  
character: passionate  
character: perseverance  
character: persistence  
character: self discipline  
character: self introspect  
character: status issues

## **ENTREPRENEUR DEFINITION**

entrepreneur definition: characteristics of an entrepreneur  
entrepreneur definition: classification dilemma  
entrepreneur definition: cognitive entrepreneurs  
entrepreneur definition: complexity in entrepreneur definitions  
entrepreneur definition: daily activities of an entrepreneur  
entrepreneur definition: different entrepreneurial activities  
entrepreneur definition: entrepreneurial activities  
entrepreneur definition: existence of different business typologies  
entrepreneur definition: genetic entrepreneurs  
entrepreneur definition: habitual entrepreneurship  
entrepreneur definition: income supplementary entrepreneurship  
entrepreneur definition: middleman  
entrepreneur definition: migrant entrepreneurship  
entrepreneur definition: need for a taxonomy of entrepreneurs  
entrepreneur definition: need for reclassifications  
entrepreneur definition: need to redefine an entrepreneur  
entrepreneur definition: number of workers classifications not clear  
entrepreneur definition: solopreneur  
entrepreneur definition: special entrepreneurial typology  
entrepreneur definition: survivalist entrepreneurs  
entrepreneur definition: varied measures of business success

## **ENTREPRENEURIAL CHALLENGES**

entrepreneurial challenges: bad social practices  
entrepreneurial challenges: coping up with challenges  
entrepreneurial challenges: corruption  
entrepreneurial challenges: family commitments  
entrepreneurial challenges: family disapproval  
entrepreneurial challenges: family pressure  
entrepreneurial challenges: financial challenge  
entrepreneurial challenges: greed  
entrepreneurial challenges: lack of awareness  
entrepreneurial challenges: lack of creativity  
entrepreneurial challenges: lack of family support  
entrepreneurial challenges: lack of funds  
entrepreneurial challenges: lack of physical infrastructure  
entrepreneurial challenges: lack of vision  
entrepreneurial challenges: loan security challenge  
entrepreneurial challenges: losing an entrepreneurial mind  
entrepreneurial challenges: losing focus  
entrepreneurial challenges: losing focus  
entrepreneurial challenges: low inventive skills  
entrepreneurial challenges: machinery challenge  
entrepreneurial challenges: marketing problems  
entrepreneurial challenges: need for funds  
entrepreneurial challenges: need for government interventions  
entrepreneurial challenges: need for technological advancement  
entrepreneurial challenges: networking challenges  
entrepreneurial challenges: shortage of buildings  
entrepreneurial challenges: technical challenge  
entrepreneurial challenges: time management challenge  
entrepreneurial challenges: workshop challenges

## **ENTREPRENEURIAL ORGANISATION**

entrepreneurial orientation: acquired entrepreneurial mind  
entrepreneurial orientation: business growth motive  
entrepreneurial orientation: business profile  
entrepreneurial orientation: company history  
entrepreneurial orientation: company name  
entrepreneurial orientation: description of product line  
entrepreneurial orientation: different entrepreneurial orientations

entrepreneurial orientation: different product range  
entrepreneurial orientation: dissimilar entrepreneurial backgrounds  
entrepreneurial orientation: economic benefit  
entrepreneurial orientation: employee oriented  
entrepreneurial orientation: employment a better option  
entrepreneurial orientation: entrepreneur's profile  
entrepreneurial orientation: entrepreneurial background  
entrepreneurial orientation: entrepreneurial drive  
entrepreneurial orientation: entrepreneurial mind  
entrepreneurial orientation: entrepreneurial orientations  
entrepreneurial orientation: events management  
entrepreneurial orientation: extended family support  
entrepreneurial orientation: family inheritance  
entrepreneurial orientation: financial gains motive  
entrepreneurial orientation: hereditary  
entrepreneurial orientation: line of business  
entrepreneurial orientation: parental influence  
entrepreneurial orientation: positive knowledge of businesses  
entrepreneurial orientation: product oriented  
entrepreneurial orientation: product range  
entrepreneurial orientation: profit oriented  
entrepreneurial orientation: risk bearing  
entrepreneurial orientation: risk factor  
entrepreneurial orientation: role model  
entrepreneurial orientation: scarcity of job opportunities  
entrepreneurial orientation: service/product range  
entrepreneurial orientation: socio-economic motive  
entrepreneurial orientation: succession

### **ENTREPRENEURIAL SKILL**

entrepreneurial skill: ability to take a risk  
entrepreneurial skill: advanced training  
entrepreneurial skill: balancing social activities  
entrepreneurial skill: business advice  
entrepreneurial skill: business management skills  
entrepreneurial skill: educational background  
entrepreneurial skill: educational skills  
entrepreneurial skill: effective communication skills  
entrepreneurial skill: effective planning skills  
entrepreneurial skill: good connections  
entrepreneurial skill: good networking  
entrepreneurial skill: leadership skills  
entrepreneurial skill: learning from mistakes  
entrepreneurial skill: mentorship  
entrepreneurial skill: mentorship skills  
entrepreneurial skill: multitasking  
entrepreneurial skill: social mentoring

### **GENERAL MANAGEMENT**

general management: availability of market opportunities  
general management: business complex nature  
general management: business continuity  
general management: cash flow management  
general management: continued existence  
general management: diversification  
general management: financial indicator/measure  
general management: financial management skills  
general management: future planning  
general management: human resource management  
general management: increase in client base  
general management: increase of market size  
general management: long-term thinking

general management: market analysis  
general management: market management  
general management: market opportunity  
general management: market research process  
general management: operational planning  
general management: opportunity identification  
general management: opportunity scrutiny  
general management: opportunity/gap identification  
general management: positive cash management  
general management: positioning  
general management: product market knowledge  
general management: referral marketing  
general management: remuneration strategies  
general management: repeat purchases  
general management: survival strategy  
general management: target marketing  
general management: working capital management

#### **INFRASTRUCTURE**

infrastructure: advantages of being employed  
infrastructure: company registrations  
infrastructure: company regulations  
infrastructure: labour laws  
infrastructure: legal requirements  
infrastructure: operational place  
infrastructure: physical infrastructure

#### **INVESTMENT**

investment: capital requirements  
investment: rental costs  
investment: selling imported goods  
Investment: service provision  
investment: time and effort invested

#### **POLICY ISSUES**

policy issues: business type laws  
policy issues: entrepreneurs' perceptions on government interventions  
policy issues: government blunders  
policy issues: government inconsistencies  
policy issues: government inconsistencies  
policy issues: government interventions  
policy issues: need to promote entrepreneurship  
policy issues: policy inconsistencies  
policy issues: uninformed government interventions

#### **SUCCESS FACTORS**

success factors: access to capital  
success factors: benefits of the internet  
success factors: entrepreneurial support schemes  
success factors: entrepreneurship development programs  
success factors: family support  
success factors: internet as good information tool  
success factors: marketing research  
success factors: marketing strategy  
success factors: novel inputs  
success factors: power of information  
success factors: profit  
success factors: relative mentoring  
success factors: remove bureaucracy  
success factors: role model's support  
success factors: skills support  
success factors: strategic thinking  
success factors: strong government support  
success factors: technological advantage

success factors: tolerance of ambiguity

**Code-Filter: All**

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**Finally, after constant comparison of information, the similar codes were merged and the below codes and categories were used in the data analysis (Chapter 5 and 6) phase of this study**

**BENEFITS OF ENTREPRENEURSHIP**

benefits of entrepreneurship: communal motivation

benefits of entrepreneurship: customer oriented

benefits of entrepreneurship: improving standards of living

benefits of entrepreneurship: technical benefit

**CHARACTER**

character: broadminded

character: commitment and determination

character: hardworking

character: inventive

character: persistence

**ENTREPRENEUR DEFINITION**

entrepreneur definition: complexity in entrepreneur definitions

entrepreneur definition: entrepreneurial activities

entrepreneur definition: special entrepreneurial typology

**ENTREPRENEURIAL CHALLENGES**

entrepreneurial challenges: corruption

entrepreneurial challenges: family pressure

entrepreneurial challenges: financial challenge

entrepreneurial challenges: lack of vision

entrepreneurial challenges: time management challenge

**ENTREPRENEURIAL DRIVE**

entrepreneurial drive: business growth motive

entrepreneurial drive: business profile

entrepreneurial drive: employee oriented

entrepreneurial drive: entrepreneurial orientations

entrepreneurial drive: financial gains motive

entrepreneurial drive: parental influence

entrepreneurial drive: positive knowledge of businesses

**ENTREPRENEURIAL SKILL**

entrepreneurial skill: ability to take a risk

entrepreneurial skill: business management skills

entrepreneurial skill: educational skills

entrepreneurial skill: effective communication skills

entrepreneurial skill: effective planning skills

entrepreneurial skill: mentorship skills

entrepreneurial skill: multitasking

**GENERAL MANAGEMENT**

general management: positive cash management

general management: human resource management

general management: diversification

general management: market analysis

**INFRASTRUCTURE**

infrastructure: legal requirements

infrastructure: physical infrastructure

### **INVESTMENT**

investment: capital requirements

investment: time and effort invested

### **POLICY ISSUES**

policy issues: entrepreneurs' perceptions on government interventions

policy issues: government blunders

policy issues: uninformed government interventions

### **SUCCESS FACTORS**

success factors: family support

success factors: power of information

success factors: skills support

success factors: strategic thinking

## **All Memos**

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## **Main Study, Data Analysis and Final Report writing**

### **In general, the researcher observed the following:**

- Information from the respondents was so misleading at times. Naturally, entrepreneurs are so secretive and when they open up, they often provide a lot of lies.
- Only when the researcher is in the middle of the Notice Code and Think (NCT) process, he realises that there is a lot of thinking to be done in order to generate meaningful substantive theory from information proffered by the entrepreneurs.
- At times during the constant comparison phase in data analysis, the researcher could get stuck and a lot of encouragement and insightful contributions were necessary from the promoters to keep the researcher going.
- It was not easy to propose the C9 matrix, but consequently substantive theory was generated from the respondents' information.
- The transcription of interviews required considerable time. The researcher could not appoint research assistance for data transcription, since the researcher wanted to familiarise himself with information which was coming from the in-depth interviews. Together with the later problem, and with the problem of scheduling interviews, the researcher spent about six months to reach data saturation. Therefore, data collection phase consumed almost three quarters of the final year of the study.
- Theory generation needs careful analysis and observations; hence the researcher had some challenges during this phase in the data analysis.
- Writing of the report for this study was scheduled for the whole month of October and it began on this day.