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Social capital, decision-making and capital resource acquisition: A case study of Pakistani immigrants in Gauteng

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A research report submitted to the Faculty of Commerce, Law and Management, University of Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Management specialising in Entrepreneurship and New Venture Creation

Johannesburg, 2019

ABSTRACT

Social capital is the advantage and opportunity a person gets from belonging to a community and includes the resources that are acquired from social ties. Despite the contributions made by SMMEs to the economy, most are unable to survive the early stages, with more than 70 percent of SMMEs failing within three years of inception. This study seeks to determine how SMMEs can use social capital to overcome challenges and address their shortcomings, by finding a relationship between social capital (divided into community and government) as the dependent variable, and decision-making, human capital, and financial capital as the independent variables.

The focus of this study was Pakistani immigrants that engage in entrepreneurial activities, be they formal or informal, in Johannesburg, Gauteng, and the utilisation of their social networks to make faster and better decisions and acquire capital resources. This was a positivist, cross-sectional, quantitative, primary study, where the data was collected using a questionnaire based on several previous studies. The data was analysed using correlation analysis, exploratory factor analysis and multiple regression analysis

It was found that only social capital (government) had a significant positive relationship with financial capital. All other relationships were found to be either insignificant or negative. This finding could support the Department of Small Business Development and other relevant stakeholders in channelling their resources towards helping SMMEs create social capital. The commercial impact of this study is focused on lenders, primarily banks, who are not issuing loans to SMMEs, this study shows that, social capital (community and government) can become a tool for banks to use when granting loans. The implications for societies and communities are that they can actively seek to create connections that could benefit them and their businesses.

Key words: social capital, decision-making, human capital, financial capital, tacit knowledge, explicit knowledge.

DECLARATION

I, Mahad Moti, declare that this research report is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Management in the Field of Entrepreneurship at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

Mahad Moti

Signed at ……

On the …….. day of ……..…… 2019.

DEDICATION

I dedicate this study to the members of my family, who have supported me in getting to this point in life. To my father, Mr Altaf Hussain Moti and to my mother Mrs Shabana Moti, who have sacrificed so much to get me this far. To my siblings, Mr Mohib Moti, Mr Mohid Moti and Miss Manahil Moti who have pushed and supported me, and made this research possible.

Lastly, to my late grandfather Mr Adam Ibrahim Moti and my late uncle Mr Muhammad Yusuf Moti, this is a tribute to your efforts and sacrifices for this family.

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CHAPTER 1: INTRODUCTION

1.1 Research purpose

The purpose of this study was to determine how the Pakistani immigrants in Gauteng, South Africa, specifically Johannesburg, utilise their social networks to make faster decisions and acquire capital resources. This study identified how the social networks of entrepreneurs contributed towards the acquisition of relevant resources, which ultimately could make their businesses successful. This study might provide a model for South African entrepreneurs, as they are nearly three times as likely to close down their businesses, in comparison to entrepreneurs operating in an efficiency driven economy, (Herrington, Kew, & Mwanga, 2017).

1.2 Introduction to the study

The importance of entrepreneurship is its ability to create jobs, and the economy benefits from an environment that stimulates and supports entrepreneurship. Therefore, It is imperative that government have policies in place to support entrepreneurs, particularly young entrepreneurs (Koveos, 2016). Entrepreneurship, in the form of small businesses, has been discussed by many scholars, due to its ability to create jobs for numerous people and bring people out of poverty (Kalitanyi, 2019).

Despite the great economic contributions made by small, medium, and micro enterprises (SMMEs), most are unable to survive the early stages (Murimbika, 2011), with more than 70 per cent of SMMEs failing within three years of inception (Fatoki & Smit, 2011). The government of South Africa has created multiple facilities and organisations aimed at rectifying the injustices of the past (Finn, Leibbrandt, & Oosthuizen, 2016), by assisting SMMEs overcome early stage challenges and grow; one such facility is the Department of Small Business Development (DSBD, 2018).

The first of many challenges faced by SMMEs is access to information and technology (Schwartz & Hornych, 2010). SMMEs need market information, however, the lack of technology, such as telecommunications, which is needed to gather the relevant market information is a major challenge for many SMMEs (Oreku, Li, Kimeli, & Mtenzi, 2009).

Some of the other main challenges faced by SMMEs can be attributed to human capital factors such as poor technical knowledge, lack of business experience, and a deficiency in managerial and planning skills (Schwartz & Hornych, 2010). Entrepreneurs who do have technical skills and knowledge, often lack human capital factors such as management and operational skills (Mbonyane & Ladzani, 2011).

The inability of SMMEs to access funding in South Africa is a major challenge (Booyens, 2011). The primary reasons behind this challenge are information asymmetry and high transaction costs for lenders when granting loans (Seghers, Manigart, & Vanacker, 2012). For SMMEs in the informal sector, it is more difficult to get financing than those in the formal sector, but this can be overcome by using social networks to provide lenders with the necessary information to offer financing (Serageldin & Grootaert, 2001).

These challenges are only a few of many that entrepreneurs face; however, it is possible to overcome these challenges using social capital to address their own shortcomings (Chan, Yi-Hsuan & Chen, 2016). The social environment wherein firms and individuals interact induces everything from the discovery to the exploitation of opportunities (Corbett, 2007), as entrepreneurship and entrepreneurs are situated in a social environment (Gedajlovic, Honig, Moore, Payne, & Wright, 2013).

Social capital is the advantage and opportunity obtained when belonging to a community (Bourdieu, 1986); it includes the resources that are acquired from social ties (Coleman, 1990), and the networking performed through the contact and relations with various stakeholders and communities.

Research conducted on American Indian's entrepreneurial success in Wisconsin found that one of the few reasons for their success was that they had good relations among themselves, their families, and their communities (Erdmann, 2016). Another study conducted on Omani entrepreneurs found that personal characteristics, work experience, and family support contributed to their success. The biggest challenges they faced were obtaining financing, establishing their businesses' reputation, and gaining business skills (Al-Harthi, 2017).

Pakistani immigrants are at the forefront of this study, due to scholars suggesting that human migration has many effects on the physical environment, the cultural and social arrangements, the economies, and finally on population and characteristics (Singh, 2015). The various ethnicities have their own form of social capital and the networks are structured in their own unique ways, according to their cultures (Katila & Wahlbeck, 2012). This provides an opportunity to gather information about an immigrant population that is using social capital and determine how they are using it so that it might be replicated.

This introduction provides insight into the challenges faced by SMMEs with the aim of setting a foundation to this study, which attempted to determine if social capital might be the key to overcome some of the challenges faced by SMMEs. It examined Pakistani immigrant entrepreneurs that might be using their social capital to overcome challenges and surpass their South African counterparts. The challenges under observation were decision-making represented by access to information, human capital represented by tacit and explicit knowledge, and financial capital represented by trust. Social capital was at the core of the study, as it had to be determined if social capital can contribute to the success of SMMEs by improving their access to resources.

1.3 Theoretical background to the study

In small businesses, the strategic decision-making is done by an individual or a small group, unlike large firms where there are dedicated teams (Brouthers, Andriessen, & Nicolaes, 1998), with sufficient decision-making tools and expertise to make strategic decisions (Goodwin & Wright, 2001). The smaller

firms are likely to make less comprehensive decisions (Smith, Gannon, Grimm, & Mitchell, 1988), due to limited access to information (Nutt, 2007), and their ability to process that information (Simon, 1997).

Human capital is defined as the skills and knowledge that an individual acquires through experience, education, and on the job training (Urban, 2015b). The theory of human capital explains that the individual is equipped to allocate resources in the most efficient way. The knowledge factor of human capital enables the individual to effectively assign resources, due to increased cognisance of the individual (Becker, 1964; Mincer, 1974; Schultz, 1959).

Financial capital is very important for successful self-employment decisions (Blanchflower & Oswald, 1998), and many studies have ascertained that small businesses face greater difficulties than do larger businesses when accessing finance, and the success of business is dependent on its ability to source external financing (Parker & Belghitar, 2006). Fairlie and Robb (2008) emphasised the importance of financing for small businesses, enabling exploration and development, which has been substantiated by analysing studies on various firms in many countries.

Social capital is the advantage and opportunity obtained by belonging to a community (Bourdieu, 1986). It includes the resources acquired from social ties (Coleman, 1990), the networking performed, and all the contacts and relations with various stakeholders and communities. Social capital is relevant to the entrepreneur's internal locus of control, because they use their social capital to overcome challenges and address their own shortcomings (Chan et al., 2016).

1.4 Context of the study

Gauteng is one of the nine provinces of South Africa, and it is the focus area of this study, as it hosts two major cities, Johannesburg and Pretoria (Kalitanyi, 2019). Gauteng is also one of the largest contributors towards the national Gross Domestic Product (GDP) of the country, at 38 per cent (Stats SA, 2015), and it

houses the largest number of informal businesses (31 per cent) in the country (BER, 2016).

In the first quarter of 2018 the unemployment rate was reported to be 26.7 per cent and it was additionally reported that the unemployment number grew by a 100 000 people; however, there was a simultaneous increase in the number of employed people by 207 000 (Moya, 2018). The high unemployment rate suggests that over a quarter of the country's employable population is without an income, and job scarcity in a developing country could potentially become a significant problem for its growth.

South Africa is, and has been, experiencing some of its most challenging times, which has in turn has created difficult times for its people. The Global Entrepreneurship Monitor (GEM), South Africa Report (Herrington et al., 2017) highlights some of the most significant issues in South Africa, such as the failings of governing institutions and external factors that have adversely affected the people and the country's global ratings, which was downgraded to junk status. In 2016, South Africa's GDP only grew by 0.3 per cent, and the income inequality continues to be a problem (Herrington et al., 2017).

According to the GEM report (Herrington et al., 2017), South Africa is experiencing low levels of entrepreneurship, as the South African population's opportunity and capability perceptions have declined when compared to previous years. South Africans are finding it difficult to identify opportunities, and do not see themselves as being capable, despite the presence of entrepreneurs in the media. Entrepreneurial intention has also dropped, meaning that South Africans are less likely to pursue entrepreneurial activities. In addition, established business are closing down largely due to being unprofitable or not having access to finance, which contradicts its African counterparts that show increased entrepreneurial intention, are profitable, and can access finance (Herrington et al, 2017).

Hlatshwayo and Wotela (2018) conducted a study in South Africa on how social capital networks are used as a survival strategy for immigrants. The study found that despite xenophobic attacks by locals to push out immigrants, they have

stayed, and more immigrants continue to come to South Africa. There are two reasons; first, South African policy allows for this, and second, there are strong social networking communities in South Africa that make it easier for immigrants to come to here, as opposed to another country.

Another study, conducted by Maisela (2017), concluded that with globalisation, the policies to limit immigrant entrepreneurs are no longer valid. Attempting to stop immigrant entrepreneurs would be akin to trying to stop globalisation. The study also claimed that South African policies are conducive for entrepreneurial activity by immigrants, and it would be hypocritical to oppose immigrants while these policies are in place.

1.5 Problem statement

1.5.1 Main problem

The main problem of this study was to understand the social contexts in which the Pakistani immigrant entrepreneurs operate, specifically in Johannesburg, Gauteng. This study attempted to ascertain how social capital networks might assist Pakistani immigrant entrepreneurs in gathering information and making faster decisions, and how these networks could assist them in acquiring financial and human capital.

1.5.2 Sub-problems

The first sub-problem was the social capital network of Pakistani immigrant entrepreneurs, and the role it plays in providing information for effective decision-making.

The second sub-problem was the effect that social capital of Pakistani immigrant entrepreneurs has on acquiring human capital, which is crucial in overcoming challenges and improving position.

The third sub-problem was the impact of trust, as part of social capital of Pakistani immigrant entrepreneurs, when acquiring financial capital, which might not have otherwise been available.

1.6 Significance and contribution of the study

This study contributed knowledge of the relationships between social capital, decision-making, financial capital, and human capital, in entrepreneurship as a field of study. The study made theoretical contributions towards the broader field of immigrant entrepreneurship, with specific contributions towards understanding the strategy that Pakistani immigrant entrepreneurs employ to be able to operate in South Africa, and included further knowledge on the importance of creating networks and operating within these networks. This in turn could enhance academic institutions' courses on social capital factors and its importance in practice.

Entrepreneurs might use the knowledge from this study to understand the significance of social capital and social networks and how it can potentially become a tool for them to overcome various challenges. This study informs policy makers about the importance of social capital for businesses and as such gives them cause to create infrastructure that is needed for efficient networking. Furthermore, this study could be used by banks and similar credit lending agencies to understand how informal lending using social capital works, replicate the model, and grant more loans to small businesses. Societies and communities could also benefit by gaining information on the importance of networking and maintaining relationships with each other.

1.7 Delimitations of the study

- The organisation types were varied and included formal and informal businesses.
- Only quantitative data was collected and used in this study,
- Only Pakistani immigrant business owners were asked to participate to ensure consistency.

1.8 Conceptual/theoretical definition of terms

The key terms of this study are social capital, financial capital, social capital networks, entrepreneurial heritage, values, entrepreneurial action, entrepreneurial orientation, entrepreneurial intention, decision-making, and human capital. These are detailed below:

- *Social capital* refers to the networking that a person performs; it is all the contacts and relations with various stakeholders and communities (Hsiaoa, Leeb, & Chenb, 2016).
- *Financial capital* refers to the assets needed to provide goods or services, it includes money raised from debt and loans (Ross, 2018).
- *Social capital networks* refer to the network relations and ties that contribute towards entrepreneurs' social capital (Bastié, Cussy, & Le Nadant, 2016).
- *Entrepreneurial heritage* refers to a part of social capital that examines family background and institutional legacy of the entrepreneur (Urban, 2015a).
- *Values* refer to religious and cultural norms that determine that which is desirable or undesirable in society (Tormod, 2011).
- *Entrepreneurial action* refers to what entrepreneurs do to create and respond to change. It is the ability to respond in times of uncertainty, with an educated judgment leading to a potential profitable opportunity (Hébert & Link, 1989).
- *Entrepreneurial orientation* refers to policies, strategies, and practices that create an environment suitable for entrepreneurial action and entrepreneurial decisions (Rauch Wiklund, Lumpkin, & Frese, 2009).
- *Entrepreneurial intention* refers to the individual's intention to engage in entrepreneurial activity (Ajzen, 1991).
- *Decision-making* refers to the thinking process that results in the selection of an option from various options, thus it is a reasoning method with rational or irrational processes, based on explicit or tacit assumptions (Kennerley & Mason, 2008).

- *Human capital* refers to skills, competencies, abilities, knowledge and experiences of an individual that are used to add value to a business (Davenport, 1999).

1.9 Assumptions

The study made the following assumptions:

- The respondents gave accurate and honest answers and the information gathered would be applicable to the rest of Pakistani immigrants in Gauteng and the rest of South Africa.
- The demographic data collected could be used to represent the rest of the Pakistani immigrant population in South Africa.
- The respondents had enough knowledge about social capital, decision-making, human capital, and financial capital to be able to clearly articulate answers to the questions in the research instrument.
- The ratio of Pakistani immigrants to South Africans was representative of foreign-owned businesses to locally-owned businesses.
- The relationships between social capital and decision-making, human capital, and financial capital would exist.
- The source scales used for this study would prove valid and reliable.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

This chapter defines the main constructs of this study, which include social capital, decision-making, human capital, and financial capital. Literature on the constructs was reviewed, to create a basis for this study and to determine which specific variables of the decision-making, human capital, and financial capital constructs could have a relationship with social capital. Based on the findings of the literature review, hypotheses for each construct were created and lastly the conceptual framework, showing the relationships between constructs, is presented as a visual illustration.

2.2 Social capital as an independent variable

2.2.1 Defining social capital

Social capital may be defined as the network of relationships that social groups or individuals have, the resources that can be derived from them (Nahapiet & Ghoshal, 1998), and it represents those values rooted therein (Adler & Kwon, 2002; Payne, Moore, Griffis, & Autry, 2011). It includes the networks that people have, or the networking they do; it is all the contacts and relations with various stakeholders and communities (Chan et al., 2016). Social capital is relevant to the individuals' internal locus of control, because entrepreneurs use their social capital to overcome challenges and address their own shortcomings (Chan et al., 2016). The social environment wherein firms and individuals interact induces everything from the discovery to the exploitation of opportunities (Corbett, 2007), as entrepreneurship and entrepreneurs are situated socially (Gedajlovic et al., 2013).

2.2.2 Analysing social capital

There is extensive literature available on social capital, but the following studies explain the most crucial elements of social capital. Studies done by Burt (1982, 2000, 2007) explored the bridging perspective of social capital, which suggests that the external connections of an entrepreneur result in social capital, and other resources, to achieve the desired outcome. In this context, Burt (1982) referred to an entrepreneur as someone who creates success by existing between others. Another study by Coleman (1990) stated that social capital is about solidarity and sharing among those in the social network, which results in a collective good which would not have otherwise been available. This value is achieved by the strength of repeated social connections that results in the creation of mutual trust and is referred to as the bonding perspective of social capital (Coleman, 1998). These studies demonstrate the basis for social capital and justify its importance for business.

Contrarily, literature critical of social capital warns against the negative side of social capital; according to Coleman (1998), the negative side is referred to as network closure. This sees the same social norms becoming counterproductive, as they limit freedom to act on aspects considered outside of the social norm. This is the motivation that sees social capital as the mediator of the complex relationships and the various capital resources that eventually lead to the outcomes of the actors, for or against (Gedajlovic et al., 2013). Thus, it is of paramount importance that entrepreneurs are aware of this and take steps to avoid falling into this trap.

2.2.3 Dimensions of social capital

The discussion that follows represents the three dimensions of social capital, cognitive, relational, and structural, which assist in differentiating and recognising the various forms of social capital and providing a multidimensional perspective (Nahapiet & Ghoshal, 1998). The cognitive dimension refers to common languages and shared values, similarly the relational dimension refers to, among others, norms, trust, and obligations, and finally the structural dimension refers to

relationship configurations and ties, to mention only two (Nahapiet & Ghoshal, 1998). The ties and relationships can be viewed as the social capital source, while the resultant trust, norms, values and common languages are the social capital resources (Pearson, Carr, & Shaw, 2008). The understanding provided by Gedajlovic et al. (2013) of the dimensions is as follows, the ties and relationships (structural dimension) is the precursor to trust, obligations, norms, etc. (relational dimension), and common language, shared values, etc. (cognitive dimensions); furthermore, the cognitive dimension is also a precursor to the relational dimension. It should be noted that for this study, all the dimensions were explored, as social networks are intertwined with each other and dissect across all dimensions.

2.2.4 Social networks as a variable of social capital

Social networks were the primary focus of this study, as they represent the overall social capital construct. The extensive literature available on social networks variants was examined. The review that follows provides guidance in terms of the scope of the networks for this study.

The suppliers, customers, and stakeholders that a business creates long-term relationships with are referred to as business networks (Vecchio, 2003); making networks the basis of social capital so crucial to entrepreneurs (Low & MacMillan, 1998). Due to the failings of transitional country governments, entrepreneurs are able to form weak networks to grow, harmonise activities, and combine resources (Luthans, Stajkovic, & Stajkovic, 2000). Networking allows entrepreneurs to deal with obstacles, acquire critical resources and increase opportunity capital (Low & MacMillan, 1998). Davidsson and Honig (2003) maintained that social capital networks enabled the acquisition of capital resources and opportunities, which supports research that indicates that entrepreneurs with networks have a resource acquisition advantage (Aldrich & Zimmer, 1986).

Social networks include friends, family, and other social groupings, but exclude managerial and official networks (Barnes, 1954; Mitchell, 1969; Ngoc & Nguyen, 2009). Social capital provides emotional support, information, advice, capital

support and access to many other resources (Mitchell, 1969; Ngoc & Nguyen, 2009). Basabe and Ros (2005) found that the social network of a firm will allow information about its operations to spread, which can assist when acquiring finance. Social networks are important for SMMEs that are usually owner-managed, and who use their personal social networks (Motsau, 2016).

2.2.5 Networking and types of networks

Networking includes, but is not limited to, business networks, informal networks, formal networks, and social networks (Leroy, 2012). Hallen and Johanson (2004) viewed networks as any relationship between a firm and an individual which benefits both parties, basically connections that encourage economic effectiveness.

Networking allows a business to learn how to behave in order to gain the trust of the general public, and it assists in spreading awareness of the business (Ngoc & Nguyen, 2009). Furthermore, networking provides access to bank loans by using the network for knowledge, information, and proving legitimacy when applying to the banks, and it provides access to debt financing from friends and family (Ngoc & Nguyen, 2009).

Two types of networks are relevant for this study:

- Managerial networks: These include all stakeholders including competitors, suppliers, and customers; managerial networks are significantly important when applying for loans, as in developing countries, banks rely on information channels for information (Meier & O'Toole, 2005). Aldrich and Fiol (1994) found that the better the networks, the greater the chance of being approved for loans; this is further enforced by the stakeholders, mentioned above, who endorse the business (Peng & Luo, 2000).
- Official networks: This refers to networks with government, which according to Nguyen, Weinstein, and Meyer (2005), is important to have in developing countries like South Africa, where government has influence

on the activities of businesses. Thus, should a business have such networks, they would be at an advantage (Peng & Luo, 2000).

2.2.6 Limitations of social capital

Literature warns of the limitations of social capital, as it is an intangible and measuring it has its own set of challenges. These limitations and recommended solutions are discussed.

There have been important contributions to social capital, however, it has been approached in limited and inconsistent ways (Adler & Kwon, 2002; Payne et al., 2011), with the studies not measuring the tools that link social capital to its outcome (Anderson, 2008). This may be because social capital is not open to measurements of an objective and quantitative nature (Adler & Kwon, 2002), which makes calculation of a value very difficult. This has resulted in many variations of how social capital can be operationalised and modelled, despite scholars having used the same definition of social capital. This includes the inability to clearly distinguish social capital from other resources, and to determine resources that materialised as a result of social network efforts (Gedajlovic et al., 2013). Not all networks result in entrepreneurial activity; the defining factor for social network capital to become a resource for entrepreneurial activity is dependent on the individual entrepreneur's ability to take action (Palmer, Perkins, & Xu, 2011).

Gedajlovic et al. (2013) provided guidelines to avoid the inconsistencies mentioned above, recommending that all constructs in the study should be very clearly distinguished to avoid the trap of empirical testing and repetitive theorising. Gedajlovic et al. (2013) further warned that this could lead to crucial information being overlooked, such as the micro-processes that link the relationships of social capital and social capital's stimulants and deterrents, which exist at various levels.

2.2.7 Immigration and social capital

Sui, Morgana, and Baum (2015) and Neville, Orser, Riding, and Jung (2014) are of the view that immigrant entrepreneurs have experience, knowledge, and other capabilities, which are exceptionally useful for conducting business internationally, based on the resource-based theory. However, it must also be noted that the research does not systematically prove that immigrant entrepreneurs perform better than other businesses, in the sense that the returns gained on the risk assumed in a foreign market is not worth the effort (Neville et al., 2014; Sui et al., 2015; Wang & Liu, 2015).

According to Morgan, Sui, and Baum (2018), it is due to the inadequacy of the resource-based theory in determining the performance of any of the respective businesses, as it focusses on the entrepreneurial orientation of the individual. Morgan et al. (2018) proposed that the cognitive perspective theory be used, which as per Grégoire, Corbett and McMullen (2011) consists of (a) cognitive resources, such as prior experience and knowledge, and (b) cognitive representations, which is how the entrepreneur perceives others, themselves, and their tasks and or decision-making knowledge and experience. The importance of the cognitive perspective theory is that, while entrepreneurs may have prior knowledge and experience, their counterproductive cognitive representation of the international market and themselves, might undo that advantage. This counterproductive cognitive representation refers to the overconfidence that an immigrant might have, which would cause them to incorrectly perceive the risk associated with an engagement and make them inferior when internationalising their business (Morgan et al., 2018). They are also likely to miss learning opportunities (Malhotra, Morgan, & Zhu, 2016), or make losses due to overconfidence (Artinger & Powell, 2016). Chagantia, Watts, Chaganti, and Zimmerman-Treichel (2008), Green, Liu, Ostrovsky and Picot (2016), Li, Isidor, Dau and Kabst (2018), and Saxenian (2002) supported the view that immigrants are generally seen to have a greater entrepreneurial orientation. They also have pre-existing global ties and cross-cultural and foreign language skills (Cerdin, Diné and Brewster, 2014; Kloosterman, van der Leun and Rath,

2010), and have better identification, evaluation, development, and application of opportunities (Morgan et al., 2018).

The source of immigrant entrepreneurs has been attributed to social and human capital (Stam & Elfring, 2008; Unger, Rauch, Frese, & Rosenbusch, 2011), such as the entrepreneurs foreign social ties and international experience among other attributes, which could become pathways for them to expand or establish in international markets (Vandor & Franke, 2016). The assumption behind this perspective is that immigrant entrepreneurs have a greater inclination to create rare, inimitable, and valuable resources from their firms, specifically their social and human capital which assists in identifying opportunities that others find too risky (Morgan et al., 2018). Neville et al. (2014) found that the immigrant's prior experience living internationally, and the relationships created with foreign communities, provide access to information about the local market that might not be available to their peers.

Studies by Munshi and Rosenzweig (2016), and Bryan, Chowdhury and Mobarak (2014) supported the fact that people fear migration due to the costs and risks associated therewith. Immigrants in general were found to have a lesser satisfaction with life than their native counterparts (Bartram, 2011). Bartram's (2013, 2015) later studies on a diverse set of immigrants in Europe, found that immigrants were happier than non-immigrants. A study by Lönnqvist, Leikas, Mähönen, and Jasinskaja-Lahti (2015) corresponds with Bartram's (2013, 2015) studies, reporting Russian immigrants to be more satisfied in Finland. Another study compared people in Tonga, where one group was immigrating to New Zealand, while the other continued to live in Tonga and the results revealed that the immigrants in New Zealand had greater financial success, but subjective well-being had mixed results (Stillman, McKenzie, & Gibson, 2009).

Other literature found that human migration had many effects on the physical environment, the cultural and social arrangements, economies, and finally on population and characteristics (Singh, 2015), as such the impact of social capital of immigrants was assessed in this study. A study done on migration of industrialised countries found that families, as a unit, decide to send their family

members to a country, rather than it being the individual's choice; furthermore, these people were only sent to countries where they had an existing social capital network. This was to ensure that the immigrating individuals would cope in the new country, as there would be a support system in place, and it ensured the survival of the immigrants (Boyd, 1989).

Immigrant entrepreneurs are able to survive in hostile environments due to their social capital (Hlatshwayo & Wotela, 2018), and in the new country they have an established social capital network which provides them easy entry and information about the host country (Aliaga-Isla & Rialp, 2013); they are able to embed themselves in the host country using their social capital structures that are already in place (Hlatshwayo & Wotela, 2018).

Social capital is seen as a tool to overcome challenges (Lu & Beamish, 2001), as the social relations provide potential and actual benefits (Rodrigues & Child, 2012). A study conducted by Bähre (2007) found that South Africans are unable to behave like immigrants due to the stigma attached to being poor; hence, they keep it a private matter. For this reason, South Africans are unable, like immigrants, to exploit their social capital and become entrepreneurial (Bähre, 2007). Based on the literature reviewed, this study chose to study the social capital of immigrants, as they are inclined to rely on it more than non-immigrants.

Literature by Katila and Wahlbeck (2012) was instrumental in limiting this study to one ethnicity, Pakistani immigrants. They found in their study that the various ethnicities have their own form of social capital, and networks are structured in their own unique ways; the reason for this is the culture that separates the various ethnic groups. Thus, it was determined that to achieve sound results, this study was limited to one ethnicity, Pakistanis.

In reference to previous literature, networks are the tools that enable more entrepreneurial intention and performance (Aliaga-Isla & Rialp, 2013; Maisela, 2017). The stronger the social capital networks the immigrant has, the easier it is to find employment (Garip, 2008), and due to the benefits of social capital, immigrants settle for South Africa as a host country. This is because the social networks in South Africa were created as early as 1897, when there were forced

migrant labour streams (Wotela & Letsiri, 2015). This finding gives cause to using South Africa as the location of the study, and is the reason for such high levels of immigration.

2.3 Decision-making as a dependent variable

2.3.1 Defining decision-making

Decision-making may be defined as the commitment of resources to one or more actions over other actions and these resources cannot simply be redirected or recalled (Jansen, Curseu, Vermeulen, Geurts, & Gibcus, 2011). The importance of decision-making is that in small businesses the strategic decision-making is done by an individual or a small group, unlike large firms where there are dedicated teams (Brouthers et al., 1998), with sufficient decision tools to make strategic decisions (Goodwin & Wright, 2001). The smaller firms are likely to make less comprehensive decisions (Smith et al., 1988), due to the limited information that they access (Nutt, 2007), and the processing capability of that information (Simon, 1997). Strategic decision-making is affected by the external and internal acquisition and analysis of information (Jansen et al., 2011), making information a crucial variable in decision-making. For the purposes of this study, information was chosen as a variable of decision-making, which was supported by a number of previous studies. Furthermore, many studies indicated a positive relationship between information acquisition and social capital, such as Adler and Kwon (2002), Davidsson and Honig (2003), and Shane and Venkataraman (2000).

2.3.2 Decision-making and social capital

This study aimed to determine how social capital is related to decision-making, with a focus on the information required for decision-making. There is extensive literature available on the relationship between information and social capital and the review following attempts to determine how social capital can become a tool in sourcing information.

Previous literature shows that individuals and groups need to have information to make effective decisions, effective meaning that the objectives of the decisions made are achieved (Dean & Sharfman, 1996). Literature from Westhead, Ucbasaran, and Wright (2009) found that decision-makers draw on their social capital and human capital when making such decisions. Other literature shows a relationship between information and social capital (Jansen et al., 2011) found that strategic decision-making is achieved via the additional acquisition and analysis of information from social sources such as business relations and families.

Another study that adds a further dimension to decision-making, is the type of decision made; although it is not the primary focus of this study, it is mentioned as it supports the existence of a relationship between social capital and decision-making. The literature by Elbanna and Child (2007) found that the type of decision made is dependent on the type of interactions that the decision-makers have at other levels, such as the micro-level (firm and environmental), which is not always considered, These interactions are part of the social capital of a person and having access to these determines the type of decisions made, which could also be more effective.

In other literature, it was established by Serageldin and Grootaert (2001) and Ferray (2003) that social capital should to be created by continuously interacting with relevant and credible individuals. This would provide the decision-maker access to private information that can be used to obtain various resources, once again emphasising that social capital provides the access required for effective decision-making. It should be noted that these interactions result in both parties gaining information about each other and providing both parties the necessary information to make decisions. Should the information be proactively acquired, it would assist in strategic forecasting of the market, which could give a business the competitive advantage (Machado, 2013). Social capital is a tool to trade information that would be mutually beneficial, and allow the network of businesses to be more competitive (Podolny & Page, 1998). The findings from these studies show that to access information, there needs to be continuous

interaction between the relevant parties and mutually beneficial relationship created.

Zhang (2010) examined the decision-making of venture capitalists and found that the social ties in strategic decision-making of entrepreneurial venture capitalists had significant influence on information seeking (Nebus, 2006) and networking (Sawyerr, McGee, & Peterson, 2003). Entrepreneurial venture capitalists rely on their information sources and networks (social capital), when making decisions about investing in start-ups.

Literature from the following notable scholars also supported the existence of a relationship between information and social capital. First, Shane and Venkataraman (2000) found that social capital allows access to business information that can be used to explore opportunities, while Adler and Kwon (2002) found that one of the benefits derived from social capital is access to information. Davidsson and Honig (2003) further added that the amount of time needed for collecting and searching through information is greatly reduced when social capital is employed, allowing the business a competitive advantage. These scholars established that a relationship exists between information and social capital, which becomes beneficial in decision-making.

The findings from these studies indicate that a relationship exists between social capital and information. Social capital is beneficial when acquiring information, which in turn leads to strategic decision-making based on the private information acquired.

2.3.3 Hypotheses

From this literature the following hypotheses were constructed and tested by this study:

- *Hypothesis 1a*: There is a positive relationship between the level of trust in community and information acquisition for decision-making.
- *Hypothesis 1b*: There is a positive relationship between the level of trust in government and information acquisition for decision-making.

2.4 Human capital as a dependent variable

2.4.1 Defining human capital

Human capital may be defined as the skills and knowledge that an individual acquires through experience, education, and on the job training (Urban, 2015b). For the purposes of this study, the theory of human capital was used to explain the construct, which states that the human capital of an individual allows the individual to allocate resources in the most efficient way (Becker, 1964; Mincer, 1974; Schultz, 1959). As this is essential for the success of any business, human capital was chosen as a dependent variable to be tested in this study. Not all the constructs could be tested in this study; hence, knowledge was selected as the variable of human capital and tested for a positive relationship with social capital. This selection was based on previous literature by Becker (1964), Mincer (1974), and Schultz (1959), who found that the knowledge factor of human capital allows the individual to perform effective resource allocation, due to increased cognisance of the individual (Becker, 1964; Mincer, 1974; Schultz, 1959).

2.4.2 The importance of human capital

Recent literature by Felício (2014) attempted to determine the existence of a relationship between social capital and human capital and found that both can contribute to the success of new firms. This view is further supported by venture capitalists that make investments based on the existence of the variables of human capital and social capital before investing (Motsau, 2016). This literature supports the understanding that human capital and social capital are of vital importance in the success of a business, and as such should be explored.

It is important to outline the importance of human capital and then further explain the importance of knowledge as its variable, to justify its selection as a capital resource tested against social capital. From earlier literature, a study conducted by Schultz (1980), found that the impact of human capital was the improved efficiency in technical and allocative matters, which can become a crucial factor in the success of any business. Other literature by Brüderl and Schüssler (1991)

found that improving human capital contributes to higher levels of business productivity; as such the importance of increased human capital is supported.

Literature that explored the perspective of stakeholders found that the human capital gathered by an entrepreneur gives stakeholders confidence in the credibility and competencies of a business (Motsau, 2016). This is further supported by Florin, Lubatkin and Schulze (2003), who explained that the human capital of the owner-manager is one of the most important components in the success of the business, based on the assumption that most SMMEs are managed by the owner.

2.4.3 Knowledge as a variable of human capital

Extensive literature was found that showed the importance of knowledge and provided an in-depth understanding of what was encompassed by the variable, knowledge. The following literature gives explanations on the importance of knowledge. There exists a relationship between the creation and performance of a business and knowledge (Parker, 2006), being entrepreneurial knowledge, which is the inclination of an individual to start a business (Gnyawali, 1994). The sources of this knowledge are education, experience, advice from others, and replication (Sonnentag, 1998). This knowledge becomes the advantage of the entrepreneur, who is able to manage resources more efficiently (Gartner, 1990). Other literature revealed that knowledge is crucial to opportunity recognition, by performing environmental scanning and creating success strategies; knowledge is essentially the information that an entrepreneur possesses, prior to recognising opportunities (Ardichvili, Cardozo, & Ray, 2003; Shane & Venkataraman, 2000).

Knowledge can be broken down into two components; first, explicit knowledge; the knowledge acquired from educational institutions, and formal written documents, including processes and procedures (know-what). Second, tacit knowledge (Polanyi, 1966), although difficult to define it can be descripted as experience-based and deriving from personal intuition (know-how) (Polanyi, 1966). Knowledge previously acquired assists in adapting to and integrating into new scenarios, it also assists in combining and building new knowledge (Weick,

1996). Based on the reviewed literature, this study attempted to understand the relationship of both types of knowledge with social capital.

Davidsson and Honig (2003) found that human capital is made up of formal and non-formal education, as such both tacit and explicit knowledge needs to be used in tandem with social elements and beliefs in order to solve complex problems. Thus, individuals should strive to increase their formal education through various channels, and their non-formal education through experiences, to have overall knowledge that can be used for increase the success of their business.

2.4.4 Human capital and social capital

Previous literature by Becker (1993), attempted to distribute human capital into firm-specific human capital and general purpose human capital, which outlines business knowledge and general knowledge. Becker (1993) explained that the underlying difference is the source of the human capital that contributed the type of knowledge acquired. This source that determines the type of human capital refers to the social capital link that is explained by the study conducted by Coleman (1998).

Literature by Ganatokis (2010) attempted to elaborate on Becker (1993) and understood general purpose human capital to be the number of years worked and education level of an individual. Firm-specific human capital refers to the capital acquired by being in a particular firm and obtaining particular skills (Motsau, 2016). Motsau (2016) further explained that firm-specific human capital includes the skills acquired by means of education and training in accounting procedures, management information systems or other skills which are specific to the firm.

Building on the works of Becker (1993), Coleman (1998) explored how social capital in the community and family was used to create human capital; where the family background is distributed into three constructs; namely, financial, social, and human capital. Social capital is the relationship that the parents have with their children and the human capital of the parents would be of no value without this healthy relationship acting as a medium to pass on the knowledge to them.

The human capital in Coleman's context refers to the knowledge, experience and education of the parents that are endowed or shared with the children through the social relationship, and the financial capital is the wealth and income of the family that is used to give the child a home and to fund the child's education. This study supported Becker (1993), as it explained how an individual's early life is the social capital of that person, and how it can become the determining factor of the type of human capital acquired. Thus, this study tested the positive relationship between human capital and social capital.

Furthermore, the more human capital an individual has, the easier it is to perceive entrepreneurial opportunities, and for those already in the entrepreneurial process, it will be easier to exploit entrepreneurial opportunities. Human capital has also been attributed to an individual's choice to become an entrepreneur, thus the type of human capital initially acquired could be a crucial factor of entrepreneurship (Davidsson & Honig, 2003). This perspective highlights how the initial social capital, outlined by Coleman (1998), can become the root of an individual's entrepreneurial orientation.

2.4.5 Hypotheses

From this literature the following hypotheses were constructed and tested by this study:

- *Hypothesis 2a*: There is a positive relationship between the level of trust in community and human capital acquisition, such as tacit and explicit knowledge.
- *Hypothesis 2b*: There is a positive relationship between the level of trust in government and human capital acquisition, such as tacit and explicit knowledge.

2.5 Financial capital as a dependent variable

2.5.1 Defining financial capital

Financial capital may be defined as the assets needed to provide a good or service, which include money raised from debt and loans (Ross, 2018). For the purposes of this study a variable of financial capital was used to measure the relationship with social capital; it is discussed in the section which follow.

2.5.2 The importance of financial capital

There is extensive literature available that reflects the importance of financial capital; however, only a few of these are discussed. Blanchflower and Oswald (1998) found in their study that financial capital is very important for self-employment decisions and successful self-employment. Another study found that small businesses face greater difficulty then larger businesses when accessing finance and the success of business is dependent on its ability to source external financing (Parker & Belghitar, 2006). Fairlie and Robb (2008) emphasised the importance of financing for small businesses to be able to explore and develop their businesses, which has been substantiated by analysing many multi-country case studies on various firm levels.

Further literature from a study conducted by Aldén and Hammarstedt (2016) found that self-employed non-European immigrants face more discrimination by banks, customers, and suppliers then the native population. The immigrant owned firms are also more likely to apply for loans, as they are new businesses and need a certain cash flow to survive. For some businesses to develop they need to be able to access finance (Cassar, 2004) and the source that most small businesses depend on is reinvested profits and personal savings (Bhaird & Lucey, 2006). Financing is required at various stages of a business, and Fairlie and Robb (2009) are of the view that in the early stages the owner's personal financing is most important; however, as the business develops it becomes necessary to gather external sources of financing. These findings were used to

support the importance of testing for the relationship between financial capital and social capital in this study, as it is crucial for success.

2.5.3 Why banks are hesitant to give loans

Previous literature has been used to formulate an understanding of why businesses are unable to access financial capital, especially from banks. The following review gives some insight into the position that the commercial banks have taken when giving loans to SMMEs.

Studies have attempted to understand the issues of financing on a national scale for developing countries, which is relevant to South Africa. From previous literature it was found that in developing countries, the financial sector is usually under-developed, which has a cascading affect, as entrepreneurs are unable to access funding, which hampers the growth of the economy (Goldsmith, 1969). The access to funding from banks, is one of the global markers that determines the viability of establishing a new business in another country (Spratt, 2009), thus poor credit access could be seen as unappealing for international firms wanting to invest in any country. This results in a system that makes accessing credit an incredibly difficult procedure for firms and individuals in developing countries (Motsau, 2016). Alternatives are being sought, because for a business to grow it needs to be able to access some form of funding (Ayyagari & Demirgüc-Kunt, 2010).

Other literature aimed to understand the commercial banks perspective on financing. It was found that when commercial banks favour larger businesses over smaller ones, in terms of financing, it creates information asymmetries (Stiglitz & Weiss, 1981). The banks tried to counter this by creating improved screening processes to enable them to finance less risky small businesses, but it became a costly procedure (Malhotra, Chen, Criscuolo, Fan, Hamel, & Savchenko, 2007). Banks are faced with these problems, as they ration the credit that they can provide (Das, 2004), which leads to them being risk averse. The final solution that the banks decided to implement was charging a higher interest rate to account for the screening procedure (Malhotra et al., 2007). Hallberg

(2000) explained that due to this high interest solution, the low risk businesses that the banks thought would leave the credit market, have instead flooded credit market with high risk businesses, and the banks with higher risk. This new high risk leads to banks giving loans to those businesses that can provide a good credit history, collateral, market power, equity capital, good business information, reliable financial data, and proof that they are low risk and will not be vulnerable to market fluctuations (Wagenvoort, 2003).

Motsau (2016) found that one of the biggest problems individuals faced when attempting to acquire a loan, is providing collateral for the loan. This requirement of providing an asset as security is biased in that it allows a person who has assets, but not necessarily any entrepreneurial skills, to run a successful business, and restricts those that might have the skills, but have no assets as collateral to access loans. The banks might have this system in place to secure their own interests, but it would appear that had they given loans based on other criteria they would be able to retain those individuals who can pay back their loans. Other literature by Abereijo and Fayomi (2005) contested Motsau's (2016) findings stating that the biggest factor that determines the successful application of a loan from a commercial bank is the managerial competency of the business. They further explained that managerial competency includes human capital and social factors such as work experience, education, knowledge, networking ability, and skills.

2.5.4 Trust as a variable of financial capital

There is a significant amount of literature on how trust is crucial in financing, especially in the social context (Guiso, Sapienza, & Zingales, 2004; Knack & Keefer, 1996; Mankiw, Phelps & Romer, 1995). Literature supporting this found that financing is when money is given today on a promise to get that money and more back in the future; this finance is awarded on the basis of the contract being enforced and the level of trust that the financier has (Guiso et al., 2004). Guiso et al. (2004) explored the relationship of trust (social capital) with financial development and they advise that the different conditions of financial contracts are based on the respective countries; however, this can make it difficult to

compare, hence measurements should be done per country (Mankiw et al., 1995). Other literature by Knack and Keefer (1996) found that a country's level of trust and its growth are related, due to social capital being a national characteristic. Thus, it was determined that trust be the variable of financial capital in this study, as financing accessed by means social capital is awarded on the level of trust between parties.

2.5.5 Financial capital and social capital

Studies supporting a positive relationship between financial capital and social capital are extensive and broad. Financing from relatives and friends come in the form of loans and gifts, with the benefit of usually being interest free (Basu & Parker, 2001). Basu and Parker (2001) further elaborated that these types of financing are usually short-term; they are much smaller amounts than ones received from banks, and the interest component is replaced by profit share. This supports the fact that social capital in the form of relationships with friends and family can be a source of financial capital.

From their study, Guiso et al. (2004) found that in areas with high social capital levels, households had fewer investments in financial wealth, and could get credit when they needed it. In areas where social capital levels are low, people are more dependent on friends and family for financial transactions; however, as the level of social capital increases this become less true (Fukuyama, 1997). Furthermore, social capital is higher in areas where there is lower law enforcement and where the populous is less educated, as social networks are used to enforce the contracts and less educated people do not always understand how formal trading works; common in developing countries. (Guiso et al., 2004).

Other literature found that the benefit of using social capital as a means of obtaining finance, is that people from various standings can access it, but it must be acknowledged that wealthier people are more easily able to capitalise on it, while their poorer counterparts have to struggle to get access (Grootaert, 1999). According to Serageldin and Grootaert (2001) and Ferray (2003), the field of socioeconomics also supports the fact that that social capital and financial access

are related. They further elaborated that micro-enterprises and microfinance institutions are able to create a system where borrowing can take place, which is achieved by gathering information about each other using social networks. This enables the lender to be able to overcome information asymmetries and gain private information about the micro-enterprise, which is achieved through continuous interactions that build trust. The continuous interactions need to include interactions with credible contacts to create a good reputation (Barr, 2000).

Ferray (2003) understood that social capital built from creating relationships increases an individual's ability to access information, which enables the individual to access various resources, including financing. Most African countries have issues of corruption in judicial and financial sectors and one way of overcoming this is by using social capital (Conning & Udry, 2007); continuous interaction is of much larger importance in the South African context. In this chaos of corruption and inefficient institutions, rent-seeking behaviour starts to thrive and in the midst of this entrepreneurs need to be able to take advantage of their social capital to be able to gain the resources that they require (Talavera, Xiong, & Xiong, 2012). This concurs with Coleman (1998) and Nahapiet and Goshal's (1998) view that social capital is in fact a medium for businesses to access the resources that they need.

Entrepreneurs are unable to access funding from banks in developing economies due to the generalised view of SMMEs, belonging to such economies, as informal businesses, that cannot afford a large accounting firm to compile their books (Kauffmann, 2006). Hence, Uzzi (1999) explained that these SMMEs then resort to creating relationships with bankers and providing them with private information that can be used by the banker to grant the loan.

Serageldin and Grootaert (2001) and Ferray (2003) revealed one form of building trust to access funding; they understood that trust is created as a result of continuous interaction with the relevant people. These interactions provide both the potential lender and borrower with the necessary information about each other that will result in the loan being awarded. The above literature supports the

existence of a relationship between social capital and financial capital; hence, this relationship was tested in this study.

2.5.6 Hypotheses

From this literature the following hypotheses were constructed and tested by this study:

- *Hypothesis 3a*: There is a positive relationship between the level of trust in community and financial capital acquisition of entrepreneurs.
- *Hypothesis 3b*: There is a positive relationship between the level of trust in government and financial capital acquisition of entrepreneurs.

2.6 Conceptual framework of hypotheses

Figure 1 is a visual illustration of the conceptual framework of the relationships between variables that are hypothesised in this study.

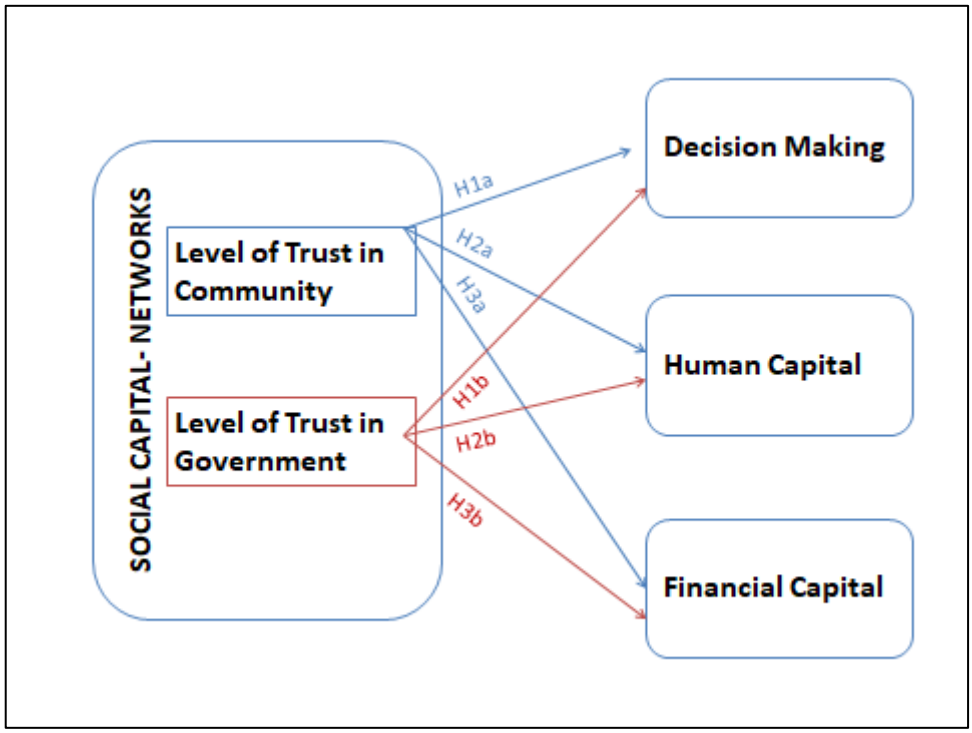


Figure 1: Conceptual framework

2.7 Conclusion of Literature Review

In the above literature review an overview was undertaken to understand the dependent variable, social networks, and the independent variables, financial capital, human capital, and decision-making, and a brief discussion of South Africa and its policies in relation to these variables.

The hypotheses for this study are listed as follows:

- *Hypothesis 1a*: There is a positive relationship between the level of trust in community and information acquisition for decision-making.
- *Hypothesis 1b*: There is a positive relationship between the level of trust in government and information acquisition for decision-making.
- *Hypothesis 2a*: There is a positive relationship between the level of trust in community and human capital acquisition such as tacit and explicit knowledge.
- *Hypothesis 2b*: There is a positive relationship between the level of trust in government and human capital acquisition such as tacit and explicit knowledge.
- *Hypothesis 3a*: There is a positive relationship between the level of trust in community and financial capital acquisition of entrepreneurs.
- *Hypothesis 3b*: There is a positive relationship between the level of trust in government and financial capital acquisition of entrepreneurs.

CHAPTER 3: RESEARCH METHODOLOGY

This chapter outlines the research paradigm and explains the methodology employed during data collection and analysis.

3.1 Research Paradigm

This study employed the quantitative research method, which was preferred as it measured the relationship between variables that are quantifiable (Hayton & Cacciotti, 2013). These can be measured and tested against each other or against a constant. The positivist paradigm was adopted, wherein hypotheses were developed, the data was collected and analysed, and the hypotheses were finally accepted or rejected (Aliaga-Isla & Rialp, 2013). Furthermore the positivistic research paradigm enabled scientific testing of the relationships (Blumberg, Cooper, & Schindler, 2011).

3.2 Research Design

Keenan (2019) explained research methods as systematic procedures that individuals use to conduct scientific investigations, with the aim of improving or correcting theories, discovering more or new facts, and creating plans based on the findings. There are three major categories for methods of research, namely, the quantitative method, the qualitative method, and a mix of the two, the mixed-method.

This study is a cross-sectional study, as it measures the data at a specific point in time, and not over a certain period of time. This approach was used as the processing of quantifiable data requires that the variances are limited thus reducing the effect on results had they been collected over a period of time. The cross-sectional method ensures that the results collected are accurate and can be used to derive new facts or improve existing ones. This method of research makes it possible to use scientific and mathematical tools to obtain focused results, which can be measured against the hypotheses (Field, 2009).

3.2.1 Primary study

A primary study is referred to as collecting data that is new, or has not been collected before, while secondary data is data collected from existing resources (Blumberg et al., 2011). Surveys used to collect primary data contained questions to test the hypotheses set out in Chapter 2. The motivation to use a cross-sectional study was first, that it was less costly than conducting a longitudinal study, second, cross-sectional data made for convenient processing of data, and third, there was limited time allocated to conducting this study. The surveys contained closed-ended questions allowing for scientific testing, which requires parameters to be created for consistency (Blumberg et al., 2011). The survey was conducted in-person to limit inaccurate data collection and to overcome language barriers that might have existed.

3.3 Population and Sample

3.3.1 Population

The population for this study were Pakistani immigrants that engage in formal or informal entrepreneurial activities. The focus of this study was to ascertain how these entrepreneurs use social capital to their advantage. This approach refers to data collected on the Pakistani population and their migration efforts. Migration is the act of moving from one place to another, either within a country or to another country. To understand Pakistani immigrants when they are away from home might assist in explaining why they prefer to create social networks with other Pakistani immigrants; in part so that they can be with other Pakistanis to whom they can relate. This could also contribute to understanding why Pakistanis choose to operate in Fordsburg (the location of this study), which is densely populated by Pakistanis and helps replicate the feeling of being in Pakistan.

Munshi and Rosenzweig (2016) along with Bryan et al. (2014) supported that people fear migration due to the costs and risks associated with it. Immigrants in general were found to have a lesser satisfaction with life then their native counterparts (Bartram, 2011). Contrarily, in a later study on a diverse set of

immigrants in Europe, Bartram (2013, 2015) found that immigrants were happier than non-immigrants. Lönnqvist et al.'s (2015) study results resembled Bartram's (2013, 2015) and reported Russian immigrants to be more satisfied in Finland. Another study compared people in Tonga, where one group was immigrating to New Zealand, while the other continued to live in Tonga and the results revealed that the immigrants in New Zealand had greater financial success, but subjective well-being had mixed results (Stillman et al., 2009).

Sui et al. (2015) and Neville et al. (2014) are of the view that immigrant entrepreneurs have experience, knowledge, and other capabilities, which are exceptionally useful for conducting business internationally, founded on the resource-based theory. However, it must also be noted that the data does not systematically prove that immigrant entrepreneurs perform better than other businesses, in the sense that the returns gained on the risk assumed in a foreign market is not worth the effort (Neville et al., 2014; Sui et al., 2015; Wang & Liu, 2015).

According to Morgan et al. (2018), it is due to the resource-based theory not being adequate when it comes to determining the actual performance of any of the respective businesses, as the resource-based perspective is focused on the entrepreneurial orientation of the individual. Morgan et al. (2018) proposed that the cognitive perspective be used, which consists of a) cognitive resources, such as prior experience and knowledge, and b) cognitive representations, which is how the entrepreneur perceives others, themselves, their tasks and/or decision-making knowledge and experience (Grégoire et al., 2011). The importance of the cognitive perspective theory is that, while entrepreneurs might have prior knowledge and experience, their counterproductive cognitive representation of the international market and themselves might undo that advantage. This representation refers to the overconfidence that an immigrant might have, which would cause them to incorrectly perceive the risk associated with an engagement, making them less superior when internationalising (Morgan et al., 2018). They are also likely to miss learning opportunities (Malhotra et al., 2016) or even make losses due to overconfidence (Artinger & Powell, 2016). Chagantia et al. (2008), Green et al. (2016), Li et al. (2018), and Saxenian (2002) found that immigrants

are generally seen to have a greater entrepreneurial orientation. They also have pre-existing global ties, cross-cultural and foreign language skills (Cerdin et al., 2014; Kloosterman et al., 2010), and can better identify, evaluate, develop, and apply opportunities (Morgan et al., 2018).

The source of immigrant entrepreneurs has been attributed to social and human capital (Stam et al., 2014; Unger et al., 2011), such as the entrepreneurs foreign social ties, international experience, and other attributes, which can become pathways for them to establish or expand in international markets (Vandor and Franke, 2016). The assumption behind this perspective is that immigrant entrepreneurs have a greater inclination to create rare, inimitable, and valuable resources in their firms, specifically their social and human capital, which assists in identifying opportunities that others find too risky (Morgan et al., 2018). Neville et al. (2014) found that immigrants' prior experience living internationally, and the relationships created with foreign communities, provide access to information about the local market that might not be available to their peers.

3.3.2 Sample and sampling method

Wretman, Swensson and Sarndal (2003) described a sample frame as a breakdown of all the items in the population, meaning a detailed layout of the population being studied. The Pakistani immigrant entrepreneurs that operate in Gauteng, South Africa, were of concern to this study. The large area under consideration was due to the Pakistani immigrant population being a minority. According to the Ministry of Overseas Pakistanis and Human Resource Development (2015) there were approximately 100 000 Pakistanis in South Africa in 2015. As Pakistanis represent a minority population in South Africa, the data collection method used was non-probability convenience sampling.

Convenience sampling is using a sample population that is easily accessible, which means collecting information from a population that is available at the particular time of study (Wood & Ross-Kerr, 2011). Based on limited availability of the respondents and their willingness to participate in the study, the

convenience method allowed access to information available at the time of study (Pellissier, 2007).

A minimum of 120 questionnaires are needed for successful data analytics, hence the size of the sample was extended to 162 questionnaires to account for errors, which were limited, as the surveys were conducted by the researcher. The questions were explained to the respondents in their native language to ensure that the data collected was accurate.

The respondent's privacy was insured by using the guidelines set out by the university's research ethics code. A letter of consent was developed (Appendix A), which informed the respondents that their information was going to be kept confidential and that there were no risks or benefits for them directly. The letter included all the relevant details of staff members of the faculty, so that the respondents could contact the university, should they have had any issues. In addition, they were informed that their participation was voluntary and that they might withdraw from the process at any stage. Lastly, the respondents signed the consent form at the administration of the questionnaire; the signed consent portion of the letter was stored by the researcher.

Special precautions were taken to adhere to strict ethical standards, as such no persons falling under vulnerable categories were asked to participate. The vulnerable individuals, among others, would be children who are under the age of 14, orphans, individuals in or suffering from traumatic circumstances, individuals with communication or cognitive disabilities, and prisoners.

3.4 The research instrument

This study was developed using available previous theories, which were sourced from a large literature data base, and used to develop suitable hypotheses for a minority group population sample. Hayton and Cacciotti (2013) stated that the quantitative method is suitable for a study that is guided by theory and requires objective findings.

Table 1 provides details of the variables of this study and the sources from which questions were gathered to conduct this study. The sources mentioned contain the questions that were used in previous studies, and were adapted to fit this study's purpose.

Table 1: Measurement instrument

Description of sections	Sourced from
1) Demographics	Bhat, 2018
2) Decision-making	Grootaert, Narayan, Jones, Nyhan, & Woolcock, 2004
3) Human capital	Ntuli, 2017
4) Financial capital	Motsau, 2016

The research instrument (Appendix B) for this study was in the form of a questionnaire geared towards a quantitative study and used to collect data from Pakistani immigrant entrepreneurs. After the first section asked for demographic information the questionnaire comprised a further three sections, the second section measured the information variable for decision-making. The third part measured the human capital variable, the fourth section measured the financial capital variable. All the questions in the instrument were changed and adapted to suit the current study; hence, the validity and reliability of the questions from previous research were tested in the current study.

The first section of the questionnaire asked demographic questions that were sourced online to ensure that the most recent demographic trends were considered when collecting data (Bhat, 2018). Section two comprised questions from the World Bank Working Paper (Grootaert et al., 2004), and detailed information and communication; section three of the questionnaire was sourced from a previous study done on human capital (Ntuli, 2017) and subdivided into education, work experience and knowledge. Questions measuring information regarding financial capital in section four were sourced from the World Bank Working Paper (Grootaert et al., 2004), which provided an integrated questionnaire to measure social capital. The research instrument was translated into Urdu, the national language of Pakistan, before being administered. This

measure was taken after the pilot study showed that the respondents did not fully or easily comprehend the questions in English, which meant that the survey would have taken twice as long to administer with the translation of each question.

Table 2 outlines the scale items for each variable, so as to provide a visual of the items that measured each variable. This was required to show that decision-making was being measured by information, human capital by knowledge, and financial capital by trust.

Table 2: Scale Items

Variable	Question	Code	Description
Decision-making	2a	DM_I1	Acquire Information
	2b	DM_I2	Acquire Information
	2c	DM_I3	Acquire Information
	2d	DM_I4	Acquire Information
	2e	DM_S1	SC Source of Information
	2f	DM_S2	SC Source of Market Information
	2g	DM_S3	SC Source of Access to Information
Human capital	3a	HC_I1	Level of Investment in education
	3b	HC_I2	Relevance of qualification
	3c	HC_K1	Level of management Knowledge
	3d	HC_K2	Level of working knowledge(tacit)
	3e.1	HC_W1	1) Marketing
	3e.2	HC_W2	2) Finance
	3e.3	HC_W3	3) Production
	3e.4	HC_W4	4) Operations
	3e.5	HC_W5	5) Technology
	3e.6	HC_W6	6) Business law skills/Entrepreneurial legal skills

Variable	Question	Code	Description
Financial capital	4a.1	FC_A1	1) Established entrepreneurial networks allow entrepreneurs to access subsidies from government agencies.
	4a.2	FC_A2	2) Established entrepreneurial networks allow entrepreneurs to access trade credits from suppliers.
	4a.3	FC_A3	3) Established networks allow entrepreneurs to access loans from friends and family.
	4a.4	FC_A4	4) Established networks /(connections) with bankers allow entrepreneurs to access bank loans.
Social capital	4b	SC_T1	Trust and Solidarity
	4c.1	SC_T2	1) Most people in your community can be trusted.
	4c.2	SC_T3	2) In this community, one has to be alert or someone is likely to take advantage of you.
	4c.3	SC_T4	3) Most people in this community are willing to help if you need it.
	4c.4	SC_T5	4) In this community people generally do not trust each other in matters of lending and borrowing money
	4d.1	SC_T6	1) People from your ethnic or linguistic group/race/caste/tribe
	4d.2	SC_T7	2) People from other ethnic or linguistic groups/race/caste/tribe
	4d.3	SC_T8	3) Shopkeepers
	4d.4	SC_T9	4) Local government officials
	4d.5	SC_T10	5) Central government officials
	4d.6	SC_T11	6) Police
	4d.7	SC_T12	7) Teachers
	4d.8	SC_T13	8) Nurses and doctors
	4d.9	SC_T14	9) Strangers
	4e	SC_T15	The level of trust in this community has improved

3.4.1 Procedure for data collection

The surveys were administered by the researcher over a period of 60 days, as done previously by scholars Aliaga-Isla and Rialp (2013), as this effort ensured that data was only collected from the population that was directly targeted, and that the entire survey was completed fully and correctly. In addition, the snowballing sampling methodology was used to find more Pakistani immigrants, by asking respondents and acquaintances for referrals to other Pakistani immigrants (Collins & Low, 2010).

The business locations of the participants did not hamper the administration of the research instruments, as appointments were set with the participants in advance to avoid interruptions. The language barrier that existed was overcome by explaining the questions of the research instrument to the participants in their native language.

3.5 Data analysis and interpretation

Descriptive statistics were used to analyse the findings on SPSS after having been recorded and cleaned on Microsoft Excel. Thereafter, correlation analysis, exploratory factor analysis using principle component analysis, and multiple regression analysis were done, all of which are discussed in detail in Section 4.4.4.

3.6 Validity and reliability of research

3.6.1 External validity

Due to the Pakistani immigrants operating in unconventional methods, it was necessary to pre-determine how the data collection would take place. A pilot interview was done to assist with this. The pilot interview showed that it was necessary to create closed-ended questions for quantitative data collection for ease of data collection and analysis.

3.6.2 Internal validity

There are two ways to determine internal validity, the first using literature to guide in creating closed-ended questions for consistency. The second was for the researcher to conduct the surveys to ensure consistency.

3.6.3 Reliability

The reliability of the instrument was established by using scales developed in existing literature and collecting data that can be compared with other literature. There were no language barriers, as the researcher can speak Urdu, the national language of Pakistan. The closed-ended questions will give restrictive results, but the respondents were inclined to answer truthfully, as the researcher is part of the Pakistani immigrant community (Maisela, 2017).

3.7 Limitations of the Research Methodology

- The study was a quantitative study and as such could not provide significant qualitative data for more in-depth findings;
- The data collected was limited to a scale of seven and as such could not gather exact data;
- The participants were limited in their participation by the scale and had to decide on the most appropriate option, rather than being able to give unique information;
- This study was a cross-sectional study, thus over a period of time the data becomes less effective;
- The sample size was used to generalise the entire Pakistani immigrant population in South Africa, and as such might not be true for all Pakistani immigrants;
- The sampling method was convenience sampling, which resulted in people of the same or similar backgrounds participating;
- The accuracy of the data analysis was limited to the capabilities of the analyst; and

- The usefulness of the data was limited to the researcher's interpretation and presentation thereof.

3.8 Conclusion

The study was a primary qualitative study with a positivist approach, targeting Pakistani immigrants as its population. The population of this study was discussed in-depth to give background and context to the study. A sample of 162 people were selected for this study, using a research instrument adapted from previous studies. The validity and reliability of the study were justified to be dependable and sound. The cleaned data was processed on SPSS for regression and exploratory factor analyses. The limitations further identified potential weaknesses in the study to provide a better understanding of the results.

CHAPTER 4: PRESENTATION OF RESULTS

4.1 Introduction

This chapter presents the findings that were gathered from conducting the study. It begins with the demographic findings of the study, providing a background to the targeted sample population. A descriptive statistics analysis follows, which examines both the independent and dependent variables. Thereafter, an in-depth section on the validity and reliability of the data gathered from the study is included. Lastly, the correlation and regression analyses offer more detailed understandings of the data gathered in the study.

4.2 Demographic profile of respondents

Section one of the questionnaire was aimed at collecting demographic data of Pakistani immigrant entrepreneurs participating in this study. The questions from this section collected data on age, race, gender, educational background, marital status, and employment status to elaborate on the sample being examined.

Data screening was conducted on the demographic data collected before running data analysis on the SPSS platform, with the purpose of checking the data for any missing values, incompleteness, or abnormalities which might have contaminated the data. Table 3 shows that there were no missing values, incomplete questionnaires, or abnormalities and the data was ready for further analysis.

Table 3: Missing values in demographics data

Values		Age	Race	Gender	Education	Marital Status	Employment Status
N	Valid	162	162	162	162	162	162
	Missing	0	0	0	0	0	0

After confirming that the quality of the demographic data collected was good, it was summarised using graphs and tables to present the sample characteristics.

The demographic profile variables presented graphically include respondent's age, level of education, and marital status in Figures 2, 3, and 4 respectively. Race, gender, and employment status showed that 100 per cent (n=162) of respondents were Indian, male, and self employed respectively, and these are not graphically presented.

4.2.1 Age distribution

From the 162 respondents in the study, Figure 2 shows that 62 (38.3 per cent) respondents of the Pakistani immigrant entrepreneurs were between the ages of 35 and 44 years, making that age group representative of the majority of the respondents. The 25 to 34 and 45 to 54 year age groups were almost equal, with 24.7 per cent and 23.5 per cent respectively. These groups were followed by an ageing group of respondents above 54 years old, represented eight per cent, the next generation of entrepreneurs, between the ages of 18 and 24 years, made up 4.9 per cent, and a single outlier of under 18 years, but above 14 made up only 0.6 per cent of the study.

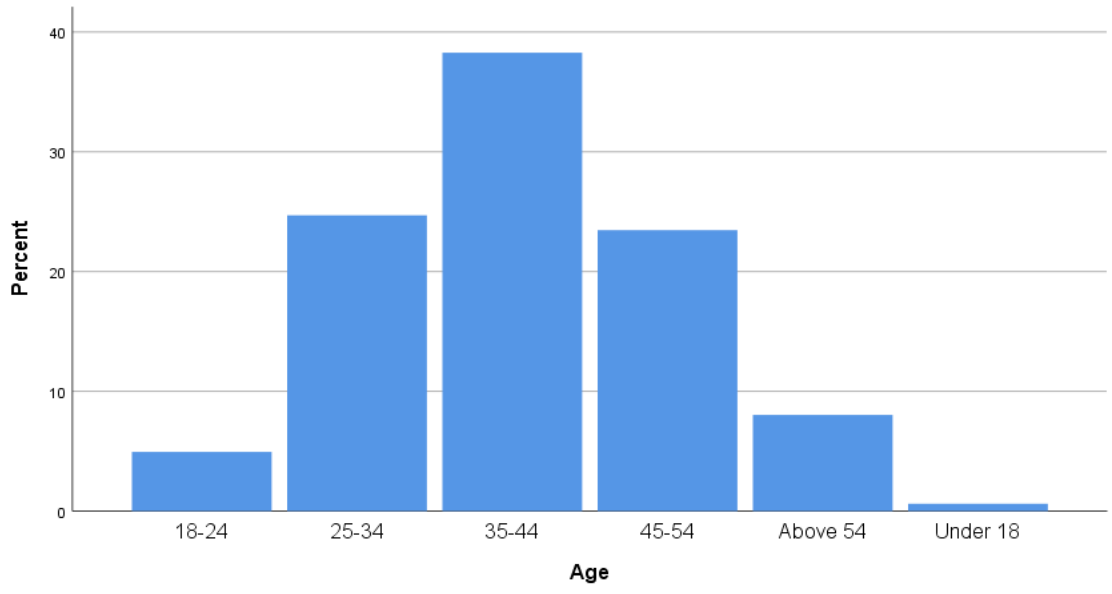


Figure 2: Age distribution of respondents

4.2.2 Level of education of respondents

Figure 3 shows that over half of the respondents (54.9 per cent) had high school diplomas, followed by 22.8 per cent of respondents having Bachelor's degrees, while only 18.5 per cent of respondents had less than a high school diploma.

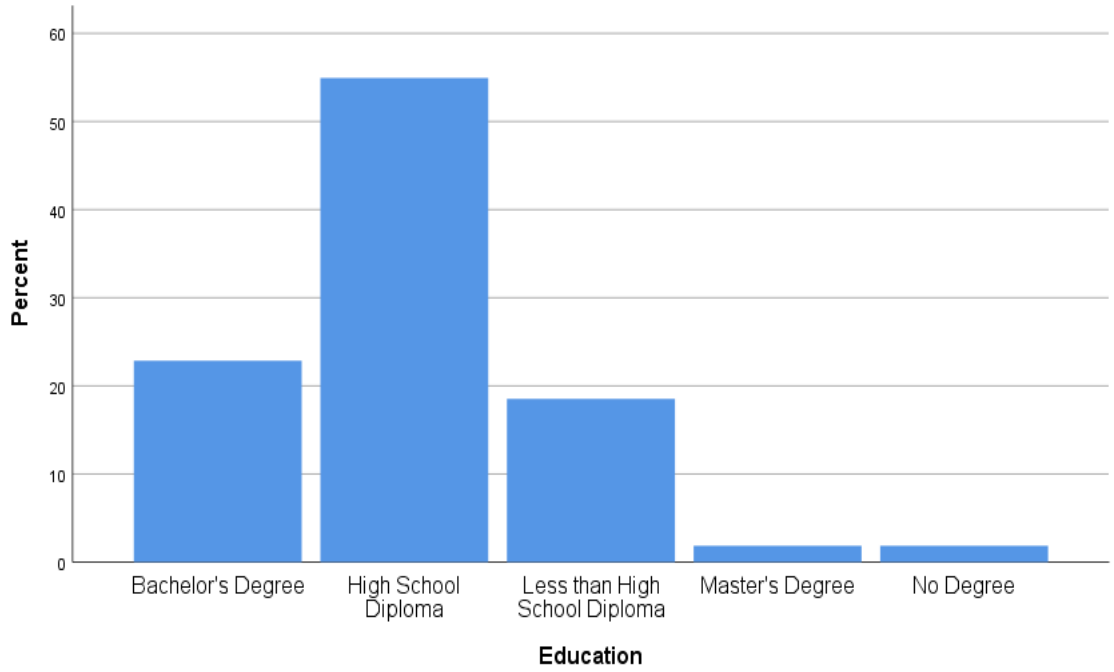


Figure 3: Level of education

4.2.3 Marital status of respondents

The significant majority of respondents were married (87.7 per cent), followed by unmarried (11.7 per cent), and lastly one respondent who was widowed, as seen in Figure 4.

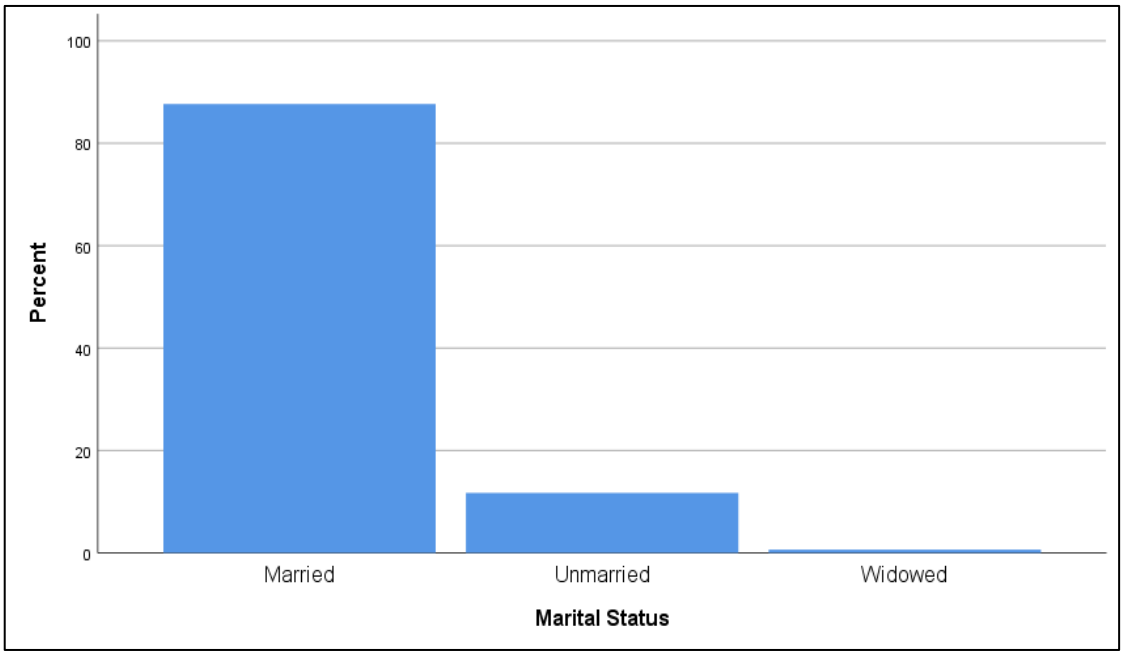


Figure 4: Marital status

4.3 Descriptive statistics

Descriptive statistics allow the collected data to be presented in a summarised format (Table 4). It allows the user of the data to view the central tendency such as the mean and median, as well as measures of dispersion such as the range and standard deviation. This type of data analysis is crucial for quantitative research, where there is a large amount of data, and the important points of the study could be lost by viewing all the data. Hence, the descriptive statistics allow the user of the data to understand the important aspects in a summarised version (Asadoorian & Kantarelis, 2005).

Table 4: Descriptive statistics

Construct	N Statistics	Range Statistic	Minimum Statistic	Maximum Statistic	Mean		Std Deviation Statistic	Variance Statistic	Skewness		Kurtosis	
					Statistic	Std. Error			Statistic	Std. Error	Statistic	Std. Error
Decision-making	162	6.00	1.00	7.00	2.6749	0.11864	1.51001	2.280	0.761	0.191	-0.191	0.379
Human Capital	162	6.00	1.00	7.00	3.5818	0.12646	1.60957	2.591	0.426	0.191	-0.533	0.379
Financial Capital	162	6.00	1.00	7.00	4.9774	0.14668	1.86691	3.485	-0.439	0.191	-1.035	0.379
Social Capital C	162	6.00	1.00	7.00	2.9547	0.11841	1.50706	2.271	0.904	0.191	0.299	0.379
Social Capital G	162	5.67	1.33	7.00	5.6420	0.11337	1.44298	2.082	-0.844	0.191	-0.278	0.379
Valid N	162											

Table 4 shows that decision-making had a mean score of 2.6749, when the range was between one and seven, with results being positively skewed at 0.761. There were minimal outliers in decision-making, as the kurtosis was a mesokurtic at a value of -0.191. Human capital had a mean score of 3.5818, which on a scale of one to seven was almost directly in the neutral zone, and the data was positively skewed at 0.426. The kurtosis of human capital was close to zero, making it mesokurtic, which is quite normal. Financial capital had a mean score of 4.9774, which leaned towards the negative view and the skewness was also negative at -0.439. The kurtosis for financial capital was closer to zero then to -3, hence it was also mesokurtic. Based on the skewness and kurtosis of the focal variables, this study further analysed the data to test how close to normality the data was before conducting a regression analysis.

4.4 Validity and reliability analysis

4.4.1 Exploratory factor analysis

Exploratory factor analysis was performed to reduce the dimensions of items into fewer constructs, since the measurement scales used were multi-item on a seven-point Likert scale. There were 36 items used to measure decision-making, social networks, human capital, and financial access; however, these excluded the five items used to collect demographic data.

The scree plot, in conjunction with the eigenvalue rule of more than one (Field, 2009), was used in the first iteration, and the items converged into 13 factors, but the variance explained was too small (<40 per cent) which was below the acceptable 50 per cent reference. Moreover, some items did not load on any factor, and some cross-loaded, thus further iterations was necessary. As a result some of the items had to be deleted

Principal axis factoring was used to extract the number of factors from the 36 items as the factors were expected to correlate based on what the literature suggested in Chapter 2. Promax was used to rotate the items in order to optimise

the factor structure. Table 6 shows that the items converged into five factors producing a clean pattern matrix of loadings (ƛ≥0.4).

There were 16 items that loaded properly and remained for further analysis. Each factor had three or more items loaded with a factor loading of 0.4 or more and this met the criteria of a valid factor (Field, 2013).

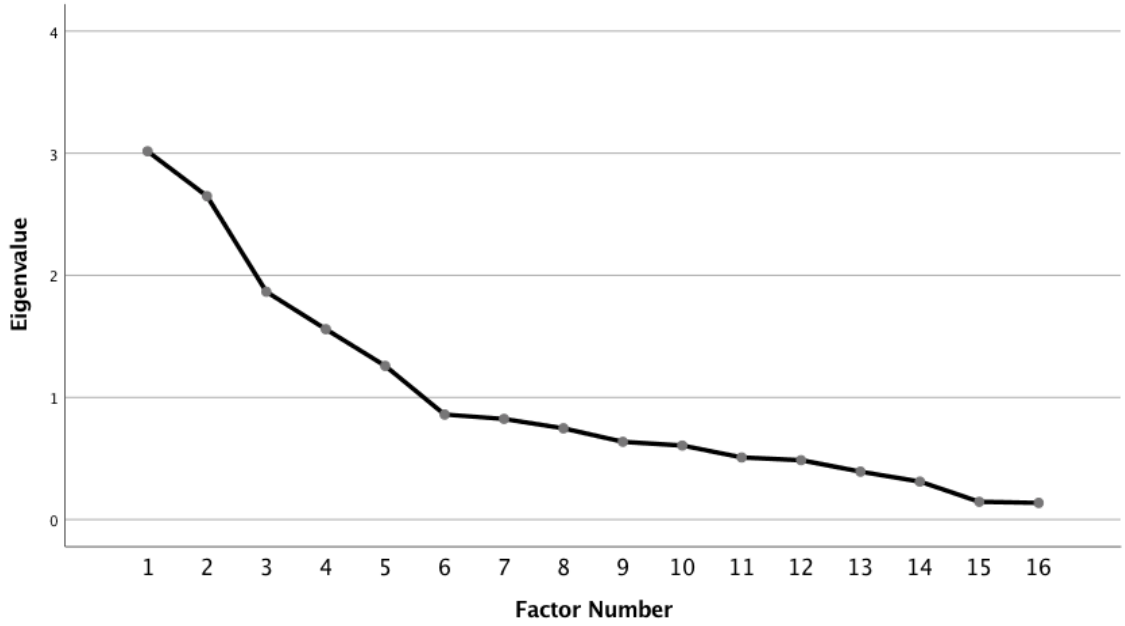


Figure 5: Scree plot

Moreover, the results from the total variance explained was analysed and compared with the results from the scree plot (Figure 5). Table 5 shows that 64.67 percent of the total variance was explained, which was good as it was >50 percent. This was consistent with the results from the scree plot and therefore the five-factor structure was accepted as representative of the items or questions asked, thus convergence was attained.

Table 5: Total variance explained

Factor	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings[a]
	Total	% of Variance	Cumu-lative %	Total	% of Variance	Cumu-lative %	Total
1	3.016	18.853	18.853	2.691	16.818	16.818	2.193
2	2.649	16.555	35.407	2.230	13.935	30.753	2.252
3	1.865	11.657	47.065	1.457	9.105	39.858	2.023
4	1.559	9.745	56.810	1.095	6.841	46.699	1.600
5	1.258	7.864	64.674	.723	4.522	51.221	1.354
6	.860	5.374	70.048				
7	.824	5.149	75.197				
8	.747	4.668	79.865				
9	.636	3.977	83.842				
10	.606	3.788	87.630				
11	.509	3.179	90.809				
12	.486	3.038	93.847				
13	.392	2.452	96.299				
14	.311	1.941	98.240				
15	.145	.909	99.149				
16	.136	.851	100.000				

Extraction method: Principal axis factoring.
a. When factors are correlated, sums of squared loadings cannot be added to obtain a total variance.

Promax rotation was the method applied to produce a clean pattern matrix as seen in Table 6.

Table 6: Pattern matrix[a]

Construct	Code	Factor				
		1	2	3	4	5
Decision-making: Acquisition of Information	DM_I4					.509
	DM_S1					.466
	DM_S2					.704
Human Capital: Working Experience	HC_W2	.489				
	HC_W3	.939				
	HC_W4	.839				
	HC_W5	.445				
Financial Capital	FC_A2			.825		
	FC_A3			.808		
	FC_A4			.473		
Social Capital: Community (C)	SC_T2				.833	
	SC_T4				.627	
	SC_T6				.581	
Social Capital: Government (G)	SC_T9		.860			
	SC_T10		.946			
	SC_T11		.519			

Extraction method: Principal axis factoring.
Rotation method: Promax with Kaiser normalization.
[a] Rotation converged in 6 iterations.

The pattern matrix filtered out values below 0.3, and the resulting data comprised the 16 items (Table 6). Decision-making had three items, the first item, how often social capital is used to acquire information (.509), had a moderate correlation and so did the second item which measured the importance of social capital for government information (.466); this was due to the values being close 0.5. However, social capital to acquire market information had a strong correlation at .704.

The four human capital items measured the effectiveness of social capital in functional areas; social capital to finance (.498) and technology (.445) had a moderate correlation, while production (.939) and operations (.839) had a strong correlation.

For financial capital, having social networks for accessing trade credit (.825) and loans from friends and family (.808) had a strong correlation, while having social networks to access loans from banks had a moderate correlation.

Social capital: community (C) showed a strong correlation with trust in people of the community (.860), while the second item measured the likelihood of help from people in the community, which presented a strong correlation (.627). There was a moderately strong correlation for trust in people belonging to the same ethnic or linguistic group (.581).

The social capital: government (G) showed trust in local government officials (.860) and central government officials (.946) had the highest correlations, while trust in the police was moderate at .519.

Harman's single factor test

Harman's single factor test is an exploratory factor analysis (EFA) technique to identify common method variance. In EFA, the unrotated factor solution determines the number of factors that are necessary to account for the variance in the variables. If a single factor, or one general factor, emerges that accounts for the majority of the covariance among the measures then it is concluded that a substantial amount of common method variance is present (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003).

In this study principal component analysis (PCA) was used and the observed variables were constrained into one factor. Since the total variance explained is less than 50 per cent (11.37) for each factor as seen in Table 5, it was concluded that there was no issue of common method bias.

4.4.2 Internal consistency – Cronbach's alpha

To test the reliability of each scale, internal consistency was measured using Cronbach's alpha. Table 7 shows the constructs measured using Cronbach alpha, the total items tested, the acceptability and the scales; the higher the Cronbach's coefficient alpha, the stronger the reliability of the scale (Cronbach, 1952).

Table 7: Reliability analysis

Construct	Cronbach's Alpha	Items	Comments
Decision-making	0.559	3	Acceptable
Human capital	0.761	4	Good
Financial capital	0.732	3	Good
Social capital (C)	0.717	3	Good
Social capital (G)	0.794	3	Good

All scales in Table 7 were good ($\alpha \geq 0.7$), except for the decision-making factor which was less than 0.7 at 0.550; however, it was still good enough for factor analysis as alluded to by Field (2009). Each construct's Cronbach alpha results are discussed individually below.

Decision-making:

For decision-making the Cronbach alpha was acceptable at 0.559 and in Tables 8 and 9 it can be seen that if DM S1, DM S2, or DM I4 were deleted the Cronbach Alpha would decrease.

The inter-item correlation was assessed and only DM I4 to DM S1 were below 0.3, however the corrected item-total correlation was above 0.3 and it was decided that all items would be retained to meet the minimum requirement of three per construct, and as such the scales were deemed reliable and acceptable

Table 8: Item total statistics – Decision-making

Item	Scale mean if item deleted	Scale variance if item deleted	Corrected item-total correlation	Squared multiple correlation	Cronbach's alpha if item deleted
Decision-making S1	4.98	11.540	.309	.114	.530
Decision-making S2	5.72	11.407	.449	.202	.328
Decision-making I4	5.35	10.577	.338	.141	.490

Table 9: Inter-item correlation matrix – Decision-making

Item	Decision-making S1	Decision-making S2	Decision-making I4
Decision-making S1	1.000	.327	.196
Decision-making S2	.327	1.000	.366
Decision-making I4	.196	.366	1.000

Human capital

For human capital, Cronbach's alpha was good at 0.761 and in Tables x and c it can be seen that if HC W2, W3 or W4 were deleted, Cronbach's alpha would decrease. If human capital W5 had to be deleted then Cronbach's alpha would increase slightly (see Table 10) and the result would be similar to the current Cronbach alpha, as such HC W5 was retained. The corrected item-total correlation was above 0.3 and as such the scales were deemed reliable and acceptable.

The inter-item correlation was assessed (Table 11) and as all items were above 0.3 and the corrected item-total correlation was above 0.3, it was decided that all items would be retained.

Table 10: Item-total statistics – Human capital

Item	Scale mean if item deleted	Scale variance if item deleted	Corrected item-total correlation	Squared multiple correlation	Cronbach's alpha if item deleted
Human capital W2	11.15	26.951	.460	.246	.744
Human capital W3	10.81	23.456	.720	.711	.604
Human capital W4	10.73	24.485	.641	.678	.647
Human capital W5	10.28	26.043	.416	.175	.776

Table 11: Inter-item correlation matrix – Human capital

Item	Human capital W2	Human capital W3	Human capital W4	Human capital W5
Human capital W2	1.000	.460	.344	.329
Human capital W3	.460	1.000	.820	.366
Human capital W4	.344	.820	1.000	.344
Human capital W5	.329	.366	.344	1.000

Financial capital

For financial capital, Cronbach's alpha was good at 0.732 and in Tables x and x it can be seen that if financial capital A2 and A3 were deleted, Cronbach's alpha would decrease. If financial capital A4 was deleted then Cronbach's alpha would increase (α=.778) slightly (see Table 12) and the result would be similar to the current Cronbach's alpha, as such financial capital A4 was retained and the corrected item-total correlation was above 0.3, and as such the scales were deemed reliable and acceptable.

The inter-item correlation was assessed (Table 13) and as all items were above 0.3 and the corrected item-total correlation was above 0.3, it was decided that all items would be retained.

Table 12: Item-total statistics – Financial capital

Item	Scale mean if item deleted	Scale variance if item deleted	Corrected item-total correlation	Squared multiple correlation	Cronbach's alpha if item deleted
Financial capital A2	9.62	15.416	.655	.463	.514
Financial capital A3	9.98	15.676	.568	.412	.611
Financial capital A4	10.27	16.482	.435	.204	.778

Table 13: Inter-item correlation matrix – Financial capital

Item	Financial capital A2	Financial capital A3	Financial capital A4
Financial capital A2	1.000	.638	.444
Financial capital A3	.638	1.000	.346
Financial capital A4	.444	.346	1.000

Social capital (G)

For social capital (G), Cronbach's alpha was good and the highest was 0.794, and Tables 14 and 15 show that if SC T9 and T10 were deleted, Cronbach's Alpha would decrease. If SC T11 were deleted, then Cronbach's alpha would increase significantly (see Table 14) and the result would be much higher (α=.919) than the current Cronbach's alpha. However, the item was retained, as a minimum of three items is required in a construct, for the purposes of factor loading.

The inter-item correlation was assessed (Table 15), and as all the items were above 0.3, and the corrected item-total correlation was above 0.3, it was decided that all items would be retained.

Table 14: Item-total statistics – Social capital (G)

Item	Scale mean if item deleted	Scale variance if item deleted	Corrected item-total correlation	Squared multiple correlation	Cronbach's alpha if item deleted
Social capital T9	11.51	8.090	.732	.725	.621
Social capital T10	11.35	8.130	.793	.742	.555
Social capital T11	10.99	11.298	.434	.203	.919

Table 15: Inter-item correlation matrix – Social capital (G)

Item	Social capital T9	Social capital T10	Social capital T11
Social capital T9	1.000	.851	.386
Social capital T10	.851	1.000	.451
Social capital T11	.386	.451	1.000

Social Capital (C)

For social capital (C), Cronbach's alpha was good at 0.717 and Table 16 shows that if social capital T2, T4 or T6 were deleted, Cronbach's alpha would decrease and the corrected item-total correlation would be above 0.3, as such the scales were deemed reliable and acceptable.

The inter-item correlation was assessed (Table 17) and as all items were above 0.3, and the corrected item-total correlation was above 0.3, it was decided that all items would be retained.

Table 16: Item-total statistics – Social capital (C)

Item	Scale mean if item deleted	Scale variance if item deleted	Corrected item-total correlation	Squared multiple correlation	Cronbach's alpha if item deleted
Social capital T2	5.64	9.200	.613	.378	.532
Social capital T4	6.07	10.516	.530	.306	.639
Social capital T6	6.01	11.379	.477	.239	.700

Table 17: Inter-item correlation matrix – Social capital (C)

Item	Social capital T2	Social capital T4	Social capital T6
Social capital T2	1.000	.539	.471
Social capital T4	.539	1.000	.363
Social capital T6	.471	.363	1.000

4.4.3 Correlational analysis

Table 18: Correlations

Construct	Decision-making	Human capital	Financial capital	Social capital (C)	Social capital (G)
Decision-making	1				
Human capital	0.080	1			
Financial capital	-.252**	0.027	1		
Social capital (C)	0.109	0.152	-0.055	1	
Social capital (G)	-0.076	0.128	.301**	0.092	1

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

As shown in Table 18, only two constructs were correlated and significant:

- Social capital (G) and financial capital (0.301) were positively correlated and significant; and
- Financial capital and decision-making (-0.252) were negatively related and significant.

The remaining constructs were correlated but not significant, and some relationships were too small to represent anything noteworthy:

- Social capital (C) was positively related to decision-making (0.109), but the relationship was weak and insignificant;
- Social capital (C) was positively related to human capital (0.152), but the relationship was weak and insignificant;
- Social capital (C) was negatively related to financial capital (-0.055) and the relationship was weak and insignificant;
- Social capital (G) was negatively related to decision-making (-0.076) and the relationship was weak and insignificant;
- Social capital (G) was positively related to human capital (0.128) and the relationship was weak and insignificant; and
- Social capital (G) was positively related to social capital (C) (0.092) and the relationship was weak and insignificant.

Table 19: Factor structure

Construct	Question#	Code	Label
Decision-making	2d	DM_I4	Acquire information
	2e	DM_S1	Social capital source of information
	2f	DM_S2	Social capital source of market information
Human capital	3e.2	HC_W2	2) Finance
	3e.3	HC_W3	3) Production
	3e.4	HC_W4	4) Operations
	3e.5	HC_W5	5) Technology
Financial capital	4a.2	FC_A2	2) Established entrepreneurial networks allow entrepreneurs to access trade credits from suppliers
	4a.3	FC_A3	3) Established networks allow entrepreneurs to access loans from friends and family
	4a.4	FC_A4	4) Established networks (connections) with bankers allow entrepreneurs to access bank loans
Social capital (C)	4c.1	SC_T2	1) Most people in your community can be trusted
	4c.3	SC_T4	3) Most people in this community are willing to help if you need it
	4d.1	SC_T6	1) People from your ethnic or linguistic group/race/caste/tribe
Social capital (G)	4d.4	SC_T9	4) Local government officials
	4d.5	SC_T10	5) Central government officials
	4d.6	SC_T11	6) Police

4.4.4 Multiple regression analysis assumptions

A multiple regression analysis was used to test the study's hypothesis; however it was first ensured that there were no violations of any of the regression assumptions by testing for multicollinearity, outliers, normality, independence of errors, autocorrelation, and linearity.

Multicollinearity

Multicollinearity is a correlation higher than 0.8 or 0.9 between two or more predicting variables, making the information gathered dispensable, as the uniqueness of each predictor is lost. The purpose of testing multicollinearity is to detect similarity between the independent variables so as to ensure that the regression analysis produces reliable data (Field, 2013). If such similar variables exist, they need to be merged into one variable, or one should be removed, because only one predictor is needed (Tabachnick & Fidell, 2013).

It is evident from the correlation results in Table 18 that none of the independent variables had a correlation coefficient >0.8 which means there was no problem with multicollinearity.

Three indices can be used to conduct further tests for multicollinearity, conditioning index, tolerance, and variance inflation factor; in this study only the conditioning index was used (Field, 2013). Conditioning index measures the dependency between variables and as such is more relevant to this study. According to Field (2013), the measure should be less than 30 for the variable to be retained, which is evident in the collinearity diagnostics shown in Table 20, where the condition index for all the constructs was less than 30, and thus there were no multicollinearity issues.

Table 20: Collinearity diagnostics – Social capital (C)

Model[a]	Dimen-sion	Eigen-value	Condition Index	Variance Proportions			
				(Constant)	Decision-making	Human Capital	Financial Capital
1	1	3.584	1.000	.00	.01	.01	.01
	2	.238	3.881	.00	.65	.02	.13
	3	.139	5.080	.01	.05	.82	.22
	4	.039	9.633	.98	.29	.15	.65

a. Dependent variable: Social capital (C)

Outliers

Outliers are data points that can cause problems in statistical analysis, as they exist outside of the majority and can cause bias (Field, 2013). The most popular tool in detecting outliers is the use of box and whisker plots, due to their simplicity (Iglewicz & Hoaglin, 1987).

In SPSS, the Interquartile (IQR) range rule, for extreme values, marks extreme outliers with an asterisk and normal outliers with a small circle. Those variables with no outliers have no labels, as seen in Figure 6, human capital, financial capital, and social capital (G) have no labels and no outliers. Decision-making has two outliers and social capital (C) has three outliers. The main concern is extreme values; normal outliers, depicted by small circles, are generally overlooked (Field, 2013).

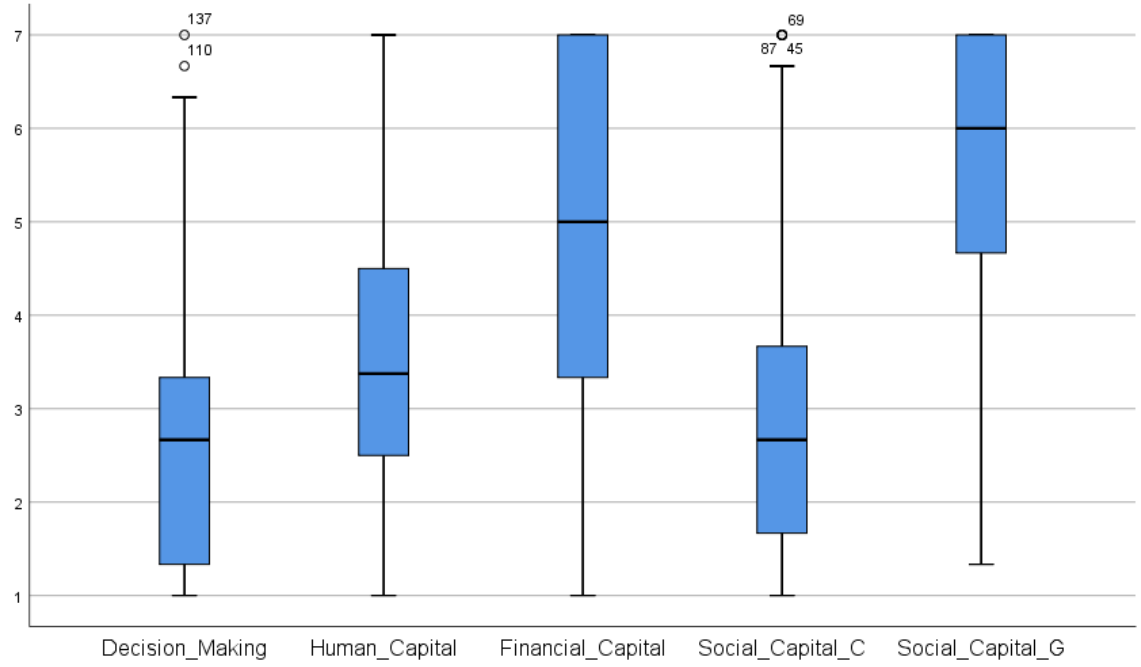


Figure 6: Box and whisker plots

Normality

Normality, or normal distribution means skewness of <1 and kurtosis of <3 (Field, 2013). Normality is of considerable importance when generalising findings beyond the sample (Field, 2009).

Skewness is used to explain the symmetry of the distribution, and to be considered normal should be close to zero. Similarly, kurtosis measures the peak in the distribution, and also needs to be close to zero for a normal distribution. Any significant deviation would mean a difference between normal distribution and sample distribution (Field, 2013).

The kurtosis and skewness measures are presented in Table 4, decision-making was positively skewed at 0.761, with a mesokurtic kurtosis of -0.191. Human capital was positively skewed at 0.426, with kurtosis close to 0. Financial capital was negatively skewed at -0.439 and also showed a mesokurtic kurtosis. Social capital (C) was positively skewed at 0.904 and had a mesokurtic kurtosis of 0.299. Transformed social capital (G) was negatively skewed at -0.844, and had a mesokurtic kurtosis -0.278. The cut-off for kurtosis and skewness was seven and two respectively; therefore, no problems were found with either tests, as all scores were below the cut-offs (Cohen, Cohen, West, & Aiken, 2013).

In this study the P-P plots were used to determine normality; the P-P plot for social capital (C), seen in Figure 7, resembles a normal distribution, while social capital (G) deviates from the normal distribution as suggested by the skewness and kurtosis scores in Figure 8.

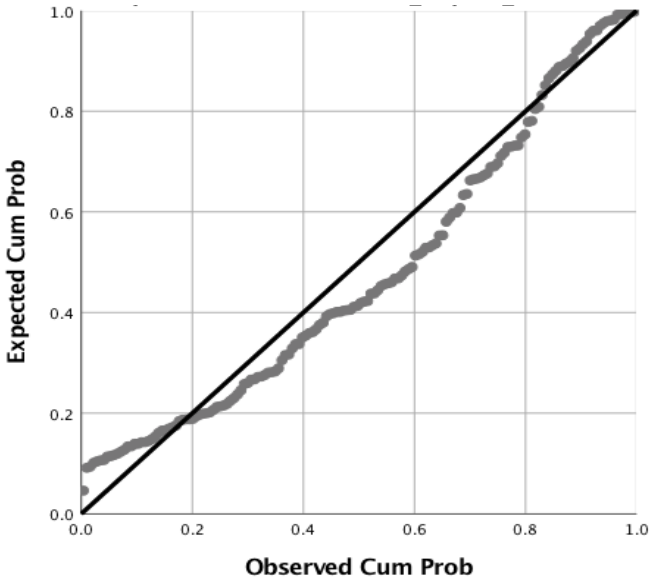


Figure 7: Plot of regression standardised residual – Social capital (C)

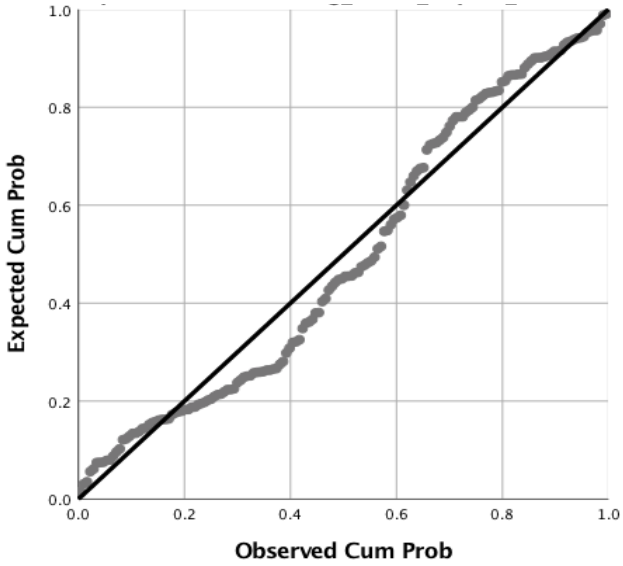


Figure 8: Plot of regression standardised residual – Log social capital (G)

Social capital G was not normal, however after a log transformation, it was considered within the normal range.

Independence of errors

Independent errors were tested with ZRESID and ZPRED in SPSS, and showed that the errors are independent. Furthermore, homoscedasticity was used to test the homogeneity of the data, and the standard error of the estimate should be within the range of -3 to 3, which means the data is scattered evenly as can be seen in Figures 9 and 10 (Field, 2013).

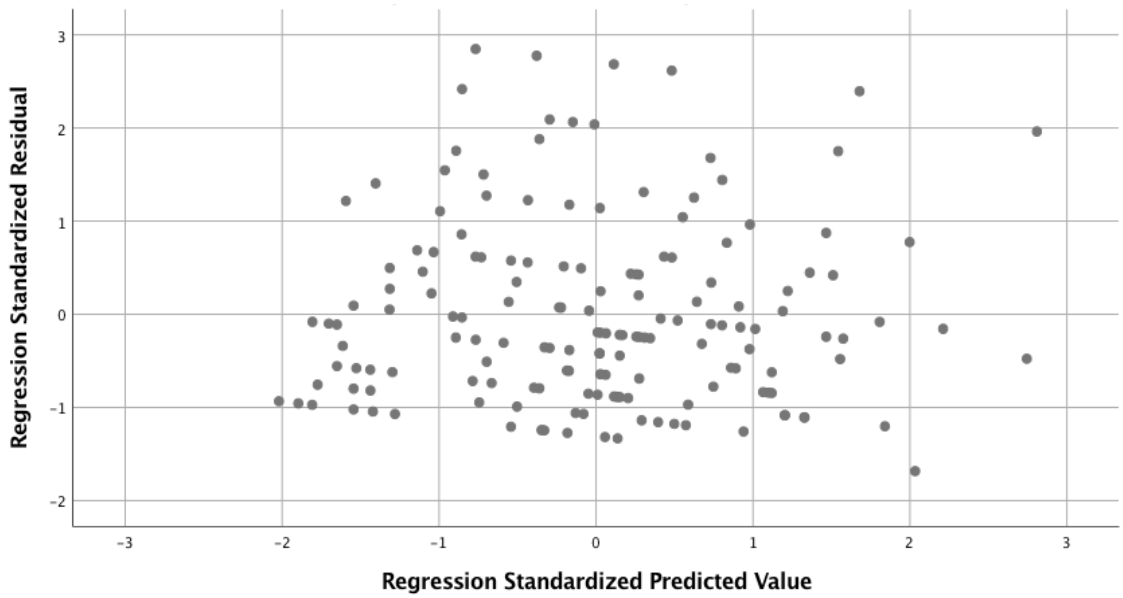


Figure 9: Scatterplot – Social capital (C)

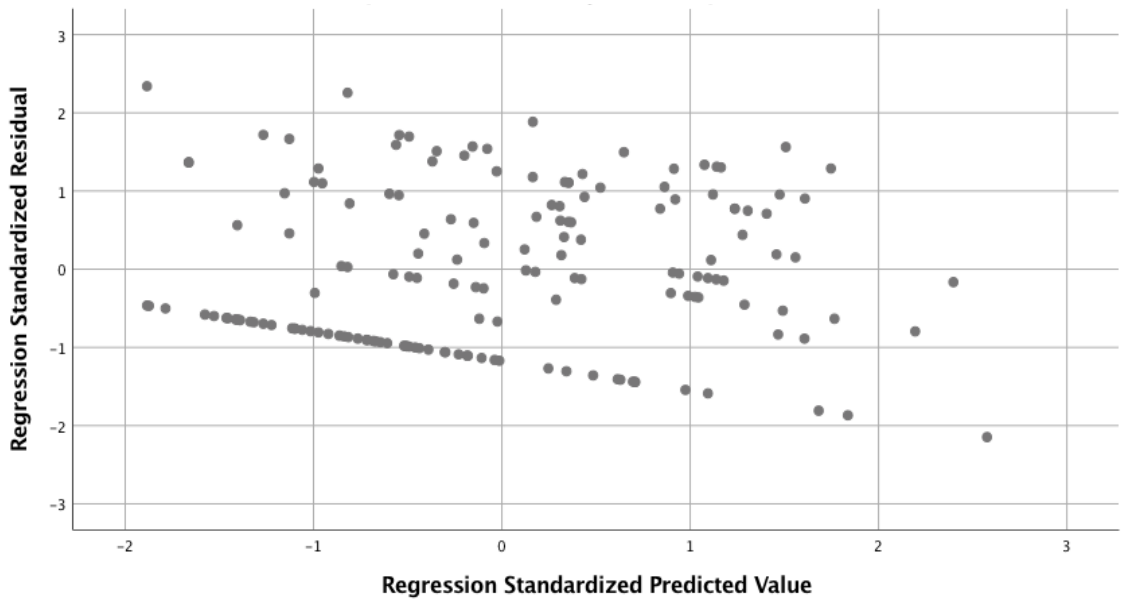


Figure 10: Scatterplot – Log social capital (G)

Autocorrelation

Autocorrelation is measured by the Durbin-Watson statistic, which should be as close as possible to two, which would indicate no correlated error terms; however, a Durbin-Watson statistic of closer to zero or four would suggest that the error terms are correlated. Results between zero and two indicate a positive autocorrelation, while scores between two and four shows a negative autocorrelation (Durbin & Watson, 1951; Field, 2013).

Table 21: Model summary – Social capital (C)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.184[a]	.034	.015	1.49543	1.839

a. Predictors: (constant), financial capital, human capital, decision-making

Table 22: Model summary – Social capital (G)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.356[a]	.127	.110	.24922	1.767

a. Predictors: (constant), financial capital, human capital, decision-making

The Durbin-Watson statistics in this study were close to two which suggested that no issues of autocorrelation exist. The Durbin-Watson statistic for social capital (C) was 1.839 (Table 21), and for social capital (G) was 1.767 (Table 22), which meant a positive autocorrelation, and as they were close to two, there were no serious issues and the data correlated.

Linearity

Two significant correlations occurred in the study, the first being social capital (G) with financial capital at .301, which was a significant positive correlation, but in terms of linearity, it was a weak uphill relationship. The second significant relationship was a significant negative relationship of decision-making with financial capital at -252, which is a weak downhill linear relationship as seen in Table 18.

The correlations of social capital (C) with the three factors had relationships that were close to zero, making these non-linear relationships. The same applied to social capital (G) and the remaining two factors, human capital and decision-making, which had values close to zero, hence denoting a non-linear relationship (Table 18).

4.5 Hypothesis testing of social capital (C) (model 1)

As seen in Table 23, the R square of social capital (C) was 0.034, which meant that 3.4 per cent of the dependent variable was explained by the independent variables. This means that the relationship change between social capital (C) and the variables is merely 3.4 per cent, which is an extremely insignificant change. Values less than 30 per cent are considered insignificant (Field, 2013); hence, a 3.4 per cent change indicates such a small relationship that it could be considered that no relationship exists.

Table 23: Model 1 summary – Social capital (C)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.184[a]	.034	.015	1.49543	1.839

a. Predictors: (constant), financial capital, human capital, decision-making

Table 24 shows the p-value (.142) was greater than 0.05, rendering the model not statistically significant.

Table 24: ANOVA for social capital (C)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.331	3	4.110	1.838	.142[a]
	Residual	353.337	158	2.236		
	Total	365.668	161			

a. Predictors: (constant), financial capital, human capital, decision-making

Tables 25 and 26, showing coefficients and correlations for the study respectively, are discussed in the sub-sections which follow.

Table 25: Coefficients for social capital (C)

Model[a]		Unstandardised Coefficients		Standardised Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	2.378	.503		4.727	.000	1.384	3.371
	Decision-making	.088	.081	.088	1.086	.279	-.072	.248
	Human Capital	.136	.074	.146	1.855	.066	-.009	.282
	Financial Capital	-.030	.065	-.037	-.452	.652	-.159	.099

a. Dependent variable: Social capital (C)

Table 26: Correlations for social capital (C)

Tests		Social capital (C)	Decision-making	Human capital	Financial capital
Pearson Correlation	Social capital (C)	1.000	.109	.152	-.055
	Decision-making	.109	1.000	.080	-.252
	Human capital	.152	.080	1.000	.027
	Financial capital	-.055	-.252	.027	1.000
Sig. (1-tailed)	Social capital (C)	.	.084	.027	.244
	Decision-making	.084	.	.155	.001
	Human capital	.027	.155	.	.365
	Financial capital	.244	.001	.365	.
N	Social capital (C)	162	162	162	162
	Decision-making	162	162	162	162
	Human capital	162	162	162	162
	Financial capital	162	162	162	162

4.5.1 Hypothesis 1a

H1a: There is a positive relationship between the level of trust in community and information acquisition for decision-making.

As seen in Table 25, decision-making had an unstandardised coefficient of B =.088, which meant that for every unit of change in decision-making there was an 8.8 per cent change in social capital (C), and the standardised coefficient was β= 0.88. The p-value for decision-making was .279, which is greater than 0.05, making the effect statistically insignificant. For every full standard deviation of movement in decision-making, the dependent variable moved by .088 standard deviations. There was a 95 per cent chance that the actual value of the unstandardised coefficient was between -.072 and .248.

From the R squared results it was established that an insignificant relationship existed between social capital (C) and the variables, making the relationship almost non-existent. Furthermore, looking at the Pearson correlation (Table 26), a relationship of 10.9 per cent exists between social capital networks and decision-making, which being below 30 per cent was a highly insignificant relationship.

4.5.2 Hypothesis 2a

H2a: There is a positive relationship between the level of trust in community and human capital acquisition such as tacit and explicit knowledge.

Human capital had an unstandardised coefficient of B=.136 (Table 25), which means that for every unit of change in human capital there is a 13.6 per cent change in social capital-community, and the standardised coefficient was β=.146. The p-value for human capital was .066, which is greater than 0.05, making the difference statistically insignificant. For every full standard deviation of movement in human capital, the dependent variable moved by .146 standard deviations. There was a 95 per cent chance that the actual value of the unstandardised coefficient was between -.009 and .282.

The Pearson correlation (Table 26) for this hypothesis revealed that a 15.2 per cent relationship existed between social capital and human capital. This was higher than the variable decision-making, but still less than 30 per cent, making this relationship insignificant.

4.5.3 Hypothesis 3a

H3a: There is a positive relationship between the level of trust in community and financial capital acquisition of entrepreneurs.

Financial capital had an unstandardised coefficient of B=-.030, which meant that for every unit of change in financial capital there is a -3 per cent change in social capital (C), and the standardised coefficient was β= -.037 (Table 25). The p-value for financial capital is .652, which is greater than 0.05, making the difference statistically insignificant. For every full standard deviation of movement in financial capital, the dependent variable moved negatively by -.037 standard deviations. There was a 95 per cent chance that the actual value of the unstandardised coefficient was between -.159 and .099.

The Pearson correlation (Table 26) for financial capital established that a negative correlation of -5.5 per cent existed between social capital (C) and financial capital, which being below 30 per cent was deemed highly insignificant.

4.6 Hypothesis testing of social capital (G) (model 2)

Social capital (G) was non normal and was transformed using log transformation. Skewness improved from -0.844 to 0.203, as discussed in section 4.4.2.

Table 27: Model 2 summary – Social capital (G)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.356[a]	.127	.110	.24922	1.767

a. Predictors: (constant), financial capital, human capital, decision-making

The R square of the social capital (G) was .127, which meant that 12.7 per cent of the dependent variable was explained by the independent variables, as per Table 27 summary.

Table 28: ANOVA of social capital (G)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.423	3	.474	7.636	.000[a]
	Residual	9.814	158	.062		
	Total	11.236	161			

a. Predictors: (constant), financial capital, human capital, decision-making

Table 28 shows the p-value was lower than 0.05, making the difference significant.

Table 29: Coefficients of social capital (G)

Model		Unstandardised Coefficients		Standardised Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	.592	.084		7.066	.000	.427	.758
	Decision-making	.004	.013	.024	.305	.761	-.023	.031
	Human Capital	-.026	.012	-.158	-2.119	.036	-.050	-.002
	Financial Capital	-.044	.011	-.309	-4.013	.000	-.065	-.022

Table 30: Correlations of social capital (G)

Tests		Social Capital (G)	Decision-making	Human Capital	Financial Capital
Pearson Correlation	Social Capital (G)	.000	.089	-.165	-.319
	Decision-making	.089	1.000	.080	-.252
	Human Capital	-.165	.080	1.000	.027
	Financial Capital	-.319	-.252	.027	1.000
Sig. (1-tailed)	Social Capital (G)	.	.131	.018	.000
	Decision-making	.131	.	.155	.001
	Human Capital	.018	.155	.	.365
	Financial Capital	.000	.001	.365	.
N	Social Capital (G)	162	162	162	162
	Decision-making	162	162	162	162
	Human Capital	162	162	162	162
	Financial Capital	162	162	162	162

4.6.1 Hypothesis 1b

H1b: There is a positive relationship between the level of trust in government and information acquisition for decision-making.

Decision-making has an unstandardised coefficient of B=.004, which meant that for every unit of change in decision-making there is a 0.4 per cent change in social capital (G), and the standardised coefficient was β=.024 (Table 29). The p-value for decision-making was .761, which was greater than 0.05, making the difference statistically insignificant. For every full standard deviation of movement in decision-making, the dependent variable moved by .024 standard deviations. There was a 95 per cent chance that the actual value of the unstandardised coefficient being between -.023 and .031.

Table 27 shows that the R square of the social capital (G) was .127, which meant that 12.7 per cent of the dependent variable was explained by the independent variables. The difference was below 30 per cent, and as such the relationship was deemed insignificant. The Pearson correlation explained that social capital government and decision-making is insignificant at 8.9 per cent.

4.6.2 Hypothesis 2b

H2b: There is a positive relationship between the level of trust in government and human capital acquisition such as tacit and explicit knowledge.

Human capital had an unstandardised coefficient of -.026, which meant that for every unit of change in human capital there was a -2.6 per cent change in social capital (G), and the standardised coefficient was β= -.158. The p-value human capital is .036, which is less than 0.05, making the difference statistically significant (Table 29). For every full standard deviation of movement in human capital, the dependent variable moved negatively by -.158 standard deviations. There was a 95 per cent chance that the actual value of the unstandardised coefficient was between -.050 and -.002.

The Pearson correlation for social capital (G) and human capital showed a negative relationship at -16.5 per cent, as seen in Table 30.

4.6.3 Hypothesis 3b

H3b: There is a positive relationship between the level of trust in government and financial capital acquisition of entrepreneurs.

Financial capital had an unstandardised coefficient of .044, which meant that for every unit of change in financial capital there was a 4.4 per cent change in social capital (G), and the standardised coefficient was β= -.309 (Table 29). The p-value of financial capital is .000, which is less than 0.05, making the difference statistically significant. For every full standard deviation of movement in financial capital, the dependent variable moves negatively by -.309 standard deviations.

There is a 95 per cent chance that the actual value of the unstandardised coefficient would be between -.065 and -.022.

The Pearson correlation for this variable was -.319, which means that social capital (G) and financial capital had negative correlation of -31.9 per cent, which exceeded the -.30 per cent requirement and made this result a significant positive relationship, as shown in Table 30.

4.7 Summary of the results

The results of the hypotheses tests are summarised in Table 31.

Table 31: Hypothesis testing summary

Hypothesis	Accept/Reject
Hypothesis 1a: There is a positive relationship between the level of trust in community and information acquisition for decision-making.	Accept
Hypothesis 2a: There is a positive relationship between the level of trust in community and human capital acquisition such as tacit and explicit knowledge.	Accept
Hypothesis 3a: There is a positive relationship between the level of trust in community and financial capital acquisition of entrepreneurs.	Reject
Hypothesis 1b: There is a positive relationship between the level of trust in government and information acquisition for decision-making.	Accept
Hypothesis 2b: There is a positive relationship between the level of trust in government and human capital acquisition such as tacit and explicit knowledge.	Reject
Hypothesis 3b: There is a positive relationship between the level of trust in government and financial capital acquisition of entrepreneurs.	Accept

CHAPTER 5: DISCUSSION OF THE RESULTS

5.1 Introduction

This chapter aims to provide an in-depth discussion of the results collected from the study, by integrating the previous chapters in a concise and conclusive manner. In this chapter, the results presented in Chapter 4 are discussed in conjunction with the literature review in Chapter 2, so that a comparison can be made. First, the demographic aspects of the study are discussed, to give an understanding of the sample covered by this study. The Pakistani immigrant entrepreneurs' demographic data gives insight to the kind of culture to which they belong, and its contribution to the type of entrepreneurs they become. Thereafter a discussion of the hypotheses, testing for a relationship between social capital and decision-making, social capital and human capital, and social capital and financial capital, is documented. The various elements from Chapters 1 to 4 are brought together in this chapter, findings summarised, and to comprehensive conclusions to the hypotheses made.

5.2 Demographic profile of respondents

Section one of the questionnaire, covered the demographic aspects of this study and the results pertaining to this section aimed to collect information on age, race, gender, educational background, marital status, and current employment status.

The demographic results presented in section 1.2 did not present detailed graphics on race, gender and employment status as all participants were Indian, male, and self-employed. The targeted population was Pakistani immigrant entrepreneurs, which by default made them part of the Indian race and self-employed. It was anticipated that the majority of the targeted population would be male, and the reason for no female Pakistani immigrant entrepreneur respondents was supported by a study conducted by Chen, Kosec, and Mueller (2019), who found that women migrated for marriage only and opted to restrict their study to men.

Furthermore, Pakistan is an Islamic state, and the laws used in Pakistan impose many restrictions on women (Yilmaz, 2005), which could be the reason why they are not exposed to the working world. There were a few female entrepreneurs (not included in this study); however, they dealt exclusively with a female clientele.

Age, education, and marital status are discussed in the subsections that follow.

5.2.1 Age

The range for the age of the individuals was grouped into six groups, starting with those under 18 years old, but above 14 years of age, and ending with those above 54 years of age. It was found that a large number of the respondents (38.3 per cent) were between the ages of 35 and 44 years, and the age groups 25 to 34 years (24.7 per cent) and 45 to 54 years (23.5 per cent) together comprised nearly half of the sample. Hence, a large concentration of Pakistani immigrant entrepreneurs was between the ages of 25 and 54 years of age. From this study it was ascertained that most of these immigrant entrepreneurs came to South Africa post-apartheid when the country was welcoming foreigners. This implies that those entrepreneurs in the age groups 45 to 54 years and above 54 years are individuals that can be considered the first generation of Pakistani immigrant entrepreneurs. The 25 to 34 year age group and the 35 to 44 year age group would be the second generation of these entrepreneurs, some of whom were children when they immigrated to South Africa, and included those who immigrated more recently, in the last 10 to 15 years.

5.2.2 Education

It was expected that the majority of the sample population would be uneducated, with less than a high school diploma, and certainly no respondents with master's level education. This assumption was incorrect; the data revealed that a significant majority of the population was educated, with high school diploma making up 54.9 per cent and bachelor's degrees making 22.8 per cent. Among the respondents 1.9 per cent had a master's degree, which was surprising, as

master's level education would have made many opportunities available including greater chances of finding employment (Ma, Pender, & Welch, 2016), yet they chose to be entrepreneurial in South Africa. In comparison, due to the disadvantages of apartheid, black South Africans would have been through the Bantu education system, which sought to put black South Africans at a significant disadvantage (Moore, 2015).

5.2.3 Marital status

The majority (87.7 per cent) of the sample population formed part of the married group; this was due to the Pakistani culture, where arranged marriage is the norm once an individual has reached a certain age; in some rural areas, once the person has reached puberty, marriage is arranged. There are laws in place to support this practice (Yilmaz, 2005), thus the assumption that marriage at an early age is common and as such the sample population was found to be primarily married. This data is relevant to understanding the Pakistani immigrant population and their demographics, as it gives insight to their culture, way of life, and dependencies.

5.3 Discussion pertaining to Hypothesis 1

Hypothesis 1 aimed to establish the existence of a relationship between social networks and decision-making. It was predicted that there would be a relationship between these two variables and social networks were viewed at two levels, namely at community level and government level.

- *Hypothesis 1a*: There is a positive relationship between the level of trust in community and information acquisition for decision-making.
- *Hypothesis 1b*: There is a positive relationship between the level of trust in government and information acquisition for decision-making.

Exploratory factor analysis was used to measure validity, initially there were seven items in the research instrument to measure the relationship between social networks and decision-making, however to ensure the validity and

reliability of the data, statistical processes had to be carried out. After factor loading it was revealed that three of the original seven items could be used to measure decision-making. The first item measured the frequency of information exchange in a person's social network, on a seven-point Likert scale, with one being always and seven being never. This item had a strong correlation at .704. The other two items measured the importance of social capital for information acquisition about government and market information, with one being exceptionally important and seven being extremely unimportant. The first item, measuring frequency of using social capital to acquire information (.509), had a moderate correlation, as did the second item, which measured the importance of social capital for government information (.466), these correlations were because the values were close to 0.5.

The construct was reliable as the Cronbach's alpha was used to measure internal consistency. Decision-making was less than 0.7 at 0.559, but still good enough for factor analysis (Fields, 2013). The descriptive statistics showed that decision-making had a mean score of 2.6749, in a range between one and seven. Decision-making results were positively skewed at 0.761, proving that there was a good frequency of information exchange among social networks and this exchange was considered important by Pakistani immigrant entrepreneurs.

Form the R squared results for social capital (C) it was established that an extremely insignificant relationship existed between social capital (C) and the variables, making the relationship almost non-existent. Furthermore, the Pearson correlation of 10.9 per cent found that a weak relationship existed between social capital networks and decision-making, which being below 30 per cent was highly insignificant. The R square of the social capital (G) showed an insignificant relationship and the Pearson correlation explained that social capital (G) and decision-making was insignificant at 8.9 per cent.

In the literature review the importance of information for effective decision-making was discussed. However, the focus of this hypothesis was the relationship of social capital to decision-making, hence the social ties in strategic decision-making by entrepreneurial venture capitalists (Zhang, 2010) had significant

influence on information seeking (Nebus, 2006), market access (Mesquita & Lazzarini, 2008), networking (Sawyerr et al., 2003), performance (Stam & Elfring, 2008), and self-efficacy (Forbes, 2005). These studies highlighted the importance of social capital to accessing decision-making information, and how that can be beneficial to an entreprneur. This study aimed at establishing if there was a positive relationship between social capital and decision-making. The literature supported that social capital allows access to business information that can be used to explore opportunities (Shane & Venkataraman, 2000). Adler and Kwon (2002) listed some of the benefits derived from social capital, among other things, access to information. The amount of time needed when searching for and collecting information is greatly reduced when social capital is employed (Davidsson & Honig, 2003), allowing the business a competitive advantage.

Considering the literature and the results collected from this study, it was quite simple to see the postive relationship between social capital and decision-making within the Pakistani immigrant population in Johannesburg, Gauteng. This however cannot be the final conclusion for this hypothesis, as although the data might have met the technical requirements of being posistively related, the extent of the relationship is extremely weak and below the thresholds of the various statistical process. Therefore this study confirmed that:

- An insignificant positive relationship existed between the level of trust in community and information acquisition for decision-making.
- An insignificant positive relationship existed between the level of trust in government and information acquisition for decision-making.

5.4 Discussion pertaining to Hypothesis 2

Hypothesis 2 aimed to establish the existence of a relationship between social networks and human capital. It was predicted that there would be a relationship between these two variables and once again social networks were viewed at two levels, namely at community level and government level.

- *Hypothesis 2a*: There is a positive relationship between the level of trust in community and human capital acquisition such as tacit and explicit knowledge.
- *Hypothesis 2b*: There is a positive relationship between the level of trust in government and human capital acquisition such as tacit and explicit knowledge.

Initially there were 10 items in the research instrument to measure the relationship between social networks and human capital, however statistical processes (factor loading) revealed that four items could be used to measure human capital. All four items measured the effectiveness of a person's social network in acquiring human capital in four functional areas. They were measured on a seven-point Likert scale, with one being exceptionally effective and seven being very ineffective. The first item, measuring effectiveness of using social capital to acquire human capital in the functional area of finance (.489), had a moderate correlation. The functional area of production (.939) and operations (.839) had strong correlations, and technology (.445) had a moderate correlation.

The construct was reliable as the Cronbach's alpha was used to measure internal consistency. Human capital was greater than 0.7 at 0.761, unlike decision-making. The descriptive statistics showed that human capital had a mean score of 3.5818, in a range between one and seven. Human capital results were positively skewed at 0.426, proving that among Pakistani immigrant entrepreneurs the social capital in the four functional areas mentioned above were seen to be effective only half of the time. This proved that the respondents leaned towards the positive, which was between one and four, leading to the finding that social capital had in fact been effective for the Pakistani immigrant entrepreneurs.

The R squared results are as discussed under hypothesis 1, as the statistical process analysed social capital (C) with the three constructs, with the same process applied to social capital (G). The Pearson correlation of 15.2 per cent for social capital (C) revealed that a relationship existed between social capital and human capital. This percentage was higher than the variable decision-making,

but still less than 30 per cent, making this relationship insignificant. Similarly, the Pearson correlation for social capital (G) and human capital was a negative relationship at -16.5 per cent, thus hypothesis 2b was rejected.

The earlier researchers found that the knoweldge factor of human capital allows the individual to perform effective resource allocations, due to increased cognisance of the individual (Becker, 1964; Mincer, 1974; Schultz,1959). This is in line with the discussion around hypothesis 1, wherein it was noted that the decision-making ability of the individual increases due to the access to information; similarly, human capital is the ability to take the most effective decision, due to the individual's knowledge. Similarly, knowledge that the networks would share with each other was seen to be the 'information' that they give to each other. This information adds value by the individual gaining knowledge about an experience that the information provider had, or receiving information from someone about something that they learnt from prior education. This information/knowledge affords individuals the opportunity to learn from the mistakes or experiences of others without having to go through the same process, or gaining factual information/knowledge without enduring the time consuming process of going through the educational channel themselves. Coleman (1998) explained that in a parent-child relationship, the relationship itself would be the social capital, which acts a bridge to pass on the human capital of the parent. This study aimed at testing Coleman's (1998) theory on the Pakistani immigrant entrepreneurs; however, these items were removed during factoring. The remaining items aimed to test the social capital of individuals, and contributed towards gaining or accessing human capital in four functional areas. The results showed that the links were particularly weak, while the assumptions were not supported. Therefore this study confirmed that:

- An insignificant positive relationship existed between the level of trust in community and human capital acquisition such as tacit and explicit knowledge.
- A positive relationship did not exist between the level of trust in government and human capital acquisition such as tacit and explicit knowledge.

5.5 Discussion pertaining to Hypothesis 3

Hypothesis 3 aimed to establish the existence of a relationship between social networks and financial capital. It was predicted that there would be a relationship between these two variables and social networks were viewed at two levels, namely at community level and government level, as in Hypotheses 1 and 2.

- *Hypothesis 3a*: There is a positive relationship between the level of trust in community and financial capital acquisition of entrepreneurs.
- *Hypothesis 3b*: There is a positive relationship between the level of trust in government and financial capital acquisition of entrepreneurs.

There were 19 items in the research instrument to measure the relationship between social networks and financial capital, however to ensure the validity and reliability of the data, statistical processes were carried out. Factor loading showed six items to be compatible and these were used to measure trust, which was seen as a sub-construct of financial capital. Three of these were used to measure the level of trust in social capital (C) and the other three measured the level of trust in social capital (G). To reiterate, social capital (C) is the social networks within the individual's community, while social capital (G) is the social networks in government.

The factor loading results for financial capital showed that all items measured the level of importance of social networks in acquiring financial capital. On a seven-point Likert scale, where one was not at all important, and seven was extremely important, a strong correlation was found between the importance of social networks in acquiring trade credit (.825), as did the item that measured the importance of social networks with friends and family to acquire loans (.808). There was however only a moderate correlation between acquiring loans from banks (.473) and using social networks.

The items measuring trust in community all had strong correlations and were measured on a seven-point Likert scale, where 1 was strongly agree and seven was strongly disagree, for the first two items. The first item measured the level of agreement regarding the level of trust in the people of the community (.833), and

the second measured the level of trust regarding people within the community coming to their aid or help (.627). The last item measured the level of trust in people of the individual's own ethnic or related group (.581), where a seven-point Likert scale was used, where one was exceptionally trusting, and seven was exceptionally untrusting.

This construct was reliable as the Cronbach's alpha was used to measure internal consistency, and the financial capital score was greater than 0.7 at 0.732, much like human capital's score. The descriptive statistics showed that financial capital had a mean score of 4.9774 in a range between one and seven. Financial capital's results were negatively skewed at -0.439, proving that among Pakistani immigrant entrepreneurs the social capital employed in accessing financial capital is important and a lot of the participants gave it a high level of importance. The reason the mean was so much closer to the middle of the range (4.9774), was that many respondents reported social networks are not necessary to access loans from banks, but the majority supported the need for social capital when accessing trade credit and obtaining loans from friends and family.

The R squared results remained as discussed under hypothesis 1 and 2, as the statistical process analysed social capital (C) against the three constructs and the same process was applied to social capital (G). The Pearson correlation of -5.5 per cent for social capital (C) revealed that a negative yet insignificant relationship existed between social capital and financial capital. The Pearson correlation of -31.9 per cent revealed a negative relationship between social capital (G) and financial capital, thus hypotheses 3a and 3b were rejected. However, the Table 18 showed that social capital (G) and financial capital had a significant positive relationship at .301, making this relationship significantly positive.

A lot of literature was available for financial capital and many studies found relationships between financial capital and social capital, including trust; the most relevant points follow. A study conducted by Guiso et al. (2004), attempted to understand the relationship of social capital and financial capital in Italy. They stated that financing is when money is given today on a promise that the money

and more will be received in the future, this finance is awarded on the basis of the contract being enforced, and the level of trust that the financer has in the borrower. Furthermore, social capital is higher in areas where there is lower law enforcement and where the populous is less educated, as social networks are used to enforce the contracts and less educated people do not always understand how formal trading works; common in developing countries. Guiso et al. (2004) understood that first, social capital measures how much a person can be trusted to return the borrowed money, and second, how to use social networks to enforce repayment should the borrower break the contract.

Further important studies are by Serageldin and Grootaert (2001) and by Ferray (2003), all of whom understood that the field of socioeconomics supports the fact that social capital and financial access are related. They elaborated on micro enterprises and microfinance institutions that are able to create a system where borrowing can take place, and this is achieved by gathering information about each other using social networks. This enables the lender to be able to overcome information asymmetries and gain private information about the micro enterprise, which is achieved through continuous interactions that build trust. These continuous interactions need to include interactions with credible contacts in order to create a good reputation (Barr, 2000). Ferray (2003) understood social capital, built from creating relationships, increases the individual's ability to access information, which enables the individual to access various resources including financing.

This once again aligns with what was discussed in the previous hypotheses, where the single most common factor is the information that is accessed. It was elaborated in hypothesis 1, where information was needed for decision-making and in hypothesis 2, where information was taken to make up for the lack in human capital. In this hypothesis, information about the borrower determines successful access to financial capital. Therefore this study confirmed that:

- A positive relationship does not exist between the level of trust in community and financial capital acquisition of entrepreneurs.

- A positive relationship exists between the level of trust in government and financial capital acquisition of entrepreneurs.

5.6 Conclusion

This chapter compiled and elaborated on the most important elements of the previous chapter. It provides an in-depth understanding of the study by presenting all the hypotheses in relation to the relevant literature and findings. The greatest challenge faced in this study was the lack of significant positive relationships, hence not definitively proving that there are strong relations between social capital, decision-making, human capital and financial capital. Hypothesis 3b, measuring the relationship between social capital (G) and financial capital, was found to be significantly positive. Due to all the hypotheses measuring only positive relationships, instead of the significance of the relationships, there were many hypotheses that were accepted and as such presented a positive picture, when in fact there was none. The relationships were very weak and could be considered inadmissible, but in keeping with statistical reporting, however small the relationship, these were noted as positive and the hypotheses were accepted. Two hypotheses that were completely rejected, H2b and H3a, proved negative relationships, where H2b measured the relationship between social capital (G) and human capital and H3a measured the relationship between the level of trust in community and financial capital acquisition. Despite the statistical processes showing negative and insignificant relationships, the biggest problem in this study was the failure to create a good research instrument, as after factoring more than half of the questions were removed. This led to the removal of much of the important data that might have proved a strong relationship between social capital and the three constructs, and as such the descriptive statistical data is attached as appendices (Appendices C to F).

CHAPTER 6: CONCLUSIONS, IMPLICATIONS AND RECOMMENDATIONS

6.1 Introduction

This chapter aims to utilise all the previous chapters to provide a final conclusion to the study. Furthermore, the implications and recommendations of the study are given, the limitations of the study are discussed, and finally suggestions for further research are put forward.

6.2 Conclusions of the study

This study noted from previous studies and literature the importance of social capital, in various direct and indirect ways, to establish the grounds for this research. The importance of social capital in decision-making, mainly through access to information, allowed individuals to make effective decisions for the success of their businesses. Thereafter, the importance of human capital (knowledge, experience, and education), and financial capital were shown to contribute significantly to the success of a business. This research aimed to determine how social capital could assist individuals to access information for decision-making, human capital, and financial capital. To achieve this goal, the Pakistani immigrant population in Johannesburg, Gauteng was targeted for the study, as immigrants had reported to be successful in South Africa's depressed economy, while their local counterparts were less successful.

For this study six hypotheses were developed, wherein social capital was narrowed down to the level of trust individuals had in two broad categories: social capital (C) and social capital (G). First, decision-making was found to have a positive relationship with both social capital (C) and (G); however, the relationships were extremely weak. Second, the relationships with human capital and social capital (G) were negative; however, with social capital (C) it was positive. Third, financial capital and social capital (G) had a significant positive relationship.

The above results were not aligned with the literature in Chapter 2, as from the literature it seemed as if there would be significant relationships with strong links between the constructs. To elaborate, the literature behind the first hypothesis supported the theory that social capital allows access to business information that can be used to explore opportunities (Shane & Venkataraman, 2000). Adler and Kwon (2002) listed some of the benefits derived from social capital as, among other things, access to information. The amount of time needed to search for and collect information was greatly reduced when social capital was employed (Davidsson & Honig, 2003), allowing the business a competitive advantage. These scholars all agreed that social capital was the way for individuals to access information, and information as explained, can be used for effective decision-making.

Another example was the literature on human capital, presented by Coleman (1998), who explained that in a parent-child relationship, the relationship itself would be the social capital, which acts a bridge to pass on the human capital of the parents. This study aimed at testing Coleman's (1998) theory on the Pakistani immigrant entrepreneurs; however, the factor analysis removed these question items, as they did not load correctly.

For financial capital, the works of Guiso et al. (2004) were referred to, which claimed that social capital is higher in areas where there is lower law enforcement and where the populous is less educated. This is because they use social networks to enforce the contracts and less educated people are less likely to understand how formal trading works, which is common in developing countries. These effects should have been seen in the targeted sample population and the targeted location of this study; hypothesis 3b supported this argument, however hypothesis 3a had a negative correlation.

It is understandable that the results did not match the literature, as the research instruments' items that did not load correctly caused much of the important data to be removed, which could have shown a significant relationship. Thus, the data presented in Chapter 4 and discussed in Chapter 5 must be accepted as is;

however, it did not correlate with the literature in Chapter 2 and further research will need to be done.

A noteworthy finding from this study was how social capital focused on the information obtained from individuals' networks, which was used to make decisions; however, that information included knowledge, experience, and education of the networks. The lack of information available to banks was the cause for banks not granting loans, and the access to information by stakeholders was the reason they gave loans to individuals; this needs to be researched further.

Table 32: Empirical results of the hypotheses

Hypothesis	Accept/Reject
Hypothesis 1a: There is a positive relationship between the level of trust in community and information acquisition for decision-making.	Accept
Hypothesis 2a: There is a positive relationship between the level of trust in community and human capital acquisition such as tacit and explicit knowledge.	Accept
Hypothesis 3a: There is a positive relationship between the level of trust in community and financial capital acquisition of entrepreneurs.	Reject
Hypothesis 1b: There is a positive relationship between the level of trust in government and information acquisition for decision-making.	Accept
Hypothesis 2b: There is a positive relationship between the level of trust in government and human capital acquisition such as tacit and explicit knowledge.	Reject
Hypothesis 3b: There is a positive relationship between the level of trust in government and financial capital acquisition of entrepreneurs.	Accept

6.3 Implications and recommendations

This study aimed to contribute towards the literature on the four constructs used in the study; however, as mentioned, this did not happen due to the items not loading correctly during factor analysis. However, financial capital was the one construct that did manage to have a significant relationship with the level of trust in social capital (G). This relationship could contribute towards academia, specifically concerning how trust in social capital (G) could contribute towards

accessing financing. This information could also be used by entrepreneurs to overcome the challenge of accessing funding, by creating networks. Another key stakeholder is the Department of Small Business Development, which is already working to support SMMEs; the department can use this study to show small businesses how maintaining relationships with them can be useful.

This finding can support the Department of Small Business Development and other relevant stakeholders in channelling their resources towards helping SMMEs create social capital. They also need to become aware of how social capital can help SMMEs in accessing financial capital, and take the necessary steps to support this. The Department of Small Business Development needs to take further initiative in making itself more accessible and creating more awareness of not only its existence, but also its functions and strategies. SMMEs should start approaching the department, and the department should reach out to SMMEs and help as many of them as possible to grow, as by extension, this would create more jobs. Additionally, when support is provided, it needs to be adequate, with regular follow ups to ensure that the government's money is not being wasted.

The Department of Small Business Development needs to create strategies, wherein it ensures that SMMEs have access to the basic telecommunication infrastructure that would allow them to access information and create networks. The department should also have events where businesses can meet and network with each other, and perhaps be provided with education and training on social capital and it importance. Furthermore, the department should assist SMMEs in meeting the requirements of banks to get loans or alternatively create a Grameen Bank type model that is based on social capital (Willows & McWha, 2019).

The commercial impact of this study is focused on lenders, primarily banks who are not issuing loans to SMMEs based on all the reasons mentioned in the literature review. The primary issue highlighted was the availability of information to carry out risk assessments, resulting in inflated lending rates. This study showed that social capital could become a tool to access financial capital. Thus,

banks can try to implement a strategy where bank managers are hired from within the community where a branch is located, thus enabling managers to use their social capital to gather information about loan applicants and make loan granting decisions. The managers would be able to collect the loan repayment instalments from the applicant, using their social capital to enforce payment; this is the model of the Grameen Bank.

The recommendation for SMMEs is that they should disclose all the information that government requires and avoid possible tax evasion activities, so that government can use the data to provide better solutions for further development. To get SMMEs to do this, government once again is responsible for educating and informing SMMEs about the importance of disclosing all the relevant data.

This study has implications for societies as well, be it in the personal or business sphere, societies are advised to see the importance of building social relationships. This will bring about the creation of networks for many people that did not previously actively seek to create connections. This will cause societies to become closer and stronger, as they will operate as a unit and empower each other. Similarly, business society connections that seek to empower and support should be created so that businesses can grow simultaneously. This could lead to individuals being able to access resources, such as financial capital, on the basis of trust. In addition, businesses could overcome challenges for growth.

Furthermore, this study provides information about how Pakistani immigrant entrepreneurs operate; as such, this information may be useful to academics researching Pakistani immigrants or immigrants in general. The Department of Small Business Development can also learn how Pakistani's operate, and replicate this model with the businesses being assisted. Referring to the descriptive statistics attached in Appendices C to F, this study could contribute towards other research on social capital, or any of the other three constructs.

6.4 Limitations of the study

Every step was taken to ensure that the study was free from limitations, such as having the instruments administered by the researcher in the native language of

the respondents to ensure the responses were authentic. The first limitation that could not be controlled was time, which is why a cross-sectional study was undertaken and not a longitudinal study, which would study the respondents over time.

A significant limitation of the study became the research instrument itself, as many of the items on the research instrument did not load correctly and the data had to be excluded. This created many problems as crucial data could not be used to demonstrate the relationships between the dependent and independent variables; as such many changes and adjustments were made to the study.

6.5 Suggestions for further research

The first and most important suggestion is to attempt to replicate this study without repeating the same mistakes. An improved and more accurate research instrument should be created that will accurately test the relationships of social capital with decision-making, human capital, and financial capital.

The results from this study should serve as a foundation for further research, which should aim to determine what type of social capital South Africans would use for the advancement of their businesses, and the reasons for the scepticism towards social capital currently, as suggested by literature. The results could be used to create a comparison study between South Africans social capital and Pakistani immigrants social capital. The same process can be repeated for other types of immigrants in South Africa or elsewhere, in a cross-sectional study. Further research could be done longitudinally, where the growth and use of social capital can be examined in-depth.

The last suggestion is to determine the other capital resources that can be acquired via social capital, including information, which seems to be the common thread in the hypotheses of this study. The acquisition of information can make the acquisition of other resources possible.

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APPENDIX A: LETTER OF CONSENT



The Graduate School of Business Administration
2 St David's Place, Parktown
Johannesburg, 2193
South Africa
PO Box 98, WITS, 2050
Website:www.wbs.ac.za

Masters of Management Consent Form- Research Report
Information sheet and consent form

Researcher Information:
I, Mahad Moti, am conducting this research for the purposes of completing my Master of Management at Wits Business School.

Research Information:
Title of research project: *Social capital, decision-making and capital resource acquisition: A case study of Pakistani immigrants in Gauteng.*

I am conducting this study quantitatively to measure if there is a relationship of social capital in acquiring information for decision-making and acquiring capital resources such as human and financial capital.

Your participation:
I am requesting your participation in conducting a survey that will be approximately 20 minutes. Your participation is voluntary, you are not obligated to participate, and you will not be affected in anyway should you not participate. If you do participate, you may choose to stop the survey at any point without any penalties and you will not be prejudiced in anyway.

Confidentiality:
Any study records that identify you will be kept confidential to the extent possible by law. The records from your participation may be reviewed by people responsible for making sure that research is done properly, including my academic supervisor/s. (All of these people are required to keep your identity confidential.) All study records will be destroyed after the completion and marking of my thesis.

Risks/discomforts:
At the present time, I do not see any risks in your participation. The risks associated with participation in this study are no greater than those encountered in daily life.

Benefits:
There are no immediate benefits to you from participating in this study. However, this study will be extremely helpful in understanding how social capital is used to access information for decision-making and accessing capital resources such as human capital and financial capital and your perception of access to finance to the growth of the business in a manner that supports the research.

Who to contact if you have been harmed or have any concerns:
This research has been approved by the Wits Business School. If you have any complaints about ethical aspects of the research or feel that you have been harmed in any way by participating in this study, please contact the Research Office Manager at the Wits Business School, Mmabatho Leeuw. Mmabatho.leeuw@wits.ac.za

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Consent

I hereby agree to participate in the research. I understand that I am participating freely and without being forced in any way to do so. I also understand that I can stop participating at any point should I not want to continue and that this decision will not in any way affect me negatively. I understand that this is a research project that does not necessarily benefit me personally in the immediate or short term. I understand that my participation will remain confidential.

_____ _____

Signature of Participant Date

APPENDIX B: RESEARCH INSTRUMENT

1) Demographics

The following statements are to assist with demographic information.

a) What is your age? • Under 18 • 18-24 • 25-34 • 35-44 • 45-54 • Above 54	
b) What would best describe you? • Black African • White • Indian • Asian • Coloured • Other	
c) Which gender do you identify most with? • Male • Female • I would prefer to not comment	
d) What is your highest qualification? • Less than high school diploma • High school diploma or equivalent degree • No degree • Bachelor's degree • Master's degree	
e) What is your marital status? • Married • Divorced • Separated • Widowed • Unmarried	
f) What is your current employment status? • Full-time employment • Part-time employment • Unemployed • Self-employed	

2) Decision-making

Information

Answer the following questions based on the scale of frequency:

1) Always
2) Very frequently
3) Frequently
4) Occasionally
5) Rarely
6) Very rarely
7) Never

a) How often in the last month have you or anyone in your household read a newspaper or had one read to you, to acquire information for decision-making purposes?	
b) How often do you listen to the radio to acquire information for decision-making purposes?	
c) How often do you watch television to acquire information for decision-making purposes?	
d) In the past month, how often have you made or received a phone call from someone in your social network to acquire or share information about the market you work in?	

Answer the following question based on the scale of importance:

1) Exceptionally important
2) Very important
3) Important
4) Fairly important
5) Slightly important
6) Not important
7) Extremely unimportant

e) How important is your social capital as a source of information about what the government is doing (such as agricultural extension, workfare, family planning, etc.)?	
f) How important is your social capital as a source of market information (such as jobs, prices of goods or crops)?	

g) On a scale from 1 to 7, compared to five years ago*, has access to information through social capital improved or deteriorated?

1) Significantly improved
2) Improved
3) Fairly improved
4) Stayed the same
5) Slightly deteriorated
6) Deteriorated
7) Completely deteriorated

3) Human capital

Investment in education

a) On a scale of 1 to 7, how high was your family's level of investment in your education?
    1) Exceptional
    2) Excellent
    3) Very good
    4) Good
    5) Fair
    6) Poor
    7) Very poor

b) On a scale of 1 to 7 how related/relevant were your qualification to entrepreneurship development and success.
    1) Exceptional
    2) Excellent
    3) Very good
    4) Good
    5) Fair
    6) Poor
    7) Very poor

Knowledge

c) On a scale of 1 to 7 determine the level of your management knowledge that you acquired from your social capital by ticking the appropriate box.
    1) 1 Excellent
    2) 2 Very Good
    3) 3 Good
    4) 4 Fair
    5) 5 Poor
    6) 6 Very Poor
    7) 7 Uncertain

d) On a scale of 1 to 7 determine the level of your working knowledge (tacit knowledge) of your product operation that you acquired from your social capital
    1) 1 Excellent
    2) 2 Very Good
    3) 3 Good
    4) 4 Fair
    5) 5 Poor
    6) 6 Very Poor
    7) 7 Uncertain

Work experience

e) On a scale of 1 to 7, how effective was your social capital in the following functional areas:
    1) Exceptionally effective
    2) Effective
    3) Fairly effective
    4) Neither effective nor ineffective
    5) Slightly Ineffective
    6) Ineffective
    7) Very ineffective

i.	Marketing	
ii.	Finance	
iii.	Production	
iv.	Operations	
v.	Technology	
vi.	Business law skills/Entrepreneurial legal skills	

4) Financial Capital

Access to finance

a) The following questions measure the relationship of trust and social capital to the access it provides to financial capital. On a scale of 1 to 7, please indicate the level at which you perceive the following to have an impact on the following finance alternatives.
    1) Not at all important
    2) Very unimportant
    3) Somewhat unimportant
    4) Neutral
    5) Somewhat important
    6) Very Important
    7) Extremely important

i.	Established entrepreneurial networks allow entrepreneurs to access subsidies from government agencies.	
ii.	Established entrepreneurial networks allow entrepreneurs to access trade credits from suppliers.	
iii.	Established networks allow entrepreneurs to access loans from friends and family.	
iv.	Established networks /(connections) with bankers allow entrepreneurs to access bank loans.	

Trust and Solidarity

In every community, some people get along with others and trust each other, while other people do not.

b) Generally speaking, on a scale of 1 to 7 how trusting would you be of people in your social networks?
    1) Exceptionally trusting
    2) Trusting
    3) Fairly trusting
    4) Neither trusting nor untrusting
    5) Slightly untrusting
    6) Untrusting
    7) Extremely untrusting

c) In general, on a scale of 1 to 7, how much do you agree or disagree with the following statements?
    1) Agree strongly
    2) Agree
    3) Agree somewhat
    4) Neither agree nor disagree
    5) Disagree somewhat
    6) Disagree
    7) Disagree strongly

i.	Most people in your community can be trusted.	
ii.	In this community, one has to be alert or someone is likely to take advantage of you.	
iii.	Most people in this community are willing to help if you need it.	

iv.	In this community people generally do not trust each other in matters of lending and borrowing money	

d) On a scale of 1 to 7, how much do you trust different types of people.
   1) Exceptionally trusting
   2) Trusting
   3) Fairly trusting
   4) Neither trusting nor untrusting
   5) Slightly untrusting
   6) Untrusting
   7) Extremely untrusting

i.	People from your ethnic or linguistic group/race/caste/tribe	
ii.	People from other ethnic or linguistic groups/race/caste/tribe	
iii.	Shopkeepers	
iv.	Local government officials	
v.	Central government officials	
vi.	Police	
vii.	Teachers	
viii.	Nurses and doctors	
ix.	Strangers	

e) On a scale of 1 to 7, do you think that over the last five years, the level of trust in this community has gotten better?
   1) Agree strongly
   2) Agree
   3) Agree somewhat
   4) Neither agree nor disagree
   5) Disagree somewhat
   6) Disagree
   7) Disagree strongly

APPENDIX C: TOTAL VARIANCE EXPLAINED

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.094	11.373	11.373	4.094	11.373	11.373
2	3.718	10.327	21.700			
3	2.601	7.226	28.925			
4	2.043	5.675	34.601			
5	1.968	5.466	40.067			
6	1.759	4.887	44.954			
7	1.507	4.186	49.140			
8	1.480	4.111	53.252			
9	1.328	3.689	56.941			
10	1.202	3.339	60.280			
11	1.166	3.238	63.518			
12	1.101	3.058	66.576			
13	1.003	2.787	69.363			
14	.966	2.684	72.047			
15	.894	2.484	74.532			
16	.825	2.291	76.823			
17	.772	2.143	78.967			
18	.740	2.056	81.022			
19	.652	1.811	82.834			
20	.626	1.738	84.571			
21	.575	1.597	86.168			
22	.539	1.498	87.666			
23	.527	1.464	89.130			
24	.513	1.425	90.555			
25	.474	1.316	91.871			
26	.438	1.218	93.089			
27	.406	1.128	94.217			
28	.365	1.013	95.230			
29	.332	.923	96.153			
30	.309	.859	97.012			
31	.294	.816	97.828			
32	.268	.745	98.573			
33	.200	.557	99.130			
34	.123	.343	99.472			
35	.116	.323	99.795			
36	.074	.205	100.000			

Extraction Method: Principal Component Analysis.

APPENDIX D: STATISTICS

		DM-I1	DM-I2	DM-I3	DM-I4	DM-S1	DM-S2	DM-S3	HC-I1	HC-I2
N	Valid	162	162	162	162	162	162	162	162	162
	Missing	0	0	0	0	0	0	0	0	0
Mean		5.69	4.70	4.15	2.67	3.05	2.30	3.22	2.91	3.44
Std. Error of Mean		.158	.197	.186	.176	.167	.146	.145	.166	.172
Median		7.00	6.00	4.00	1.00	2.00	1.00	2.00	2.00	3.00
Mode		7	7	7	1	1	1	2	1	1
Std. Deviation		2.014	2.507	2.371	2.240	2.126	1.862	1.851	2.111	2.187
Variance		4.056	6.287	5.622	5.017	4.519	3.467	3.425	4.457	4.782
Range		6	6	6	6	6	6	6	7	6
Minimum		1	1	1	1	1	1	1	1	1
Maximum		7	7	7	7	7	7	7	8	7
Sum		921	761	673	433	494	373	521	471	557

		HC-K1	HC-K2	HC-W1	HC-W2	HC-W3	HC-W4	HC-W5	HC-W6	FC-A1
N	Valid	162	162	162	162	162	162	162	162	162
	Missing	0	0	0	0	0	0	0	0	0
Mean		2.96	2.75	2.78	3.17	3.51	3.60	4.04	3.81	4.76
Std. Error of Mean		.143	.135	.141	.166	.157	.159	.184	.185	.174
Median		3.00	2.00	2.00	3.00	3.00	3.00	4.00	3.50	6.00
Mode		1	1	2	1	2	2	7	7	7
Std. Deviation		1.821	1.716	1.790	2.108	2.004	2.026	2.339	2.349	2.220
Variance		3.315	2.945	3.205	4.442	4.015	4.105	5.470	5.518	4.929
Range		6	6	6	6	6	6	6	6	6
Minimum		1	1	1	1	1	1	1	1	1
Maximum		7	7	7	7	7	7	7	7	7
Sum		480	446	450	514	569	583	655	618	771

		FC-T1	FC-T2	FC-T3	FC-T4	FC-T5	FC-T6	FC-T7	FC-T8	FC-T9
N	Valid	162	162	162	162	162	162	162	162	162
	Missing	0	0	0	0	0	0	0	0	0
Mean		5.31	4.96	4.67	3.33	3.22	2.23	2.79	4.64	2.85
Std. Error of Mean		.171	.181	.195	.130	.155	.132	.147	.150	.142
Median		7.00	6.00	6.00	3.00	3.00	1.00	2.00	5.00	2.00
Mode		7	7	7	2[a]	1	1	2	6	1
Std. Deviation		2.179	2.307	2.477	1.661	1.975	1.684	1.870	1.907	1.805
Variance		4.749	5.321	6.137	2.758	3.901	2.836	3.496	3.637	3.257
Range		6	6	6	6	6	6	6	6	6
Minimum		1	1	1	1	1	1	1	1	1
Maximum		7	7	7	7	7	7	7	7	7
Sum		860	803	756	540	522	361	452	751	462

		FC-T10	FC-T11	FC-T12	FC-T13	FC-T14	FC-T15	FC-T16	FC-T17	FC-T18
N	Valid	162	162	162	162	162	162	162	162	162
	Missing	0	0	0	0	0	0	0	0	0
Mean		3.90	3.25	5.42	5.57	5.93	2.35	2.43	6.27	4.40
Std. Error of Mean		.124	.150	.141	.134	.128	.116	.123	.123	.159
Median		4.00	3.00	6.00	6.00	7.00	2.00	2.00	7.00	5.00
Mode		4	1[a]	7	7	7	1	1	7	6
Std. Deviation		1.575	1.915	1.789	1.704	1.635	1.476	1.564	1.564	2.023
Variance		2.480	3.668	3.202	2.904	2.672	2.180	2.446	2.445	4.091
Range		6	6	6	6	6	6	6	6	6
Minimum		1	1	1	1	1	1	1	1	1
Maximum		7	7	7	7	7	7	7	7	7
Sum		631	527	878	903	961	381	394	1015	712

a. Multiple modes exist. The smallest value is shown

APPENDIX E: FREQUENCY TABLES

DM-I1					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	13	8.0	8.0	8.0
	2	10	6.2	6.2	14.2
	3	1	.6	.6	14.8
	4	16	9.9	9.9	24.7
	5	11	6.8	6.8	31.5
	6	11	6.8	6.8	38.3
	7	100	61.7	61.7	100.0
	Total	162	100.0	100.0	

DM-I2					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	35	21.6	21.6	21.6
	2	15	9.3	9.3	30.9
	3	3	1.9	1.9	32.7
	4	15	9.3	9.3	42.0
	5	11	6.8	6.8	48.8
	6	9	5.6	5.6	54.3
	7	74	45.7	45.7	100.0
	Total	162	100.0	100.0	

DM-I3					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	45	27.8	27.8	27.8
	2	4	2.5	2.5	30.2
	3	7	4.3	4.3	34.6
	4	37	22.8	22.8	57.4
	5	10	6.2	6.2	63.6
	6	12	7.4	7.4	71.0
	7	47	29.0	29.0	100.0
	Total	162	100.0	100.0	

DM-I4					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	90	55.6	55.6	55.6
	2	13	8.0	8.0	63.6
	3	6	3.7	3.7	67.3
	4	15	9.3	9.3	76.5
	5	9	5.6	5.6	82.1
	6	9	5.6	5.6	87.7
	7	20	12.3	12.3	100.0
	Total	162	100.0	100.0	

DM-S1					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	55	34.0	34.0	34.0
	2	32	19.8	19.8	53.7
	3	17	10.5	10.5	64.2
	4	19	11.7	11.7	75.9
	5	4	2.5	2.5	78.4
	6	17	10.5	10.5	88.9
	7	18	11.1	11.1	100.0
	Total	162	100.0	100.0	

DM-S2					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	88	54.3	54.3	54.3
	2	24	14.8	14.8	69.1
	3	15	9.3	9.3	78.4
	4	10	6.2	6.2	84.6
	5	6	3.7	3.7	88.3
	6	11	6.8	6.8	95.1
	7	8	4.9	4.9	100.0
	Total	162	100.0	100.0	

DM-S3					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	23	14.2	14.2	14.2
	2	64	39.5	39.5	53.7
	3	14	8.6	8.6	62.3
	4	17	10.5	10.5	72.8
	5	9	5.6	5.6	78.4
	6	30	18.5	18.5	96.9
	7	5	3.1	3.1	100.0
	Total	162	100.0	100.0	

HC-I1					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	63	38.9	38.9	38.9
	2	29	17.9	17.9	56.8
	3	15	9.3	9.3	66.0
	4	16	9.9	9.9	75.9
	5	10	6.2	6.2	82.1
	6	13	8.0	8.0	90.1
	7	15	9.3	9.3	99.4
	8	1	.6	.6	100.0
	Total	162	100.0	100.0	

HC-I2					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	43	26.5	26.5	26.5
	2	33	20.4	20.4	46.9
	3	13	8.0	8.0	54.9
	4	21	13.0	13.0	67.9
	5	8	4.9	4.9	72.8
	6	23	14.2	14.2	87.0
	7	21	13.0	13.0	100.0
	Total	162	100.0	100.0	

HC-K1					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	51	31.5	31.5	31.5
	2	24	14.8	14.8	46.3
	3	28	17.3	17.3	63.6
	4	26	16.0	16.0	79.6
	5	9	5.6	5.6	85.2
	6	20	12.3	12.3	97.5
	7	4	2.5	2.5	100.0
	Total	162	100.0	100.0	

HC-K2					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	53	32.7	32.7	32.7
	2	31	19.1	19.1	51.9
	3	28	17.3	17.3	69.1
	4	25	15.4	15.4	84.6
	5	6	3.7	3.7	88.3
	6	16	9.9	9.9	98.1
	7	3	1.9	1.9	100.0
	Total	162	100.0	100.0	

HC-W1					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	44	27.2	27.2	27.2
	2	46	28.4	28.4	55.6
	3	32	19.8	19.8	75.3
	4	15	9.3	9.3	84.6
	5	3	1.9	1.9	86.4
	6	11	6.8	6.8	93.2
	7	11	6.8	6.8	100.0
	Total	162	100.0	100.0	

HC-W2					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	48	29.6	29.6	29.6
	2	26	16.0	16.0	45.7
	3	35	21.6	21.6	67.3
	4	14	8.6	8.6	75.9
	5	2	1.2	1.2	77.2
	6	16	9.9	9.9	87.0
	7	21	13.0	13.0	100.0
	Total	162	100.0	100.0	

HC-W3					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	26	16.0	16.0	16.0
	2	36	22.2	22.2	38.3
	3	32	19.8	19.8	58.0
	4	27	16.7	16.7	74.7
	5	3	1.9	1.9	76.5
	6	14	8.6	8.6	85.2
	7	24	14.8	14.8	100.0
	Total	162	100.0	100.0	

HC-W4					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	27	16.7	16.7	16.7
	2	33	20.4	20.4	37.0
	3	26	16.0	16.0	53.1
	4	32	19.8	19.8	72.8
	5	5	3.1	3.1	75.9
	6	14	8.6	8.6	84.6
	7	25	15.4	15.4	100.0
	Total	162	100.0	100.0	

HC-W5					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	34	21.0	21.0	21.0
	2	21	13.0	13.0	34.0
	3	18	11.1	11.1	45.1
	4	26	16.0	16.0	61.1
	5	3	1.9	1.9	63.0
	6	14	8.6	8.6	71.6
	7	46	28.4	28.4	100.0
	Total	162	100.0	100.0	

HC-W6					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	40	24.7	24.7	24.7
	2	22	13.6	13.6	38.3
	3	19	11.7	11.7	50.0
	4	23	14.2	14.2	64.2
	5	5	3.1	3.1	67.3
	6	11	6.8	6.8	74.1
	7	42	25.9	25.9	100.0
	Total	162	100.0	100.0	

FC-A1					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	22	13.6	13.6	13.6
	2	16	9.9	9.9	23.5
	3	12	7.4	7.4	30.9
	4	17	10.5	10.5	41.4
	5	9	5.6	5.6	46.9
	6	34	21.0	21.0	67.9
	7	52	32.1	32.1	100.0
	Total	162	100.0	100.0	

FC-T1					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	10	6.2	6.2	6.2
	2	25	15.4	15.4	21.6
	3	6	3.7	3.7	25.3
	4	11	6.8	6.8	32.1
	5	8	4.9	4.9	37.0
	6	16	9.9	9.9	46.9
	7	86	53.1	53.1	100.0
	Total	162	100.0	100.0	

FC-T2					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	23	14.2	14.2	14.2
	2	13	8.0	8.0	22.2
	3	11	6.8	6.8	29.0
	4	19	11.7	11.7	40.7
	5	3	1.9	1.9	42.6
	6	21	13.0	13.0	55.6
	7	72	44.4	44.4	100.0
	Total	162	100.0	100.0	

FC-T3					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	34	21.0	21.0	21.0
	2	12	7.4	7.4	28.4
	3	8	4.9	4.9	33.3
	4	21	13.0	13.0	46.3
	5	5	3.1	3.1	49.4
	6	9	5.6	5.6	54.9
	7	73	45.1	45.1	100.0
	Total	162	100.0	100.0	

FC-T4					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	22	13.6	13.6	13.6
	2	36	22.2	22.2	35.8
	3	35	21.6	21.6	57.4
	4	36	22.2	22.2	79.6
	5	6	3.7	3.7	83.3
	6	22	13.6	13.6	96.9
	7	5	3.1	3.1	100.0
	Total	162	100.0	100.0	

FC-T5					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	39	24.1	24.1	24.1
	2	36	22.2	22.2	46.3
	3	20	12.3	12.3	58.6
	4	32	19.8	19.8	78.4
	5	3	1.9	1.9	80.2
	6	16	9.9	9.9	90.1
	7	16	9.9	9.9	100.0
	Total	162	100.0	100.0	

FC-T6					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	83	51.2	51.2	51.2
	2	29	17.9	17.9	69.1
	3	17	10.5	10.5	79.6
	4	15	9.3	9.3	88.9
	5	4	2.5	2.5	91.4
	6	9	5.6	5.6	96.9
	7	5	3.1	3.1	100.0
	Total	162	100.0	100.0	

FC-T7					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	47	29.0	29.0	29.0
	2	52	32.1	32.1	61.1
	3	11	6.8	6.8	67.9
	4	28	17.3	17.3	85.2
	5	1	.6	.6	85.8
	6	10	6.2	6.2	92.0
	7	13	8.0	8.0	100.0
	Total	162	100.0	100.0	

FC-T8					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	15	9.3	9.3	9.3
	2	14	8.6	8.6	17.9
	3	16	9.9	9.9	27.8
	4	26	16.0	16.0	43.8
	5	15	9.3	9.3	53.1
	6	51	31.5	31.5	84.6
	7	25	15.4	15.4	100.0
	Total	162	100.0	100.0	

FC-T9					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	49	30.2	30.2	30.2
	2	33	20.4	20.4	50.6
	3	27	16.7	16.7	67.3
	4	30	18.5	18.5	85.8
	5	3	1.9	1.9	87.7
	6	9	5.6	5.6	93.2
	7	11	6.8	6.8	100.0
	Total	162	100.0	100.0	

FC-T10					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	8	4.9	4.9	4.9
	2	25	15.4	15.4	20.4
	3	24	14.8	14.8	35.2
	4	69	42.6	42.6	77.8
	5	8	4.9	4.9	82.7
	6	11	6.8	6.8	89.5
	7	17	10.5	10.5	100.0
	Total	162	100.0	100.0	

FC-T11					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	36	22.2	22.2	22.2
	2	36	22.2	22.2	44.4
	3	19	11.7	11.7	56.2
	4	35	21.6	21.6	77.8
	5	10	6.2	6.2	84.0
	6	10	6.2	6.2	90.1
	7	16	9.9	9.9	100.0
	Total	162	100.0	100.0	

FC-T12					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	4	2.5	2.5	2.5
	2	9	5.6	5.6	8.0
	3	14	8.6	8.6	16.7
	4	29	17.9	17.9	34.6
	5	11	6.8	6.8	41.4
	6	22	13.6	13.6	54.9
	7	73	45.1	45.1	100.0
	Total	162	100.0	100.0	

FC-T13					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	3	1.9	1.9	1.9
	2	7	4.3	4.3	6.2
	3	13	8.0	8.0	14.2
	4	26	16.0	16.0	30.2
	5	12	7.4	7.4	37.7
	6	24	14.8	14.8	52.5
	7	77	47.5	47.5	100.0
	Total	162	100.0	100.0	

FC-T14					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	3	1.9	1.9	1.9
	2	7	4.3	4.3	6.2
	3	6	3.7	3.7	9.9
	4	22	13.6	13.6	23.5
	5	4	2.5	2.5	25.9
	6	22	13.6	13.6	39.5
	7	98	60.5	60.5	100.0
	Total	162	100.0	100.0	

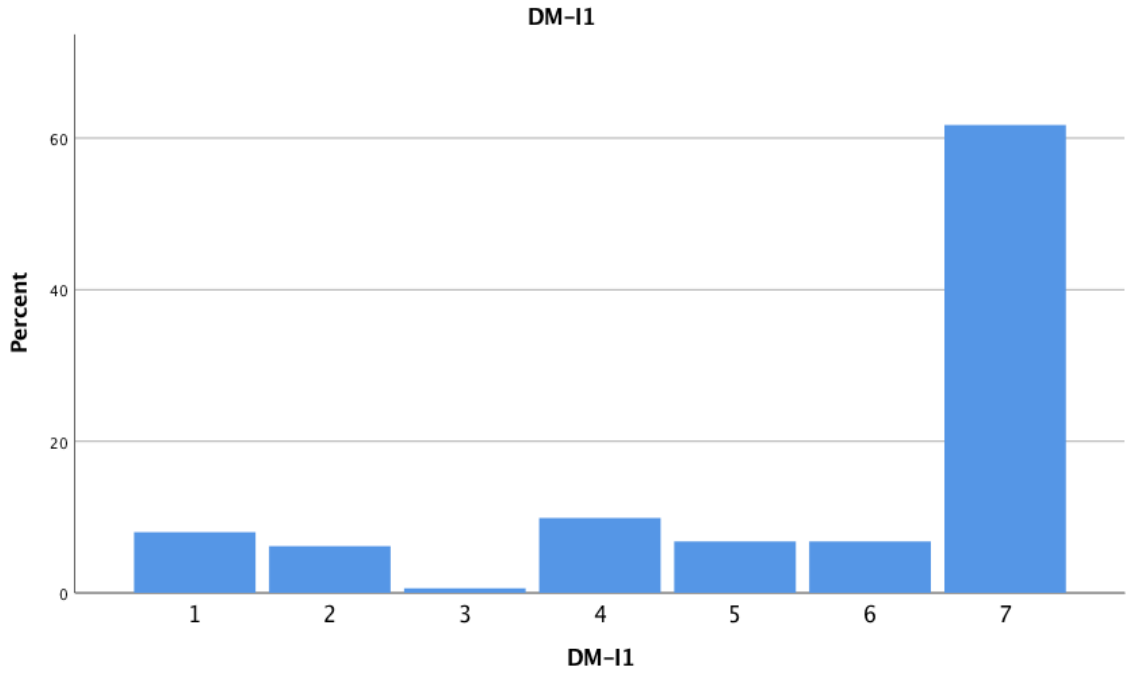
FC-T15					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	61	37.7	37.7	37.7
	2	42	25.9	25.9	63.6
	3	21	13.0	13.0	76.5
	4	28	17.3	17.3	93.8
	5	4	2.5	2.5	96.3
	6	1	.6	.6	96.9
	7	5	3.1	3.1	100.0
	Total	162	100.0	100.0	

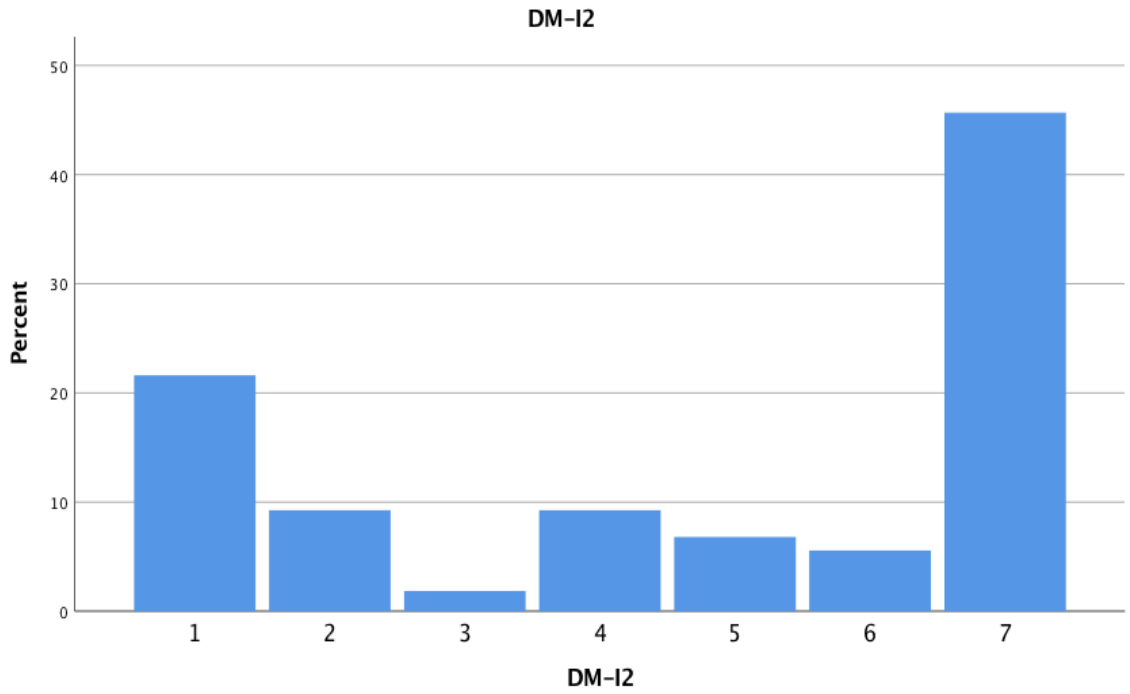
FC-T16					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	56	34.6	34.6	34.6
	2	46	28.4	28.4	63.0
	3	23	14.2	14.2	77.2
	4	26	16.0	16.0	93.2
	5	1	.6	.6	93.8
	6	2	1.2	1.2	95.1
	7	8	4.9	4.9	100.0
	Total	162	100.0	100.0	

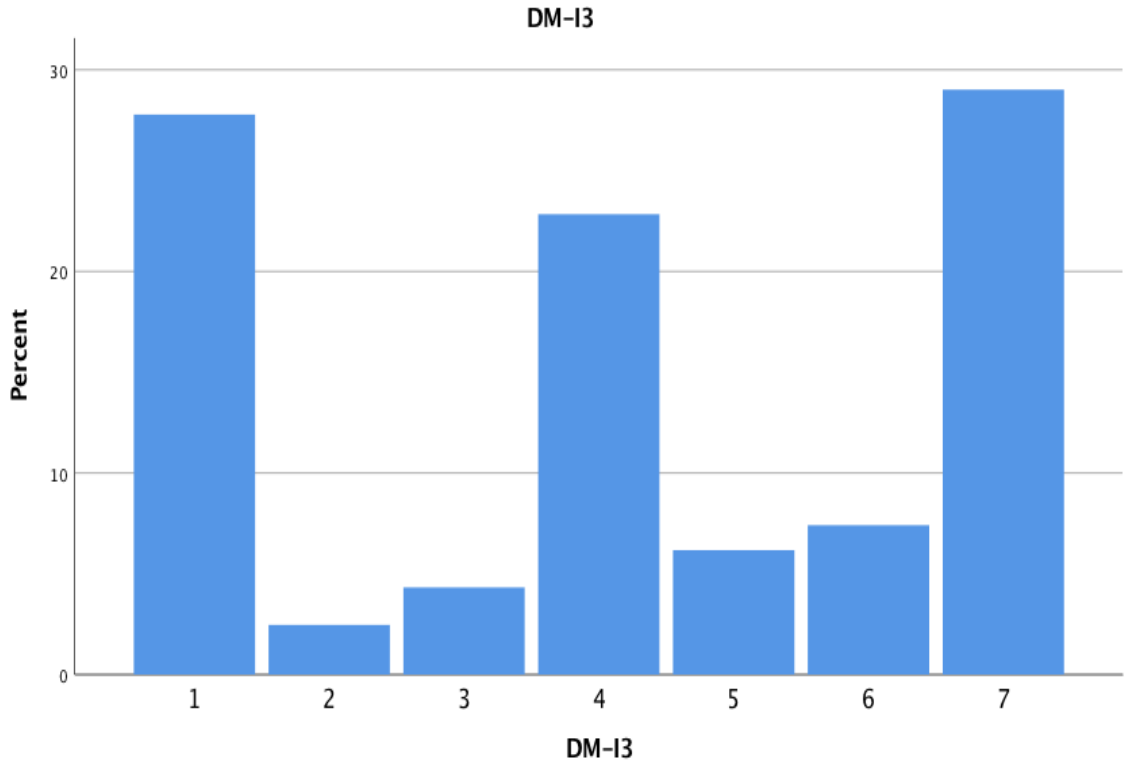
FC-T17					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	7	4.3	4.3	4.3
	2	2	1.2	1.2	5.6
	3	2	1.2	1.2	6.8
	4	13	8.0	8.0	14.8
	5	5	3.1	3.1	17.9
	6	10	6.2	6.2	24.1
	7	123	75.9	75.9	100.0
	Total	162	100.0	100.0	

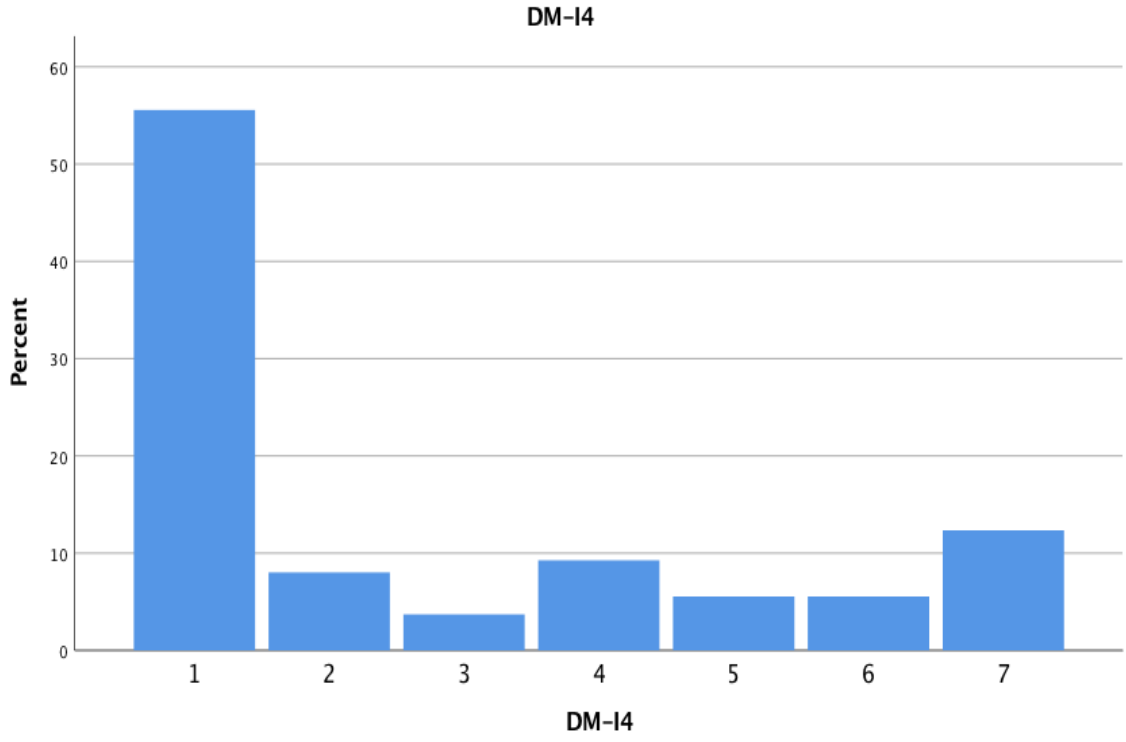
FC-T18					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	12	7.4	7.4	7.4
	2	33	20.4	20.4	27.8
	3	16	9.9	9.9	37.7
	4	18	11.1	11.1	48.8
	5	8	4.9	4.9	53.7
	6	51	31.5	31.5	85.2
	7	24	14.8	14.8	100.0
	Total	162	100.0	100.0	

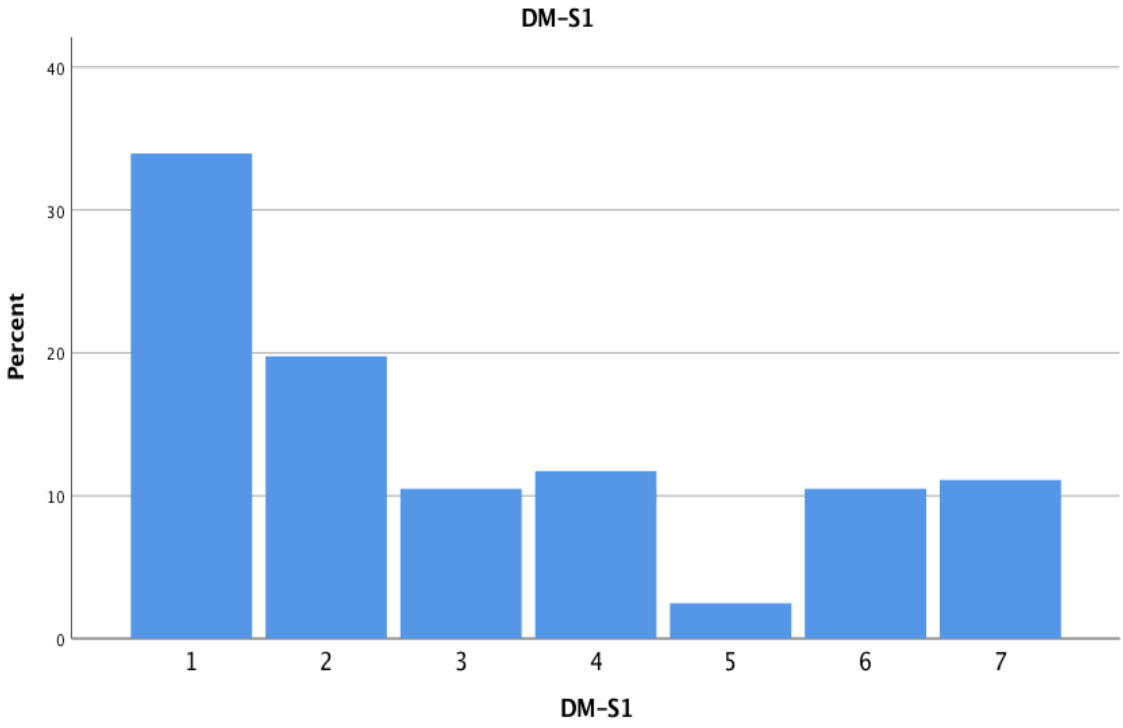
APPENDIX F: BAR CHARTS

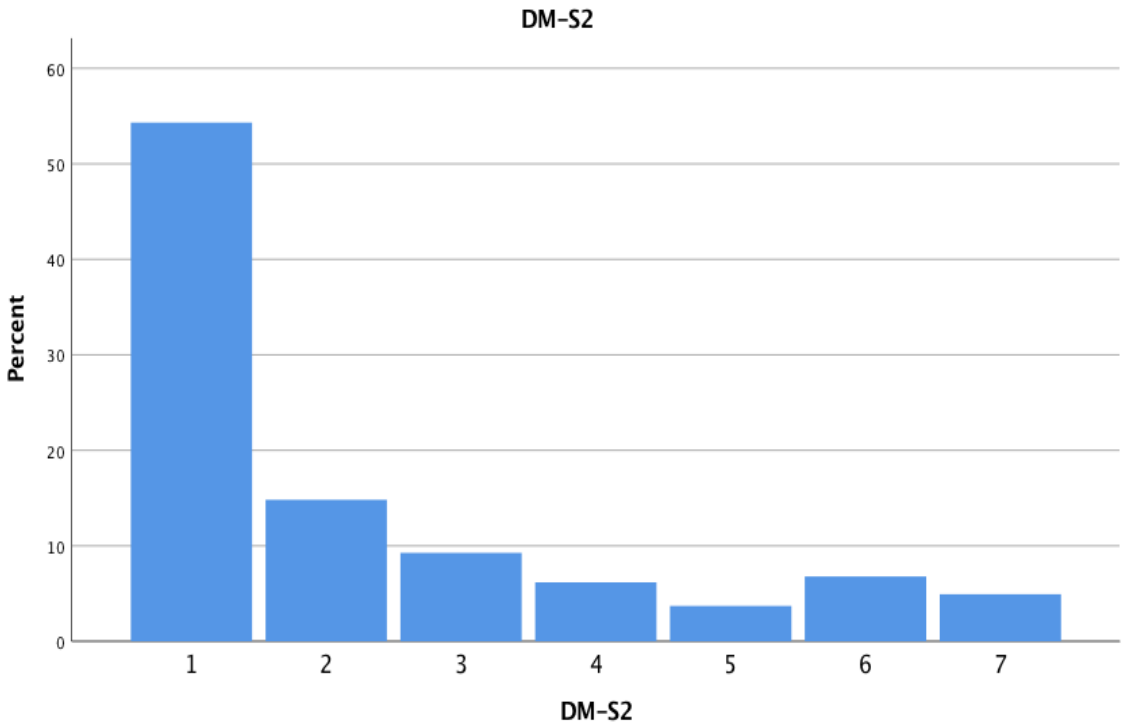


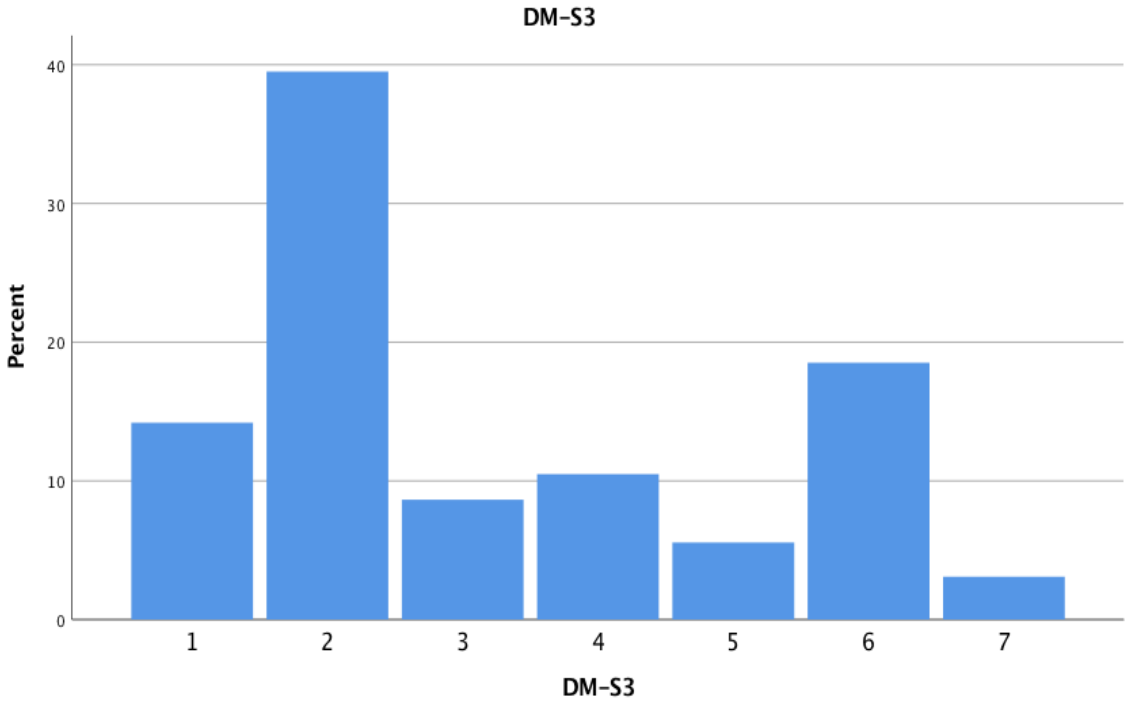


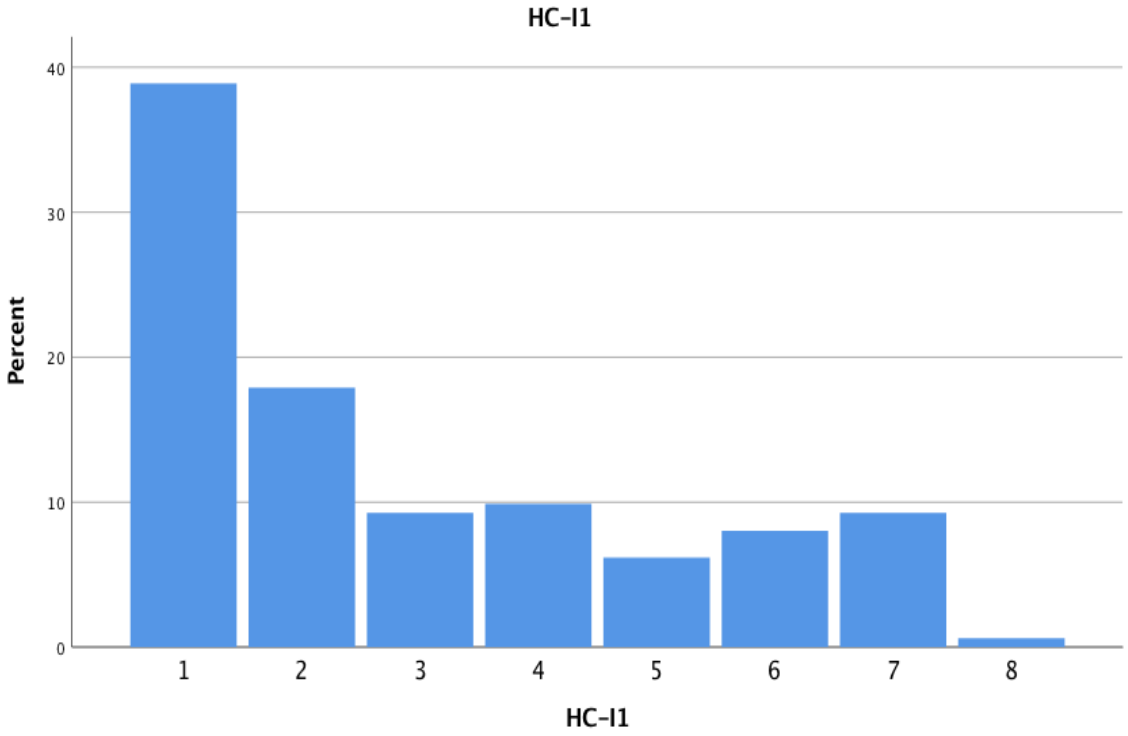

DM-I3
Percent
30
20
10
0
1
2
3
4
5
6
7
DM-I3

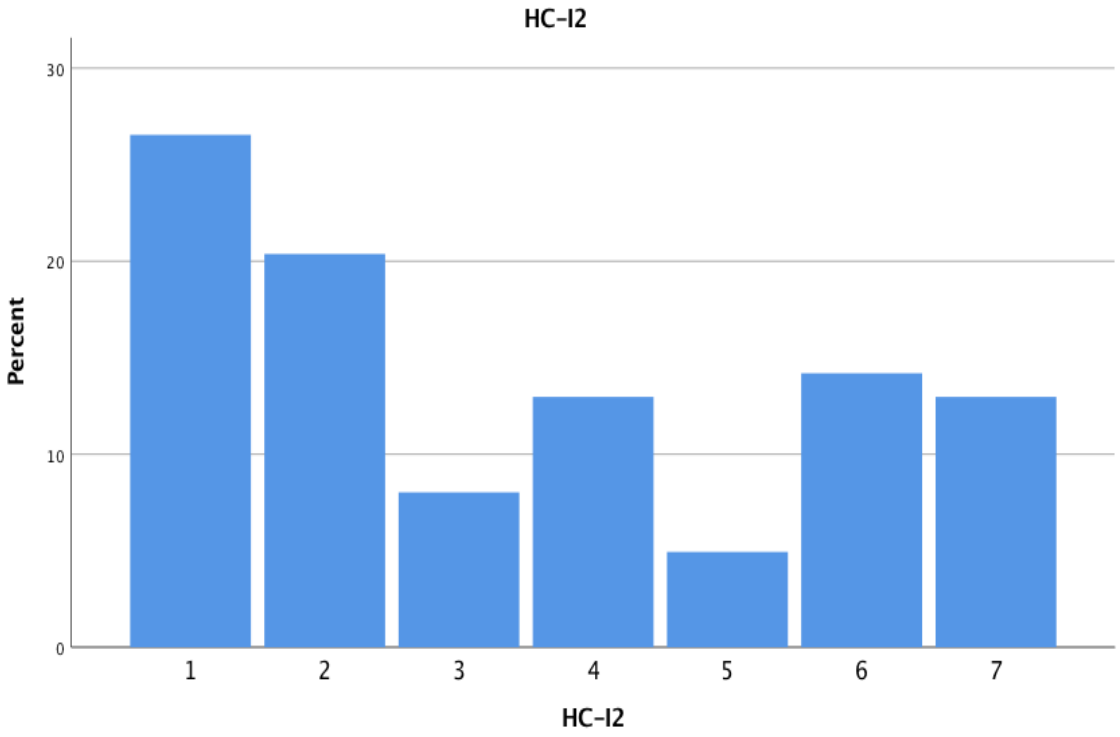

DM-I4
Percent
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50
40
30
20
10
0
1
2
3
4
5
6
7
DM-I4

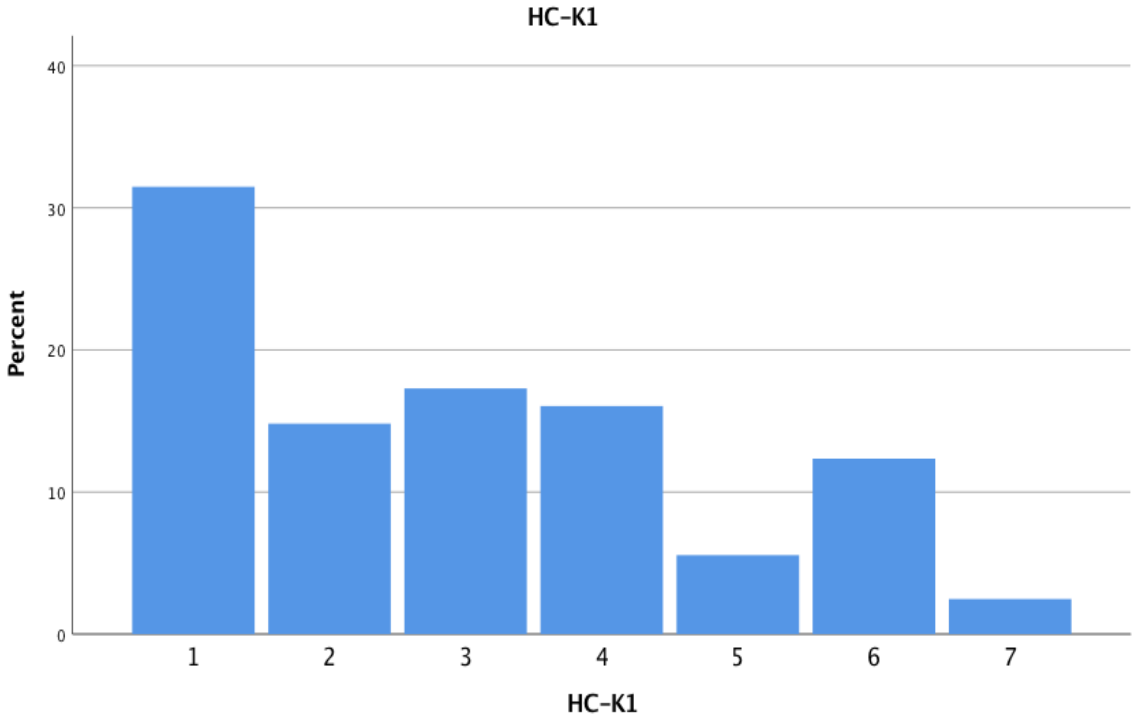

DM-S1
Percent
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30
20
10
0
1
2
3
4
5
6
7
DM-S1

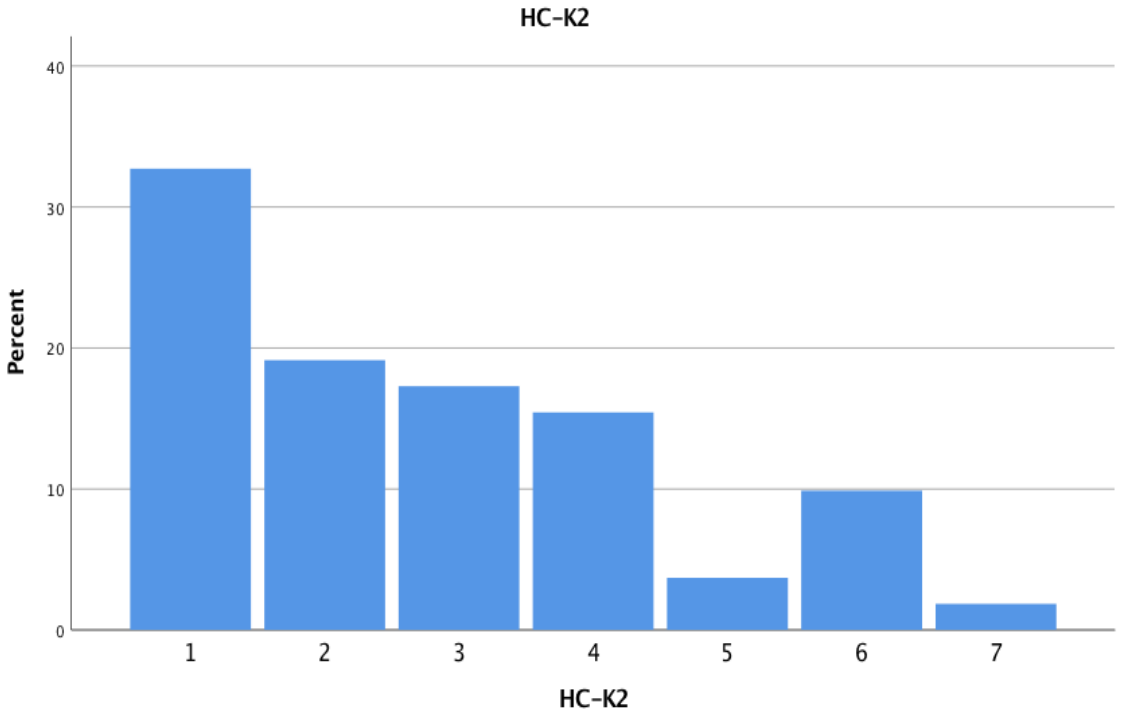

DM-S2
Percent
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50
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30
20
10
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1
2
3
4
5
6
7
DM-S2

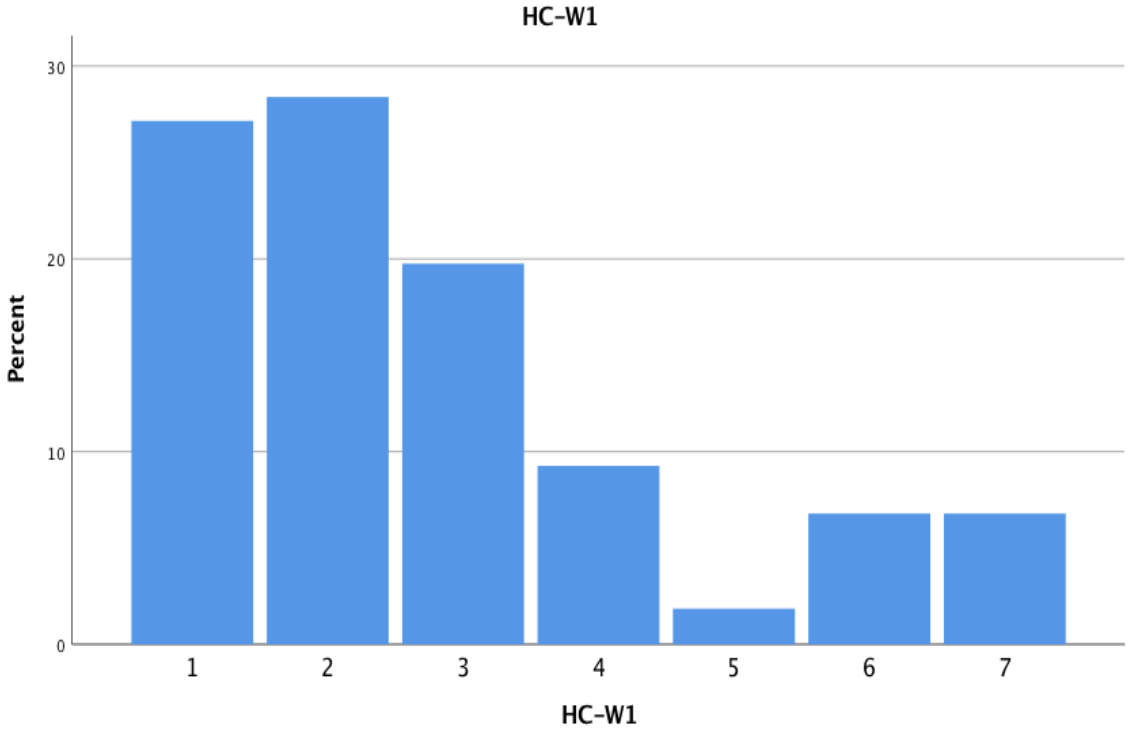

DM-S3
Percent
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2
3
4
5
6
7
DM-S3

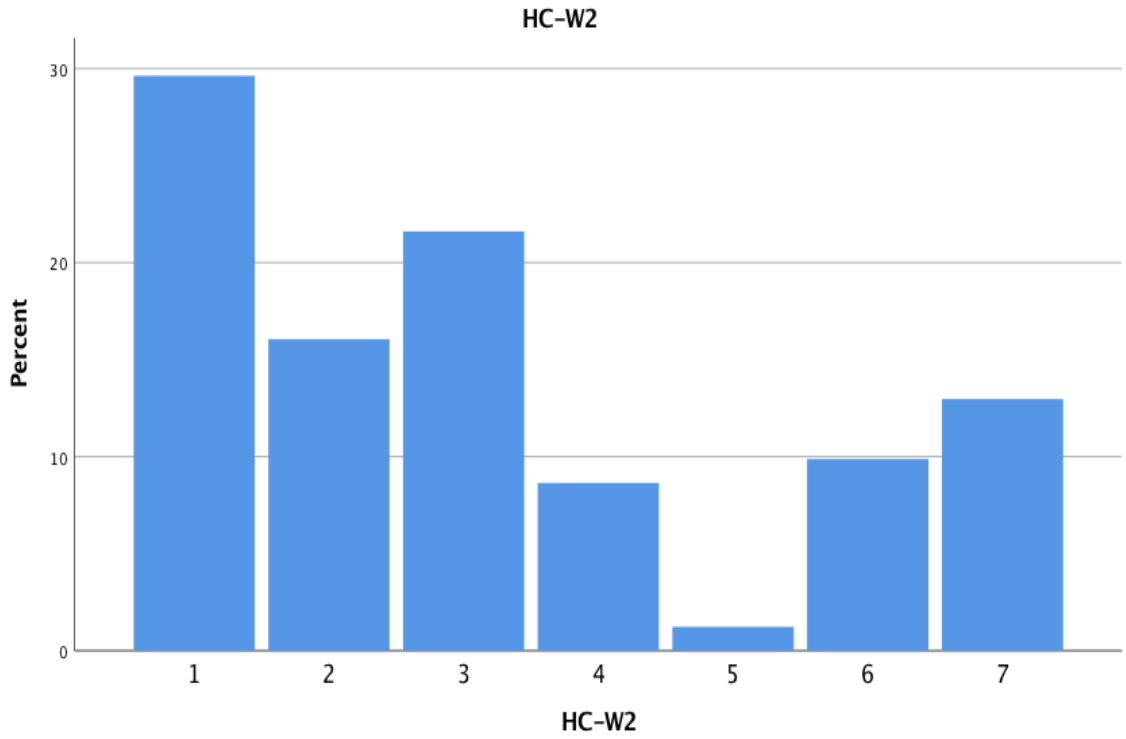

HC-I1
Percent
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30
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10
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1
2
3
4
5
6
7
8
HC-I1

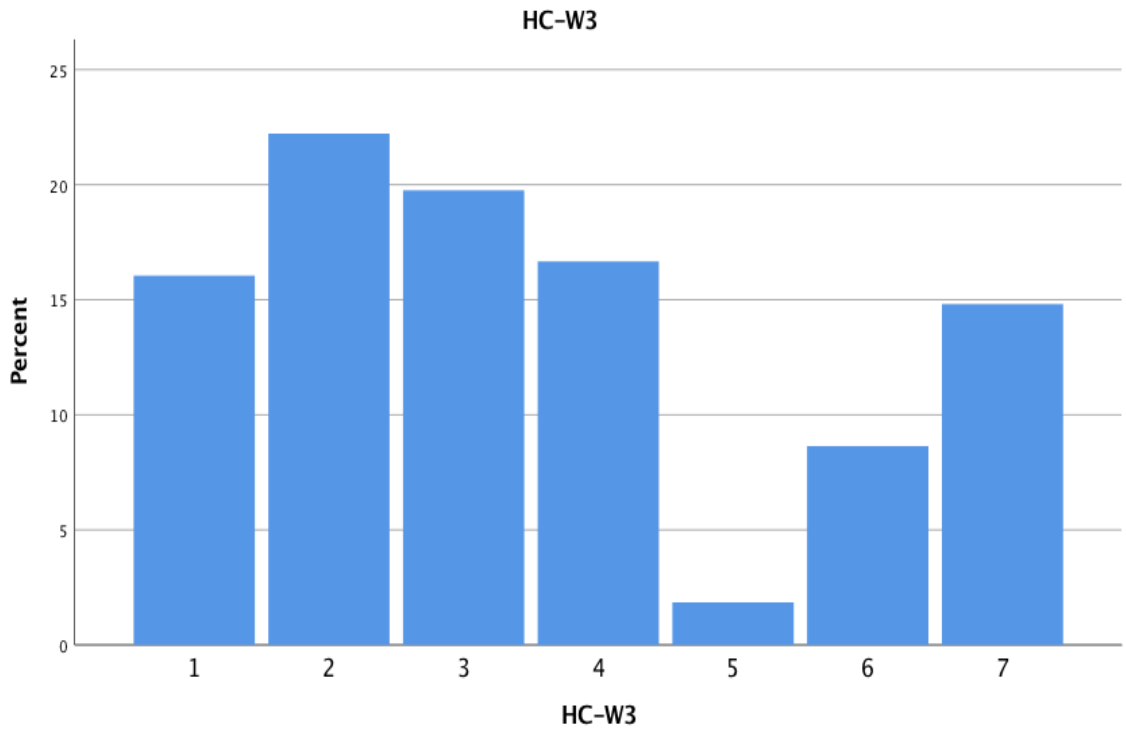

HC-I2
Percent
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20
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1
2
3
4
5
6
7
HC-I2

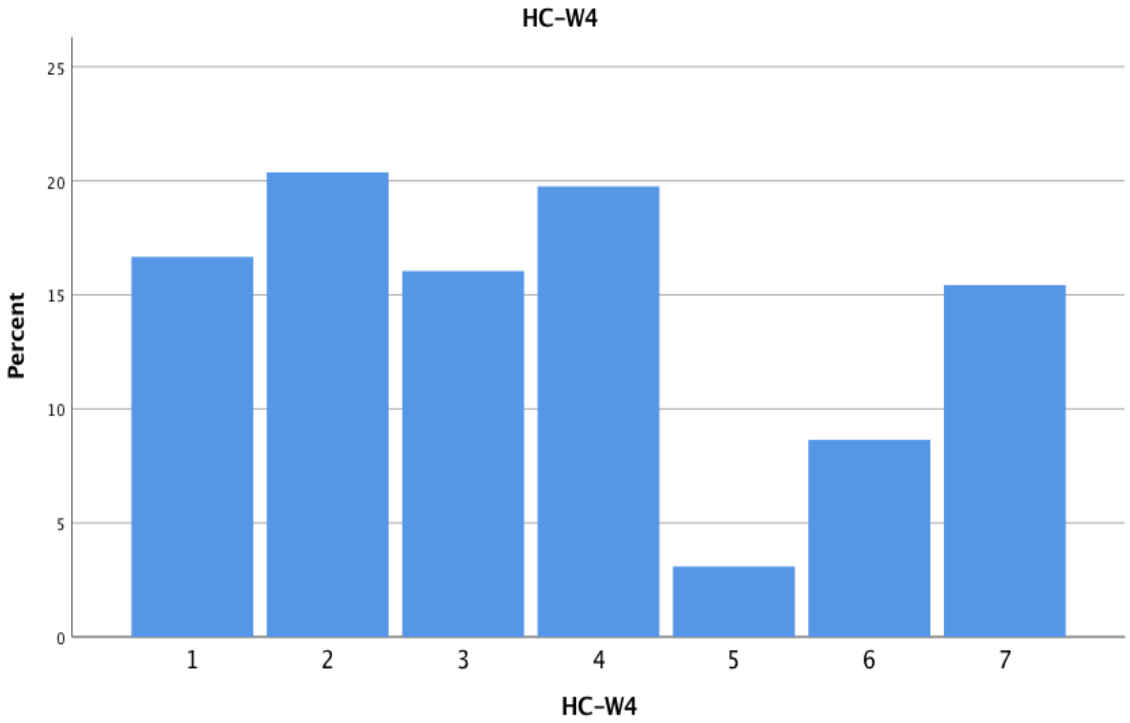

HC-K1
Percent
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30
20
10
0
1
2
3
4
5
6
7
HC-K1

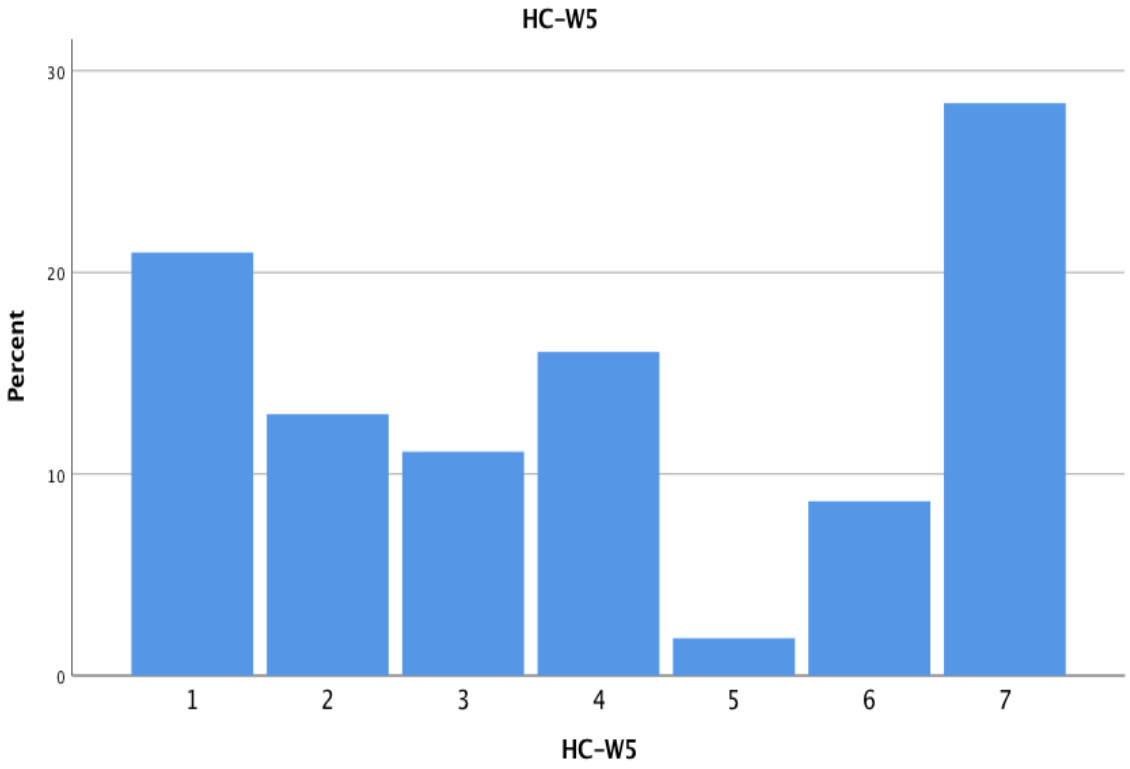

HC-K2
Percent
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30
20
10
0
1
2
3
4
5
6
7
HC-K2

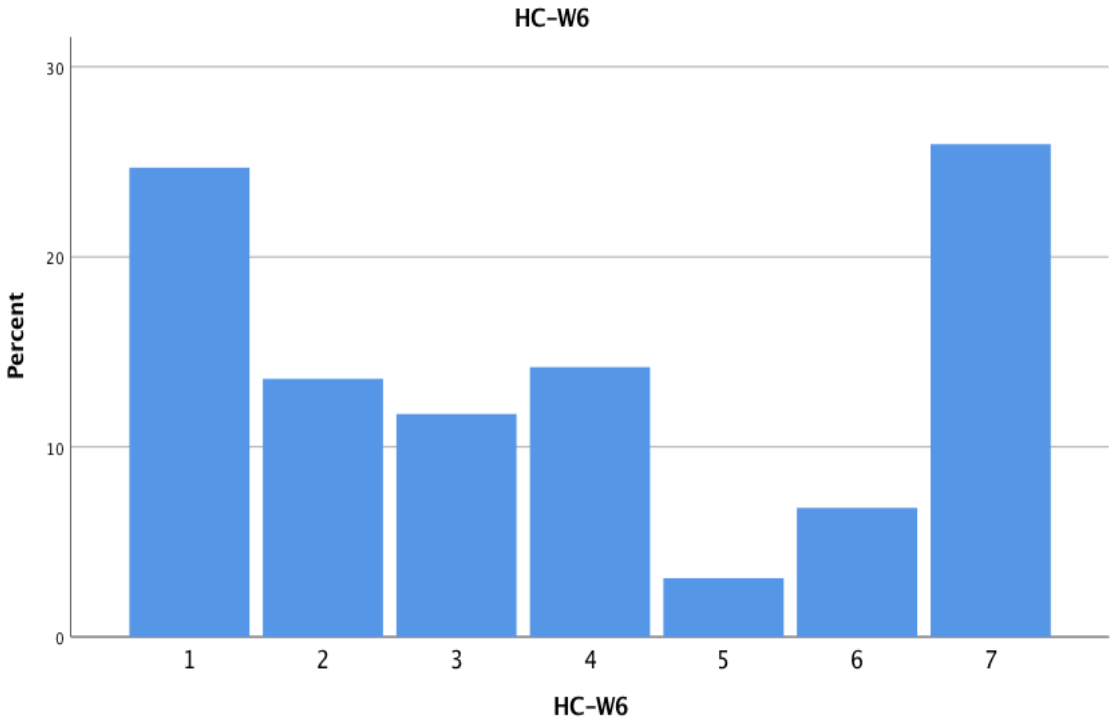

HC-W1
Percent
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20
10
0
1
2
3
4
5
6
7
HC-W1

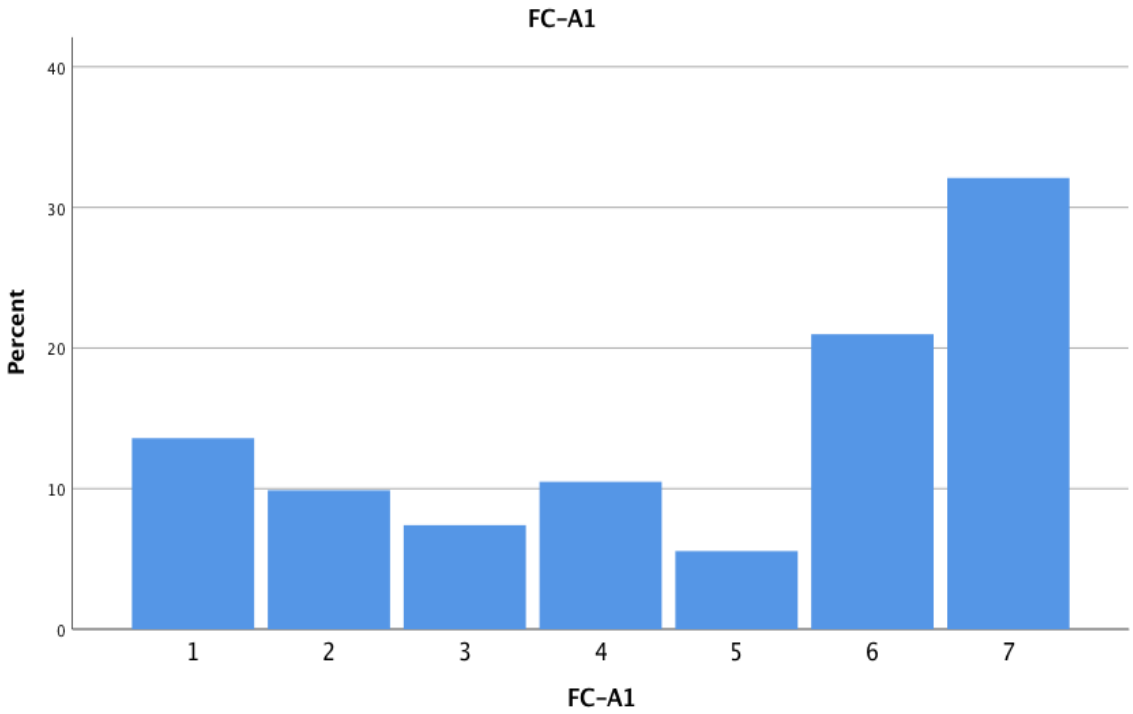

HC-W2
Percent
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20
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1
2
3
4
5
6
7
HC-W2

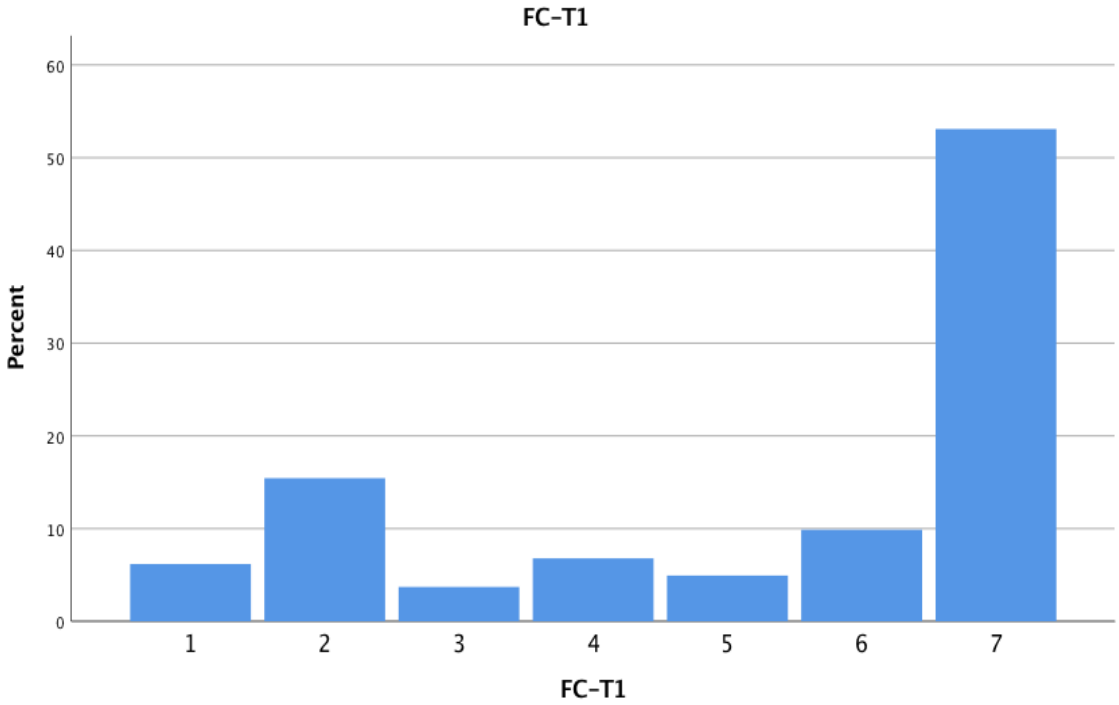

HC-W3
Percent
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20
15
10
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0
1
2
3
4
5
6
7
HC-W3

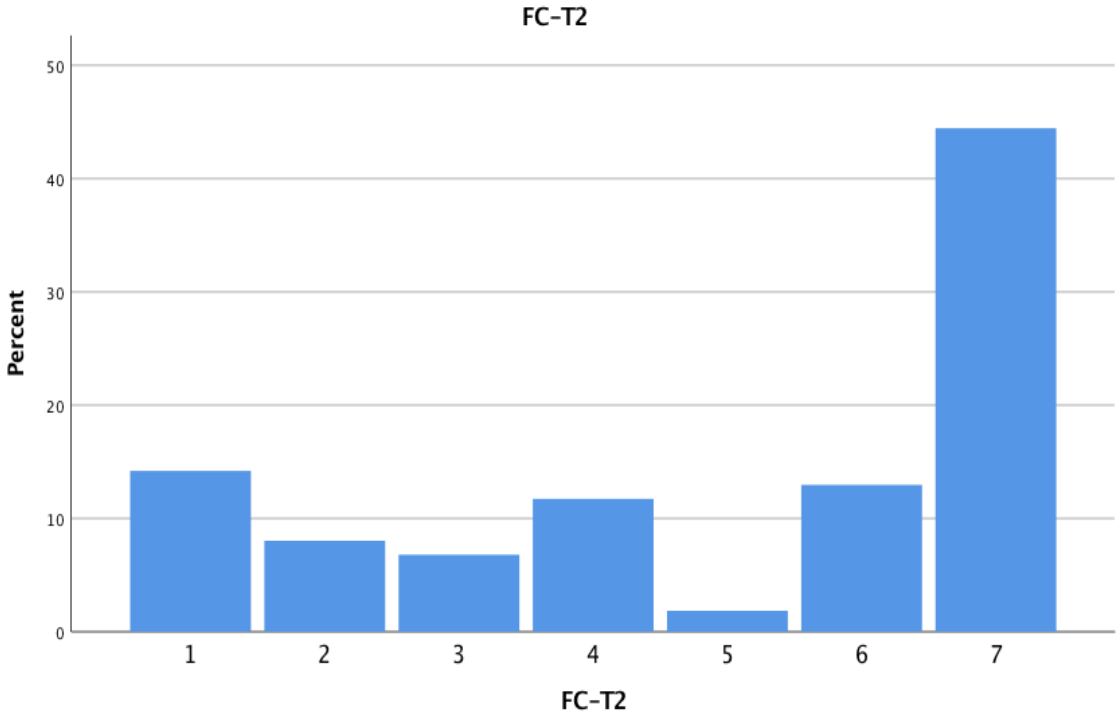

HC-W4
Percent
25
20
15
10
5
0
1
2
3
4
5
6
7
HC-W4

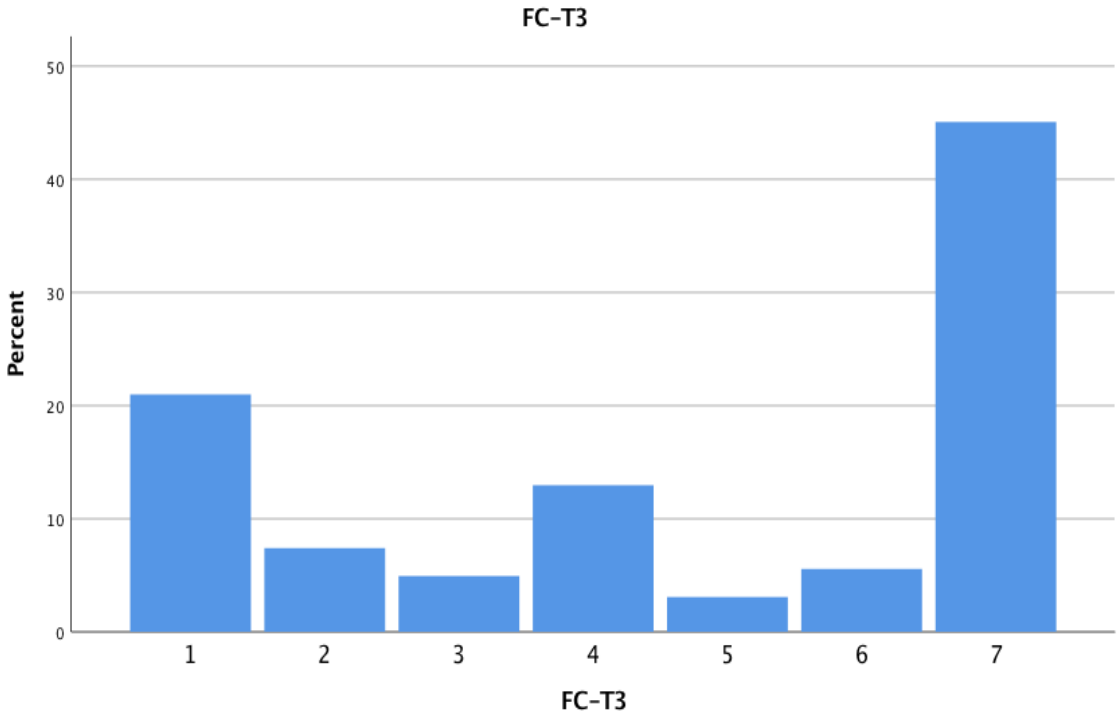

HC-W5
Percent
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20
10
0
1
2
3
4
5
6
7
HC-W5

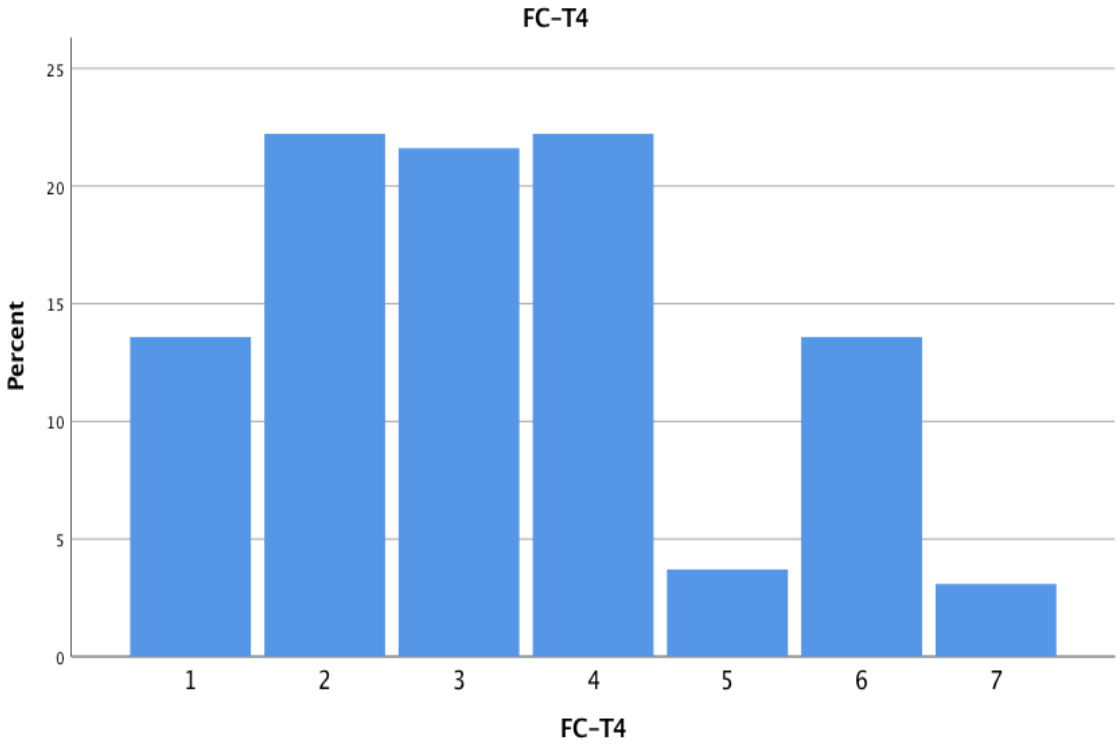

HC-W6
Percent
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20
10
0
1
2
3
4
5
6
7
HC-W6

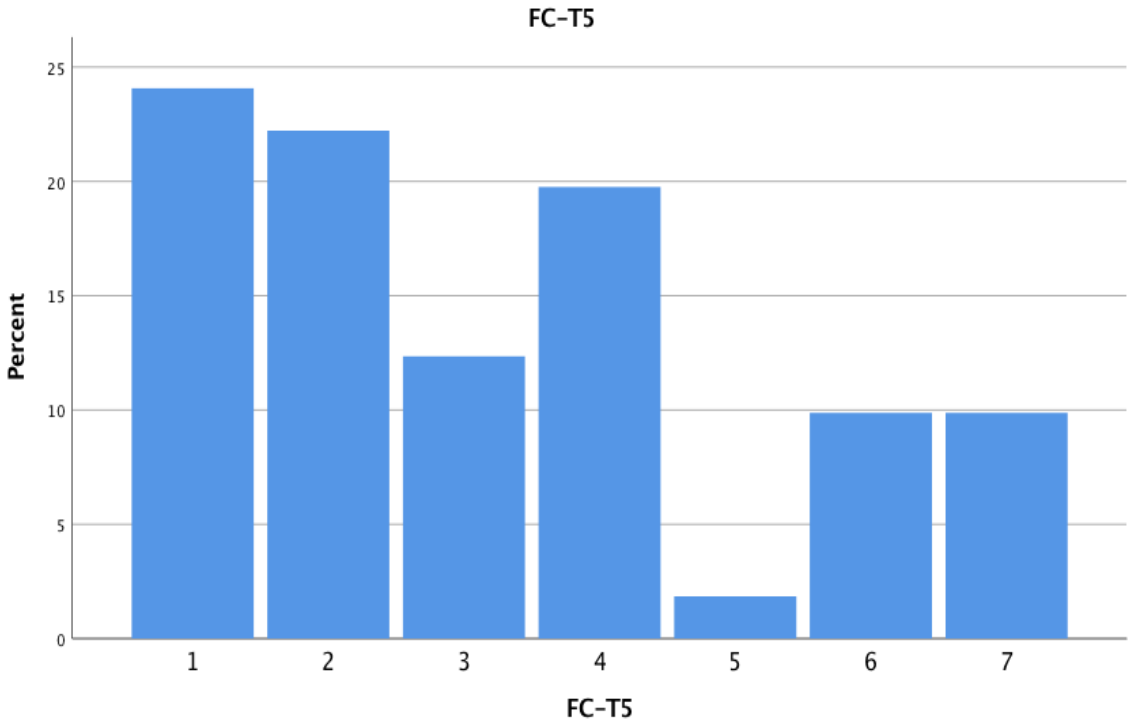

FC-A1
Percent
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30
20
10
0
1
2
3
4
5
6
7
FC-A1

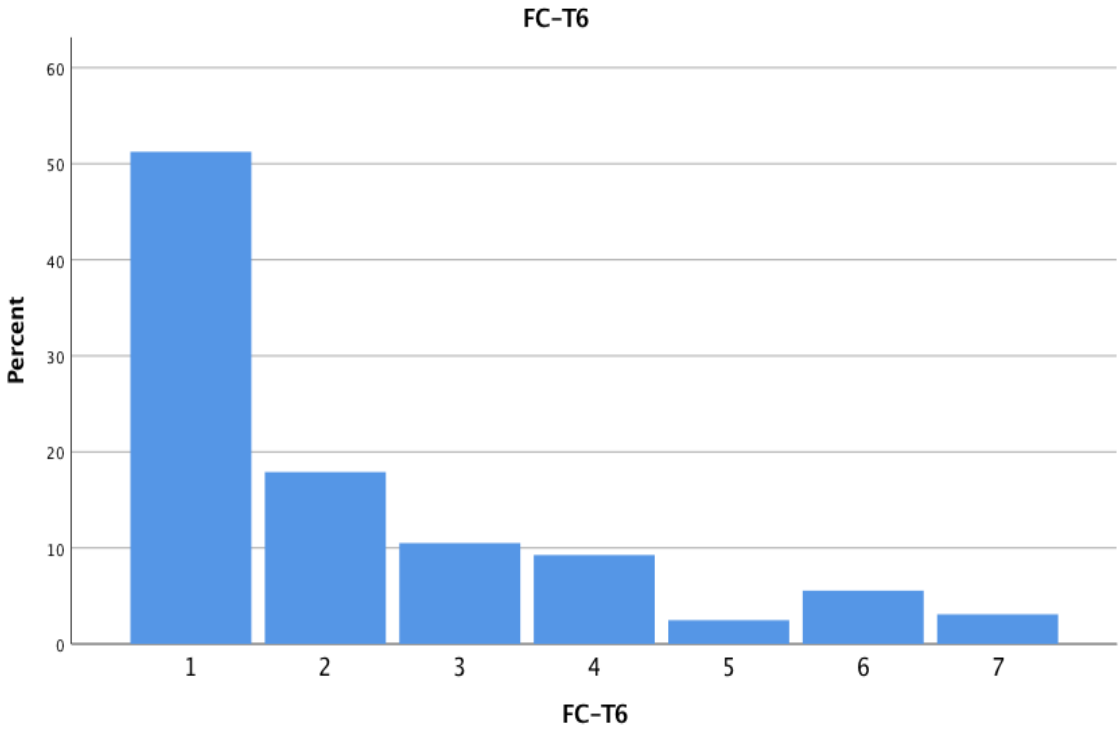

FC-T1
Percent
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50
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30
20
10
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1
2
3
4
5
6
7
FC-T1

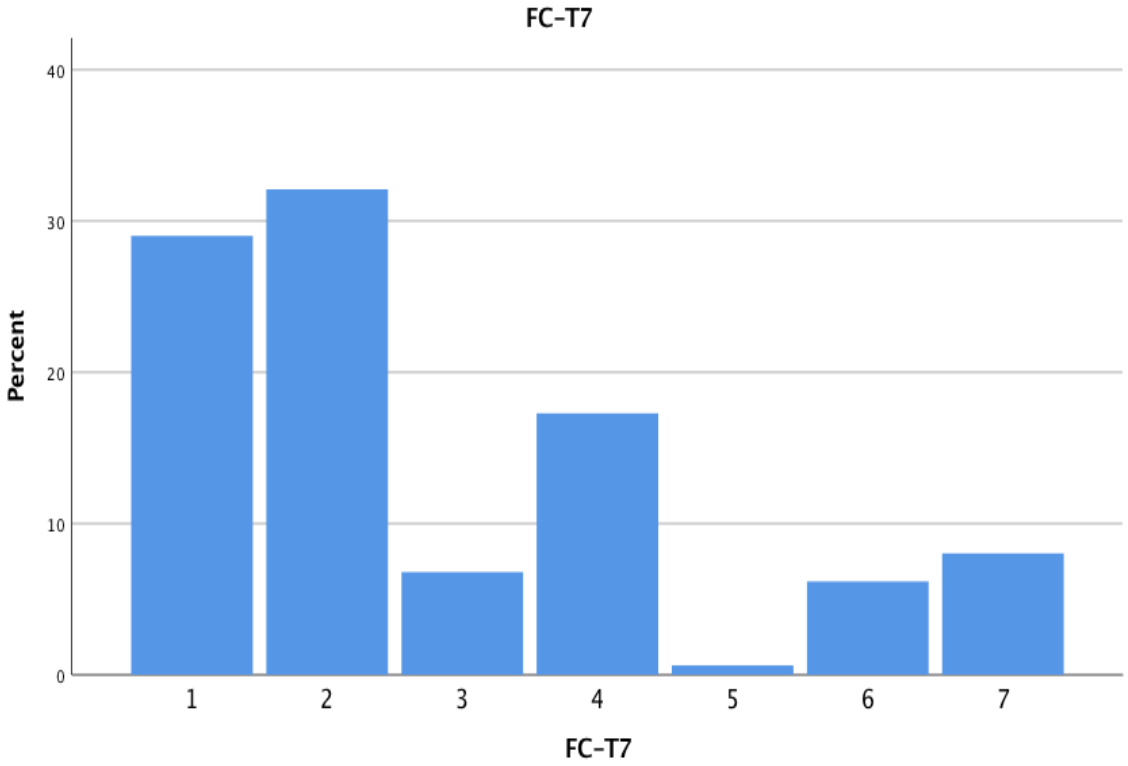

FC-T2
Percent
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40
30
20
10
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1
2
3
4
5
6
7
FC-T2

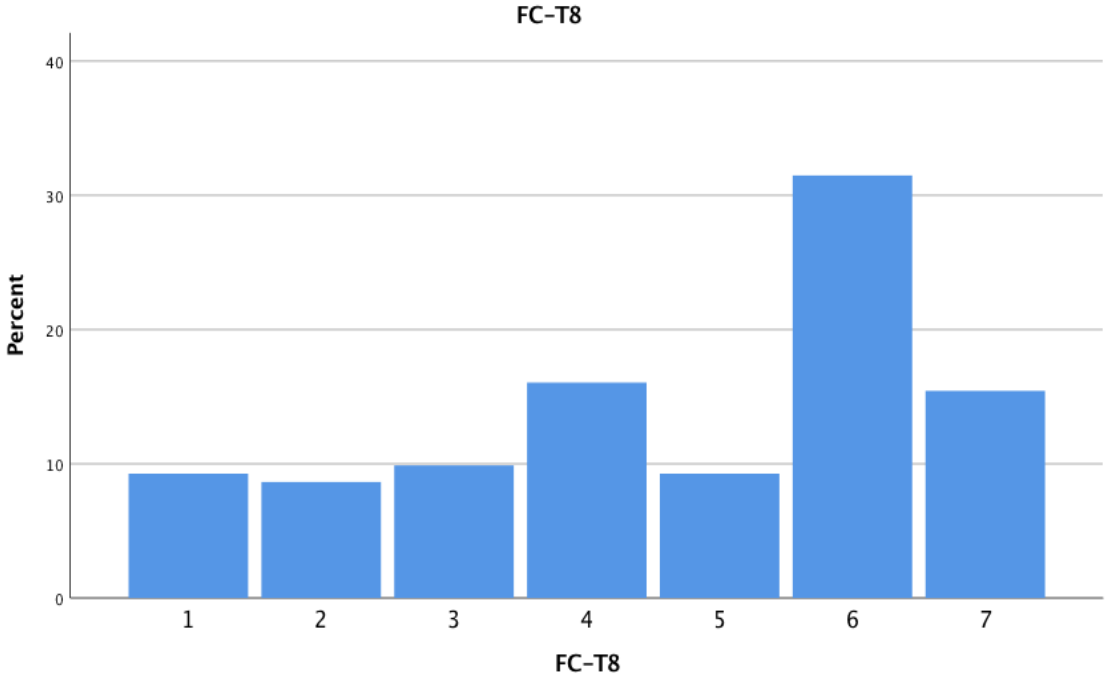

FC-T3
Percent
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30
20
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0
1
2
3
4
5
6
7
FC-T3

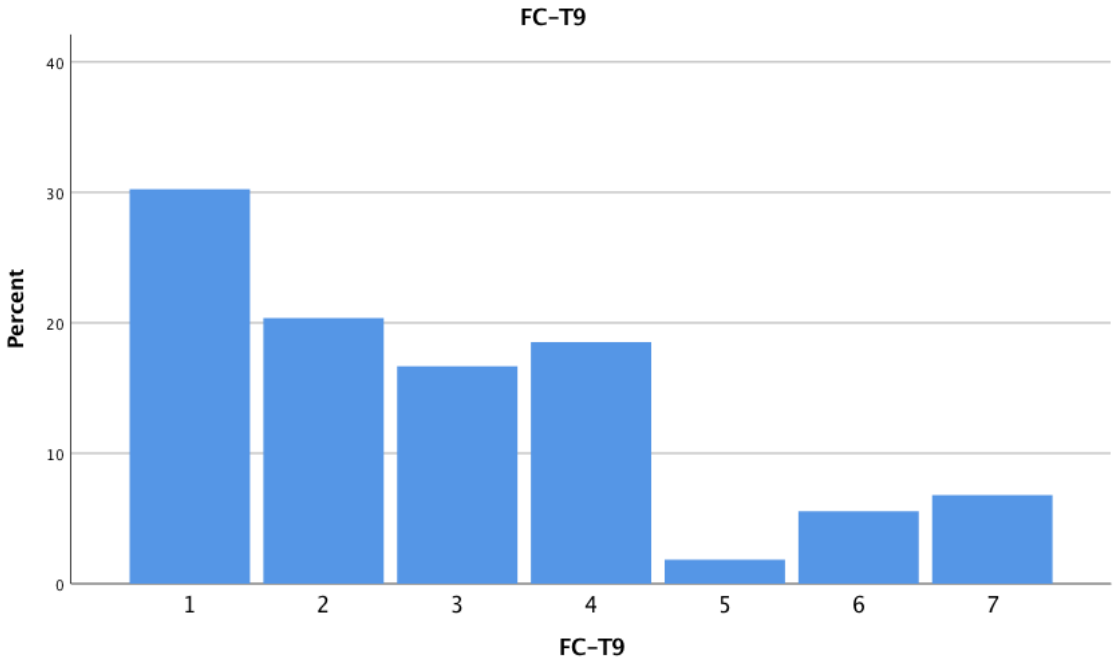

FC-T4
Percent
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15
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1
2
3
4
5
6
7
FC-T4

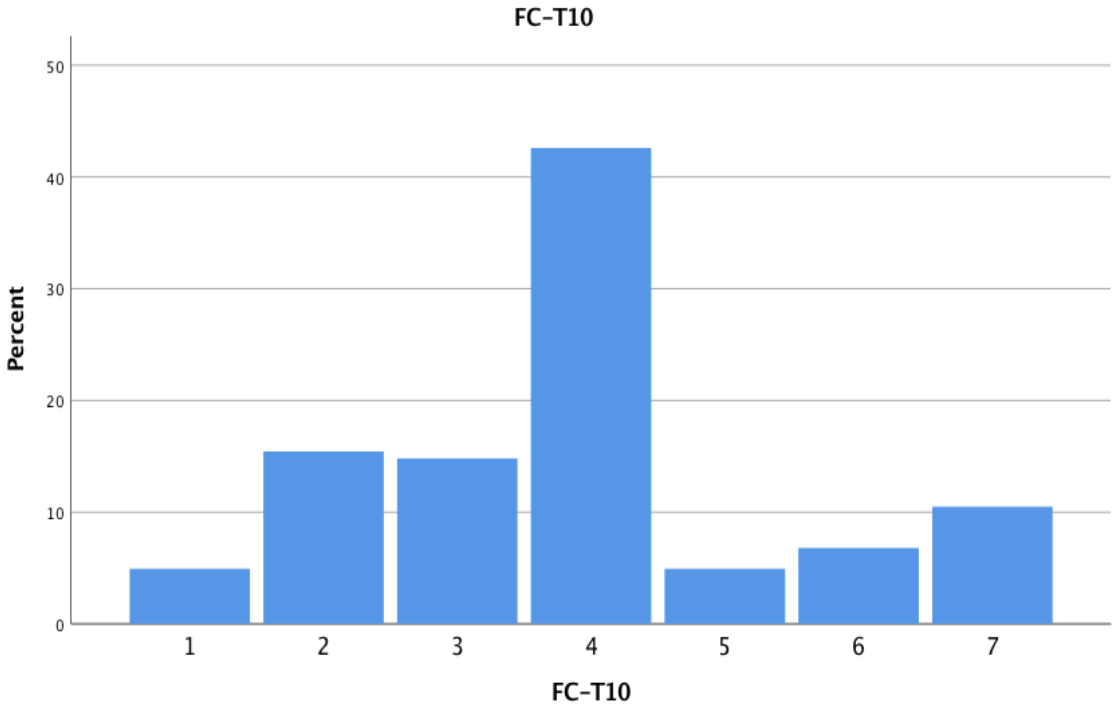

FC-T5
Percent
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20
15
10
5
0
1
2
3
4
5
6
7
FC-T5

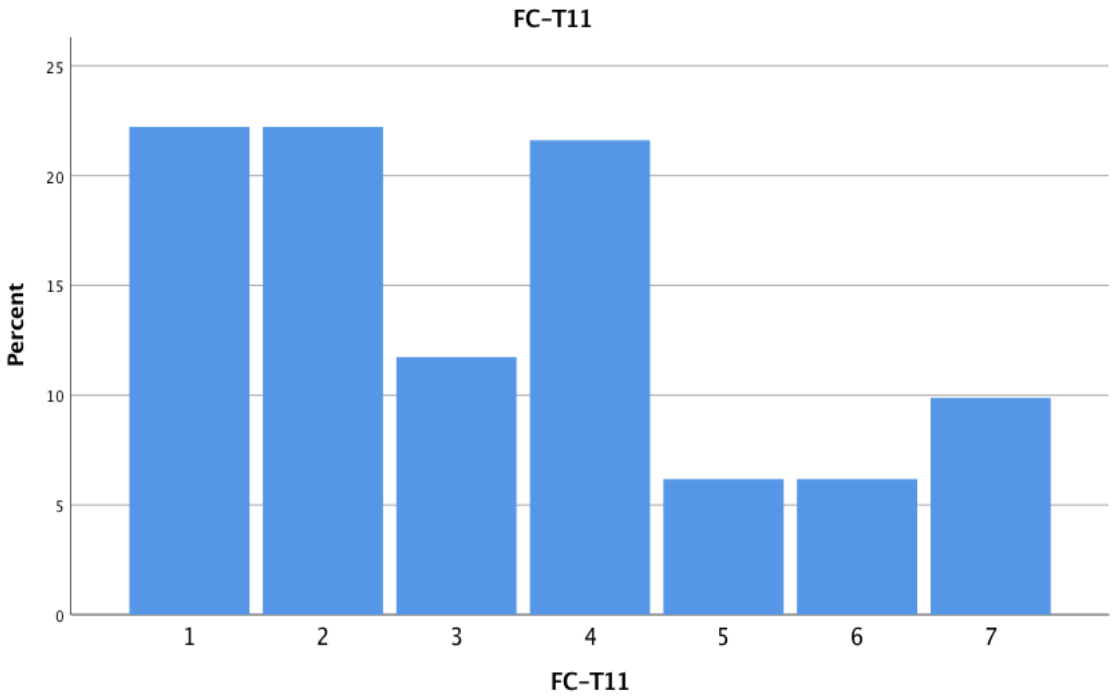

FC-T6
Percent
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40
30
20
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0
1
2
3
4
5
6
7
FC-T6

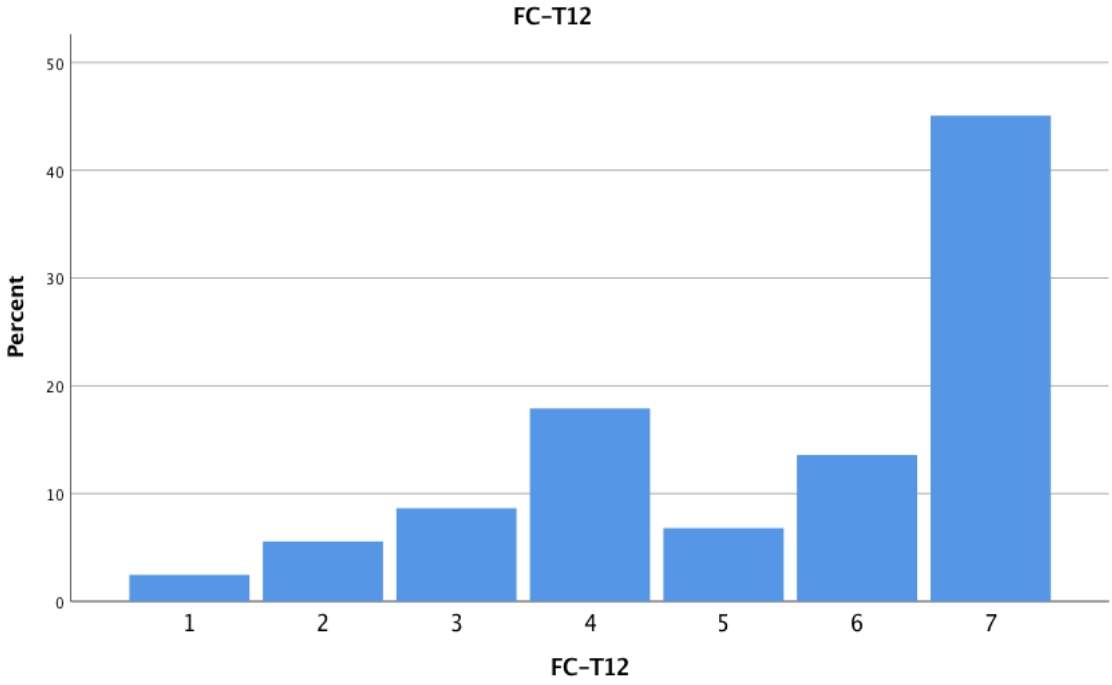

FC-T7
Percent
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30
20
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0
1
2
3
4
5
6
7
FC-T7

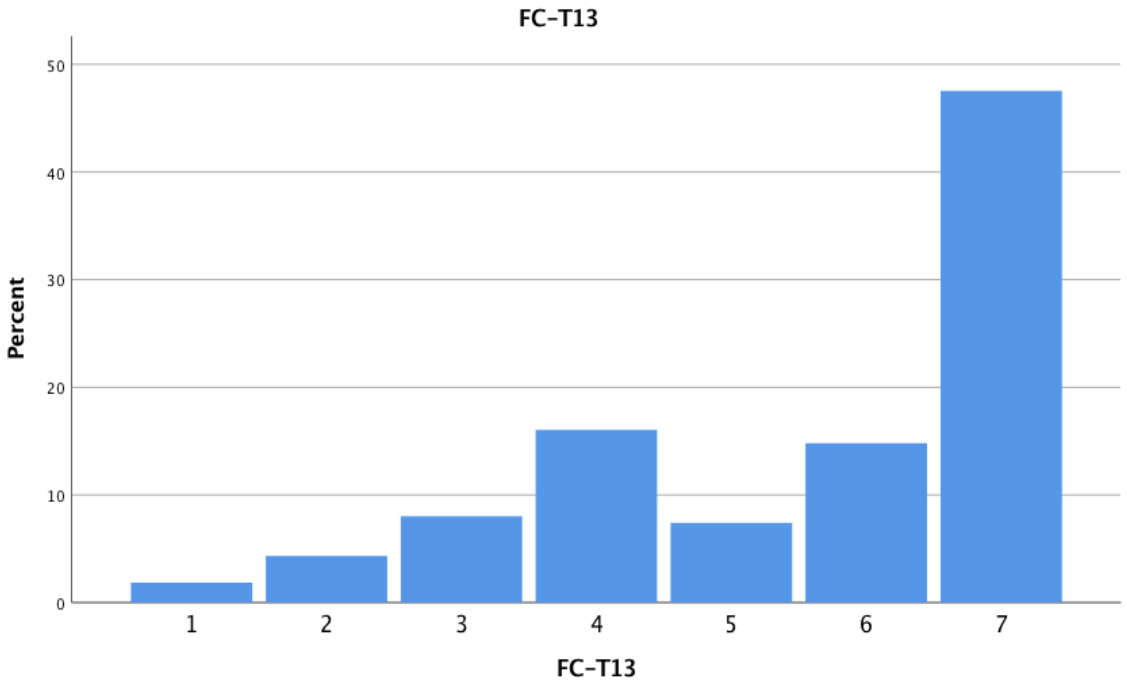

FC-T8
Percent
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30
20
10
0
1
2
3
4
5
6
7
FC-T8

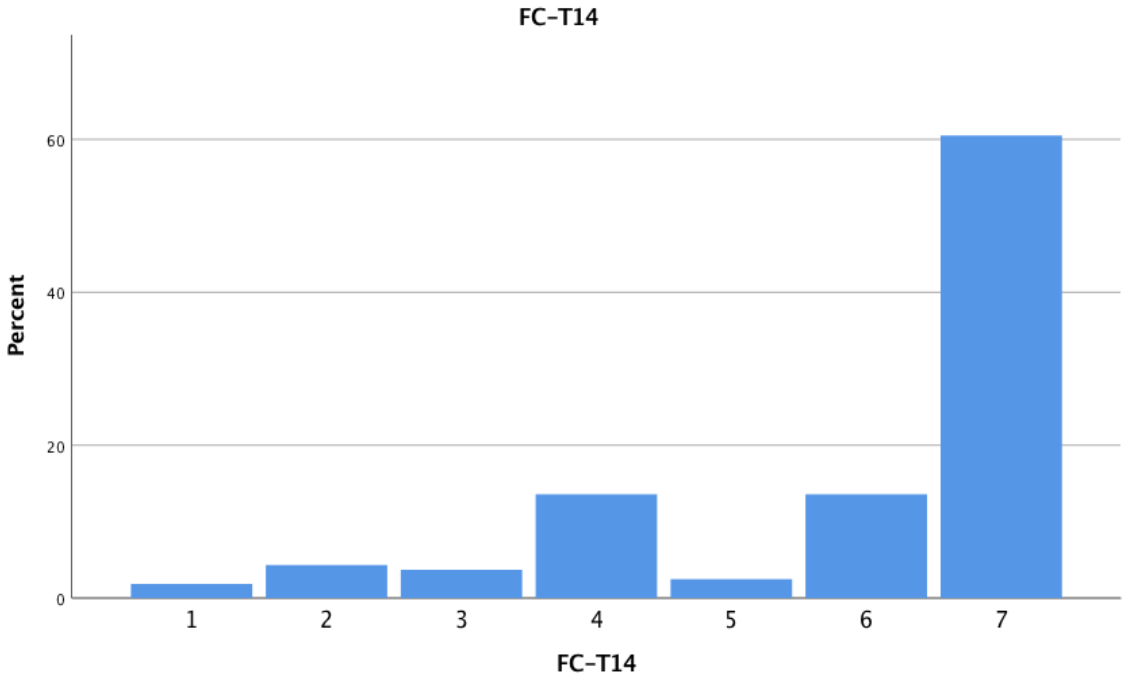

FC-T9
Percent
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30
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1
2
3
4
5
6
7
FC-T9

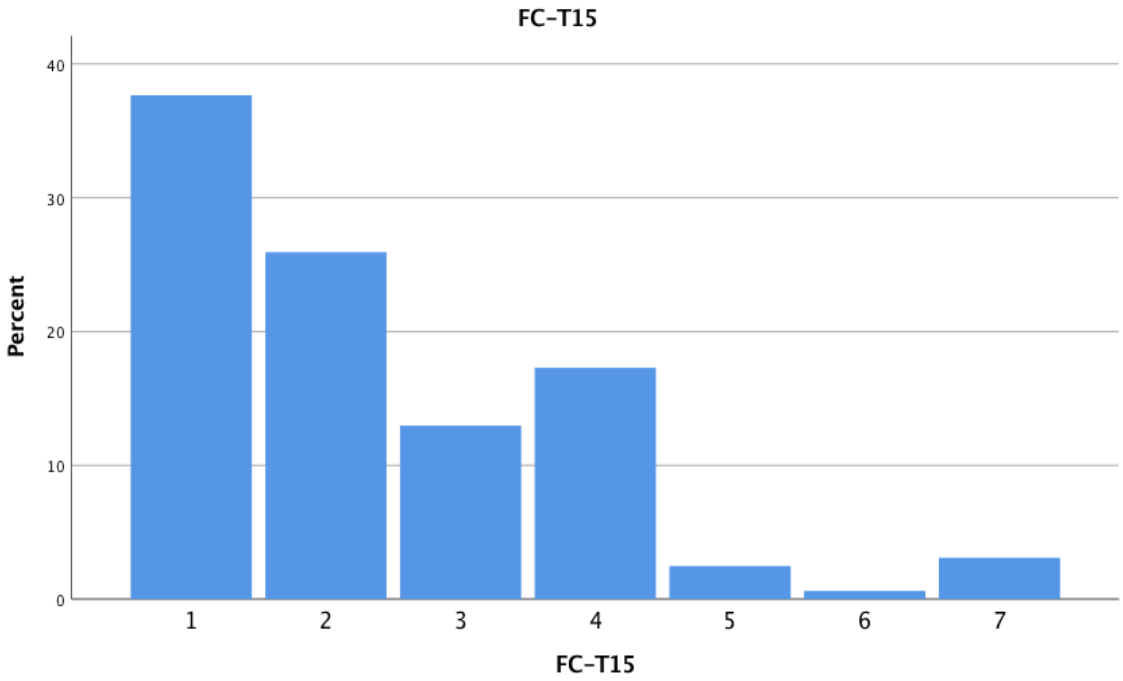

FC-T10
Percent
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40
30
20
10
0
1
2
3
4
5
6
7
FC-T10

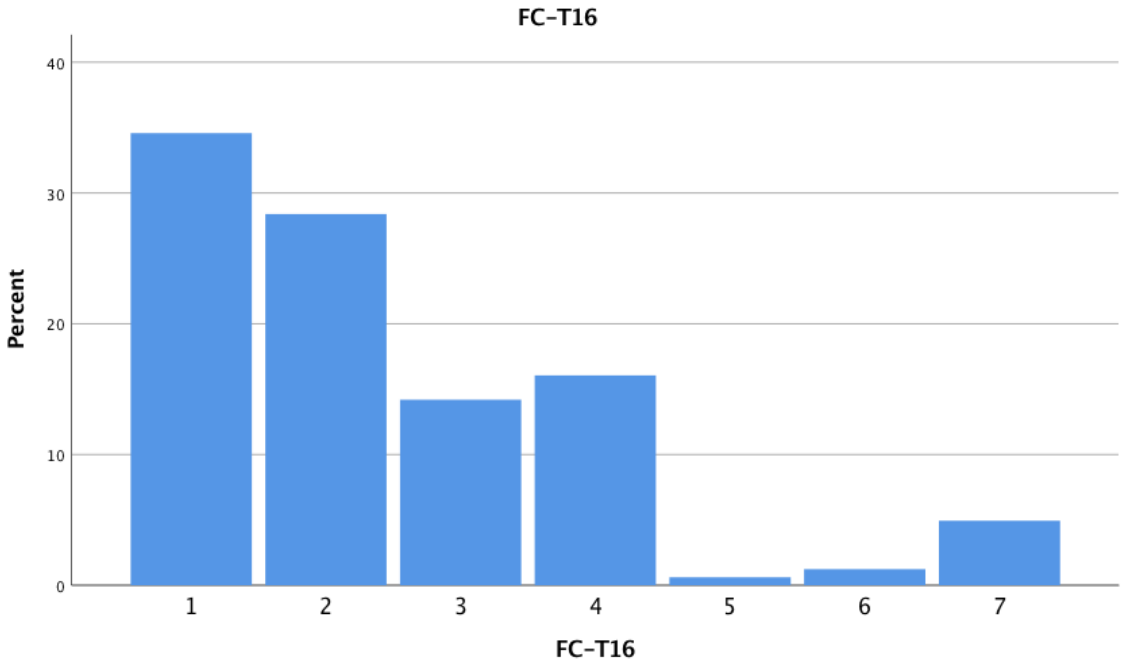

FC-T11
Percent
25
20
15
10
5
0
1
2
3
4
5
6
7
FC-T11

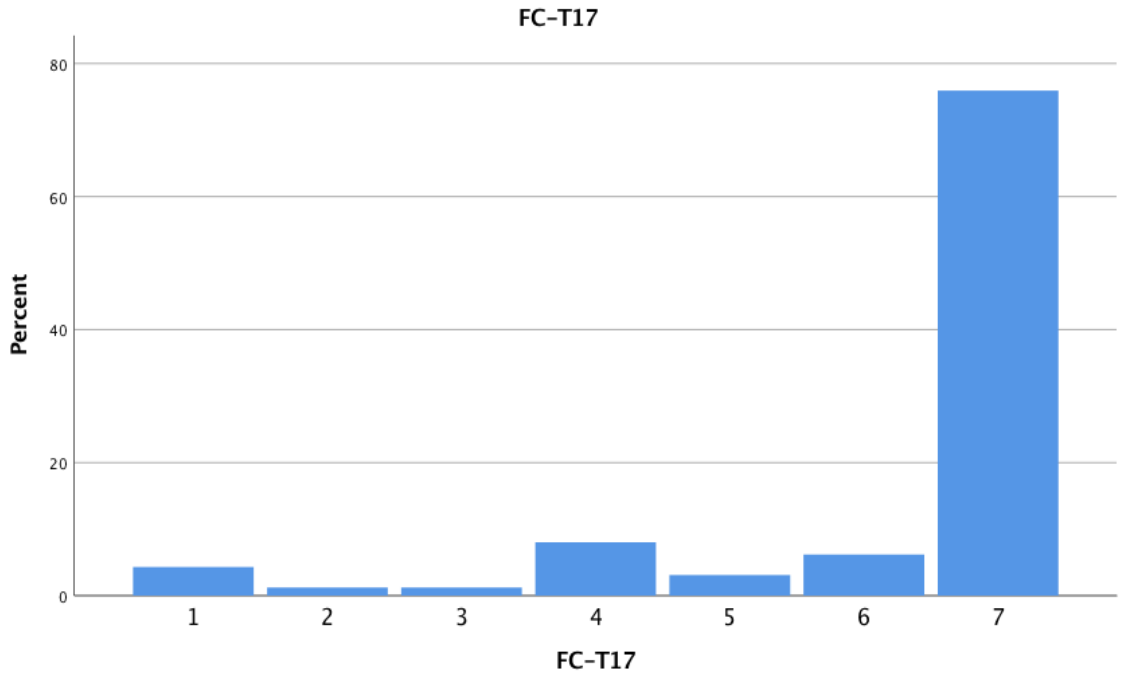

FC-T12
Percent
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1
2
3
4
5
6
7
FC-T12

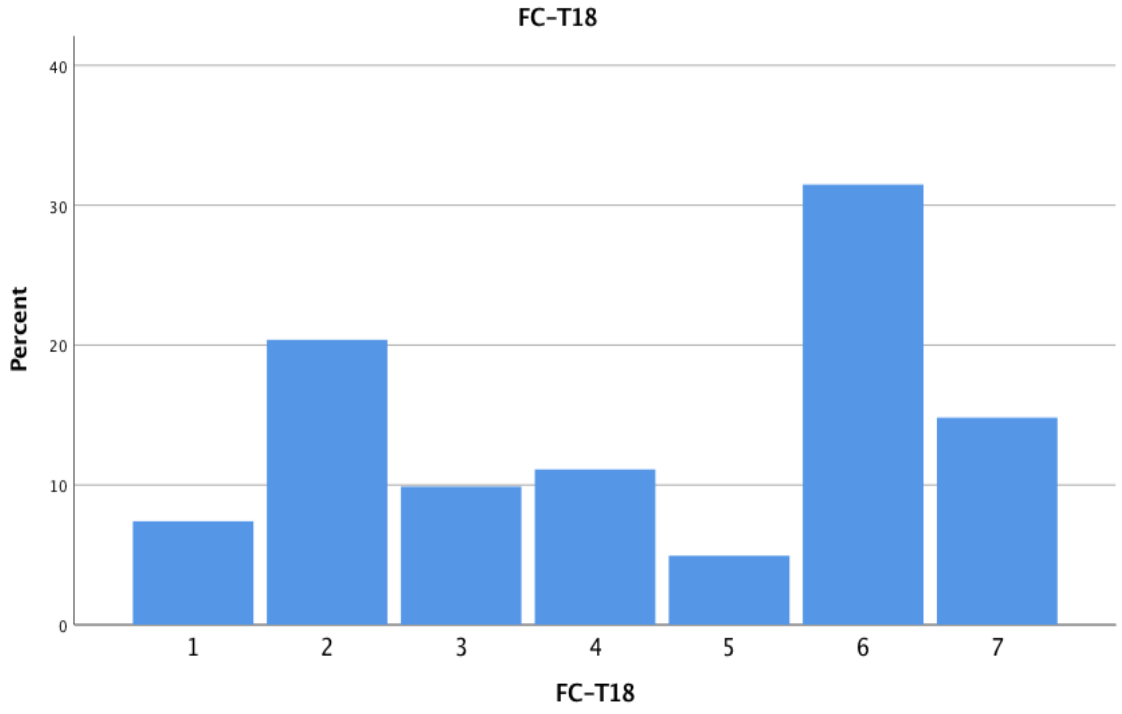

FC-T13
Percent
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40
30
20
10
0
1
2
3
4
5
6
7
FC-T13


FC-T14
Percent
60
40
20
0
1
2
3
4
5
6
7
FC-T14


FC-T15
Percent
40
30
20
10
0
1
2
3
4
5
6
7
FC-T15


FC-T16
Percent
40
30
20
10
0
1
2
3
4
5
6
7
FC-T16


FC-T17
Percent
80
60
40
20
0
1
2
3
4
5
6
7
FC-T17


FC-T18
Percent
40
30
20
10
0
1
2
3
4
5
6
7
FC-T18

APPENDIX G: CONSISTENCY MATRIX

Objective Statement: The influence of social capital on decision-making and capital resource acquisition: A case study of Pakistani immigrants in Gauteng, South Africa					
Sub-objectives	**Literature Review**	**Hypothesis**	**Data required**	**Data collection**	**Analysis method**
Sub-objective 1 To examine if the social capital network of the individual Pakistani immigrant entrepreneur plays a role in providing the individual with information that assists him in making decisions.	(Forbes, 2005) (Mesquita & Lazzarini, 2008) (Nebus, 2006) (Zhang, 2010)	Hypothesis 1: There is a positive relationship between social capital and information acquisition for decision-making.	Questionnaire Section 2	In-person questionnaires	Descriptive statistics
Sub-objective 2 To examine how the social capital of the immigrant entrepreneurs increases their ability to acquire human capital, which is crucial to overcome challenges and be in a better position than before.	(Coleman, 1990) (Coleman, 1998) (Davidsson & Honig, 2003)	Hypothesis 2: There is a positive relationship between social capital and tacit and explicit knowledge acquisition of entrepreneurs.	Questionnaire Section 3	In-person questionnaires	Descriptive statistics

Objective Statement: The influence of social capital on decision-making and capital resource acquisition: A case study of Pakistani immigrants in Gauteng, South Africa					
Sub-objectives	**Literature Review**	**Hypothesis**	**Data required**	**Data collection**	**Analysis method**
Sub-objective 3 Examine how the social capital, such as trust, is a source for Pakistani immigrant entrepreneurs in acquiring financial capital, which may not have otherwise been available to overcome challenges or facilitate success.	(Guiso, Sapienza, & Zingales, 2004) (Knack & Keefer, 1996)	Hypothesis 3: There is a positive relationship between trust and financial capital acquisition of entrepreneurs.	Questionnaire Section 4	In-person questionnaires	Descriptive statistics