The Relationship between Human Capital and the Performance of the entrepreneur in the Retail Industry in Kinshasa

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ABSTRACT

According to the Bureau of African Affairs (2012), the "Democratic Republic of Congo [(DRC)] is located in: Central Africa. Bordering nations--Angola, Burundi, Central African Republic, and Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda and Zambia".

In his study, Iyenda (2005) argues that the economy of the DRC has been decreasing since 1974, when president Mobutu introduced the 'Zairianisation' policy, which aimed to take control, by force, of the different enterprises owned by foreigners and to redistribute them to the local population.

Nsokimieno, Shouyu and Qin (2010) argue that: "In the context of rapid urbanisation in the Democratic Republic of Congo, overpopulation in Kinshasa increasingly causes chaos, inequalities, poverty, environmental degradation, open spaces loss, socio -economic tension, and spontaneous settlements and sprawl" (2010, p. 1). This chaotic situation has encouraged the average citizen to become self-employed and one of the ways to survive was to become entrepreneur (Iyenda, 2005).

The study aims to examine the relationship between the human capital of entrepreneurs in the retail industry in Kinshasa, the capital of the DRC, and the performance of their organisations.

The study will use the quantitative method to gather the data; Sukamolson (2007) defines quantitative research as a type of research that explains phenomena by collecting numerical data that are analysed using mathematically-based methods.

As seen in (Saffu, Apori, Mensah & Ahumatah, 2008), this study proposes that performance will be the dependent variable and human capital will be the independent variable.

As there were several business performance variables, the responses are clustered in all of these variables. K-means clustering is used to form two clear clusters, a person correlation was used on both clusters to show the significant differences on the variable, after which both clusters are compared to all the other variables using the t-test with Cohen's d Effect size, to see if the mean differences are

weak/moderate/strong (.2/.5/.8). Finally a t-test is conducted on all the continuous rating variables with Chi square tests on the categorical variables with Cramer's V effect size to see if the mean differences are weak/moderate/strong (.1/.3/.5).

The results show that the first cluster consists of 43 people and the second cluster represents 83 of the respondents. The performance variable is measured in terms of turnover growth, number of employees growth, expansion (in terms of how many branches had been opened since inception of the business). Education is measured by the following questions: How they (the respondents) value education and what kind education they require from their employees. The study also investigates the respondents' work experience, social networks and competitiveness in the market is indicated by the price of their products compared to the competitor.

The results of this study show that entrepreneurs in the second cluster are the most educated and their performance in terms of company turnover is greater.

To this point, the study concludes that it accepts its first hypothesis, which states that an entrepreneur's tertiary education has a positive relationship with the entrepreneur's venture's performance.

However, in this particular study, prior experience appears not to be directly linked to small business success.

As the findings of this study indicate that a positive relationship exists between an entrepreneur's tertiary education wand the entrepreneur's venture's performance, it is suggested that the DRC government invest time, money and effort in the growth of human capital. This will enable Congolese entrepreneurs to improve their skills regarding their businesses and to develop students with the desire to become entrepreneurs and the skills to overcome the different challenges they are likely to face in business.

DECLARATION

I, _____, 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 University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

Kongo Mbumba Michael

Signed at .....

On the ..... day of 2014

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CHAPTER 1: PROPOSAL

1.1 Introduction

Many researchers have examined human capital, for instance González and Husted (2011), quote Becker (1993), who defines human capital as the skill and the competence of an individual gained through formal education and experience. In the same way Rabetino (2012) suggests that human capital consists of an individual's qualities such as formal education, previous work experience and the presence of partners who might provide additional expertise. In his study Barreira (2011) argues that entrepreneurial human capital competencies have many characteristics such as the knowledge, the skills and/or the abilities required to start up and manage a new business. Education, management experience and technical or industry experience are the most important factors that an entrepreneur needs to start up a new venture (Greene, Brush & Hart 1999). Furthermore, Sambasivan, Li-Yen, Che-Rose and Abdul (2010) quote Hisrich (1990), Martin (1984), Moore (1986), Krueger (1993) and Scheinberg and Macmillan (1988), who include family background, education, age, work experience, role models and support networks as components of human capital.

Based on the above, this research proposal has defined human capital as the level of education and the work experience of the entrepreneur.

1.2 Purpose of the study

The proposed study intends to look at the relationship between the human capital of the entrepreneurs in the retail industry in Kinshasa in the Democratic Republic of the Congo (DRC) and the performance of their organisations.

1.3 Context of the study

According to the Bureau of African Affairs (2012) the "Democratic Republic of Congo is located in: Central Africa. Bordering nations-Angola, Burundi, Central African Republic, and Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, and Zambia."

In his study, Iyenda (2005) discovered that the economy of the DRC has been in decline since 1974, when president Mobutu introduced "the Zairianisation policy" that aimed to take control by force of the different enterprises owned by foreigners and to give them to the local population. The reality was that it was only people close to him who benefited from the policy, and not ordinary people (Lyenda, 2005).

Lyenda (2005) makes a comparison between the economy of the DRC before Zairianisation and after; according to some of his findings the rate of exchange for the Zaire (Z) in

1972 was US$ 1.00 = Z 0.50, in April 1990 it was US$ 1.00 = Z 496.99, and by May 1997, when Mobutu left power, it was US$ 1.00 = Z 180,000. "Not only that many enterprises went bankrupt because of the mismanagement of business owners and people have lost their jobs" (Iyenda 2005). Nsokimieno, Shouyu and Qin (2010, p. 1) argued that:

> In the context of rapid urbanisation in the Democratic Republic of Congo, overpopulation in Kinshasa increasingly causes chaos, inequalities, poverty, environmental degradation, open spaces loss, socio-economic tension, and spontaneous settlements and sprawl. This rapid urban growth occurs without planning and productive employment compounded by weak government involvement. These crisis situations put to the forefront sustainable urbanisation as a priority issue for urban development with reference to globalisation and technology.

This chaotic situation has encouraged the average citizen to become self-employed and one of means of survival was to become a street vendor. After spending a significant amount of time with 125 street vendors, Iyenda (2005) concluded that only two percent of the street vendors earned 50 $ per day and the majority of them earned 2$ to 5$ per day. The street vendors lived in extreme poverty, unable to provide a decent life for their families and their only hope is for the Government to create sustainable jobs with decent wages.

1.4 Problem statement

Many researchers have studied human capital and its impact in different countries of the world, for instance González and Husted (2011) investigated gender, human capital, and opportunity identification in Mexico, Saffu, Apori, Mensah and Ahumatah (2008) studied human capital in Ghana, Lafuente and Rabetino (2011) examined human capital and growth in small firms in Romania, and Sambasivan et al..(2010) analysed human capital in Malaysia.

These are just a few examples that show that the study of human capital and its impact in countries is not new.

The proposed study aims to examine the relationship between the human capital of entrepreneurs in the retail industry in Kinshasa (DRC) and the performance of their organisations.

1.5 Main problem

To analyse the relationship between the human capital of the entrepreneurs in Kinshasa in the retail industry and the performance of their organisations.

1.6 Sub-problems

The first sub-problem is to establish whether there is a positive relationship between the entrepreneurs' level of education and the performance of their organisations.

The second sub-problem is to establish whether there is a positive relationship between the level of previous experience of the entrepreneurs and the performance of their organisations.

1.7 Significance of the study

The study will provide a basis for other scholars in the DRC to study the correlation between human capital and entrepreneurial performance. In the same way, the government of the DRC may examine the research for insight to develop and adapt policies that promote entrepreneurship in the country.

1.8 Delimitations of the study

The study is focused only on entrepreneurs who operate in the low- to medium-income sector in Kinshasa;

The study is limited to only the retail industry in Kinshasa.

1.9 Definition of terms

1.9.1 Human capital

Gratton and Ghoshal (2003) argue that: "The term 'human capital' in its broadest term is the notion of resources that an individual has to participate in an autonomous way, while participating in the democratisation of work" (Barreira 2011, p. 43).

1.9.2 Entrepreneurial Performance

According to Eurostat/OECD (2007, p.14)"High-growth enterprises as measured by employment (or by turnover) are all enterprises with an average annualised growth in employees (or in turnover) greater than 20% a year, over a three-year period, and with ten or more employees at the beginning of the observation period".

1.9.3 Retail

According to the MBA Knowledge Base (2012), the retail industry is a chain of the distribution products for the consumer that starts with the producer and ends up in the hands of the final consumer. However, between the producer and the consumer there is an intermediary, namely, the retailer; whose role is to provide the link between the producers and the final consumers.

1.9.4 Assumptions

The study will focus only on entrepreneurs who operate within the low- and and medium-income levels in the retail industry in Kinshasa. The law in the DRC defines low- and medium-income enterprises as all enterprises that have fewer than 200 employees and whose turnover is less than FC 11 200 000.00 or $ 120 000.00 (Regime fiscal des PME 1998).

Firstly, the study assumes that the respondents will be entrepreneurs operating a retail business for not less than one year and secondly, that they will have sufficient information for the research and, as such, will be able to respond accurately to the questionnaire.

1.10 Literature review

1.10.1 Introduction

The review will look at previous research regarding entrepreneurial human capital and how it relates to the performance of the industry.

1.10.2 Definition of topic or background discussion

Venter, Urban and Rwigema (2008) argue that there is a relationship between education and entrepreneurial behaviour. It is estimated that 30% percent of the entrepreneurs who start a new venture have a secondary level education (Minnity, Bygrave & Autio 2005) and that the level of education has an impact on entrepreneurial behaviour. Other authors such as González & Husted (2011) and Davidsson & Honig (2003) agree with Minnity, Bygrave, & Autio (2005) that a certain level of education has an influence on entrepreneurial behaviour. Brush and Manolova (2004) and Ucbasaran et al. (2008) state that education is one of the most important components of human capital due to the benefits it creates for the individual (Becker, 1993). In their study, Saffu et al. (2008) quote Bates (1990), who found that college-educated entrepreneurs are less likely to fail than those who do not possess a college education.

Many researchers have made a link between previous work experience and the performance of the entrepreneur's business. For instance, Sambasivan et al. (2010) quote Sexton & Bowman (1985), who state that previous work experience, education and other skills and perspectives augment knowledge accumulation and business acumen, and are significant qualities of entrepreneurial capability. In their study, Sexton & Bowman (1985) show that successful entrepreneurs have higher levels of education and more industry and work experience than unsuccessful entrepreneurs (Lussier & Pfeifer 2001; Yusuf 1995).

Becker (1975) mentions that the existence of high levels of human capital impacts the quality of business behaviour. Consequently, the human capital of entrepreneurs represents a key determinant to ensure business success (Chandler & Jansen 1992; Cooper et al.. 1994; Honig 2001; Pen, 2004) quote by Lafuente & Rabetino (2011).

Therefore, human capital gives entrepreneurs efficient and effective cognitive abilities to attain more productivity in their activities (Schultz 1959; Becker 1964; Mince, 1974). "Once engaged in the entrepreneurial process, such individuals should also have superior ability in successfully exploiting opportunities" (Venter et al.. 2008, p. 41)

1.10.3 Knowledge

A new venture does not have many resources except the knowledge of the entrepreneur in his or her particular business. This knowledge and his or her abilities prove critically important during the start-up process (Venter et al 2008), and it is essential to control and apply them to the different resources the entrepreneurs have, which may lead to a competitive advantage and superior performance of the organisation (Gartner 1990).

Venter et al. (2008, p. 43) argue that the knowledge of entrepreneurs comes from their previous work experience, education, advice from experts in their particular field and by imitating or copying what others have done. Previous knowledge plays an important role in entrepreneurial performance as it enables the entrepreneur to integrate and accumulate the new knowledge of the business and apply or adapt it to new situations.

1.10.4 Education

Formal education is one critical component of human capital that provides entrepreneurs with the ability to have explicit knowledge that may give them the specific skills they need for the successful operation of their businesses. The human capital theory sees education as central to high-growth entrepreneurs as it equips them with the ability to recognise opportunities that others may not see (Venter et al 2008).

According to Barreira (2011), education contributes to, and provides, the knowledge base for entrepreneurs and equips them with the analytical ability and problem-solving skills to more effectively deal with the demands of entrepreneurship.

Cooper & Gimeno-Gason (1992) cited by (Barreira 2011), argue that education is not only central to human capital theory but that there is a link between an individual's education and entrepreneurial performance

This last sentence provides the basis for this proposed study, as it can be stated that there is a link between the performance of the entrepreneurs and their level of education.

1.10.5 Work experience

The entrepreneurial experience provides direct learning and specific knowledge about the entrepreneurial process (Barreira 2011).

Venter et al. (2008, p. 45) state that work experience is imperative in the entrepreneurship domain; it gives the entrepreneur the ability to deal with start-up problems such as generating sales, developing marketing avenues and tactics. Those entrepreneurs who have experience know how to apply for external funding from banks or other sources and are able to better manage the funds they have on hand. Moreover, they are able to deal with functional areas such as: marketing, finance,

production, operations and technology as well as cross-functional areas such as administration, taxation and law.

1.10.6 Entrepreneurial performance

Entrepreneurial performance is the key component of this proposed research, indeed the analysis in this study will focus on the performance of the retail industry. To measure that performance, the study will include some of the indicators that Giovannini (2008) uses in his research regarding the OECD-Eurostat Entrepreneurship Indicator Programme (EIP). The main indicators of entrepreneurial performance in terms of firms are the number of employees, the turnover of the firm, the value added and exports. As the proposed research will concentrate on the retail industry in Kinshasa, it will not look at the value add or the export. Giovannini (2008) introduces the notion of the "birth rates of the employers firms and the death rates of employers firms". He defines the birth rate as "the birth of an enterprise with a least one employee" and symmetrically, he defines "the death rate as the death of an enterprise with at least one employee in the year of death". (2008, p. 14).

Furthermore, the proposed study will look at indicators that Bourdieu & Giddens (1990) propose to measure performance such as: rate of employment, average firm size, ownership structure, number of new products/services introduced (proxy for innovation), the level of education, the sector issues and competitors.

1.10.7 Relation between human capital and entrepreneurial performance

Saffu et al. (2008, p. 270) have collected many studies undertaken by various researchers in different countries regarding the positive relationship between human capital and performance. Kangasharju and Pekkala (2002) find that higher education led to higher growth during recessions and economic booms and similarly, Pena (2000) states that Spanish growth companies are more likely to be managed by college-educated entrepreneurs.

In Jamaica, Honig (1998) links higher levels of education and financial capital with increased earnings of the firms of the micro-entrepreneurs studied. Elsewhere in Africa, the link between education and performance has been established. Trulsson (1997) asserts that Northern Tanzanian entrepreneurs are helped by university education, previous work experience and international travel. Using World Bank data, Ramachandran and Shah (1999) show that the low levels of education of black entrepreneurs in several African countries proves to be a competitive disadvantage when compared to Asians and Europeans. The foregoing reflects the significance of human capital; education in a firm start-up, profitability, survival and growth.

In their study of the contribution of human capital to small- and medium-sized tourism venture business performance in Ghana, Saffu et al. (2008) find a significant positive relationship between education, experience and performance.

However, many researchers have found that human capital has a totally opposite impact. In his study of human capital theory and the performance of venture capital firms, Schick (2008) defines two types of human capital:

- Human capital general that is constituted through education and previous experience; and
- Human capital specific is the human capital that an individual has to a specific industry.

Schick (2008) finding suggests that the two human capitals do not have an impact on the proportion of portfolio of the company.

In their study on human capital and growth in Romanian small firms Lafuente and Rabetino (2011) show that management studies do not exert a differential impact on employment growth. Their study finds that only an entrepreneur's previous experience is an important factor explaining employment growth in those firms where the entrepreneur also serve as the manager.

While studying the impact of the owners experience and their performance Lorraine et al. (1992) find that the experience of the entrepreneur has a positive relationship to entrepreneurial performance, and that the level of education does not have any influence on the performance. The primary factor to bear in mind is the fact that it depends on the industry in which the entrepreneurs are performing; in the retail food industry the level of education is very low.

1.11 Conclusion of literature review

Human capital is defined as a set of skills and competences that an individual has acquired through formal education and experience (Becker 1993).

Literature has shown the link between human capital and the performance of the entrepreneur. Davidsson and Honig (2003), Brush and Manolova (2004) and Ucbasaran et al.. 2008, quoted by González and Husted (2011) and Saffu et al. (2008, p. 271) have compiled a list of positive relationships between human capital and the performance of an organisation in different countries such as Spain, Jamaica and Tanzania.

These theories show that some findings do not support the positive relationship between human capital and performance; (Stuart & Abetti 1990) quoting a study by (Sambasivan et al. 2010). In the same note, Schick (2008) finds that human capital does not have an impact on the

proportion of portfolio of the company, and in their study, Lorraine et al. (1992) state that the level of education does not have any influence on performance.

Therefore, this study has set the following hypothesis:

H1: An entrepreneur's tertiary education has a positive relationship with the entrepreneur's venture's performance.

H2: An entrepreneur's previous work experience has a positive relationship with the entrepreneur's venture's performance.

Kumar (2009, p.25) quote George A lend berg who argued that "a hypothesis is tentative generalization the validity of which remains to be tested."

1.11.1 Research methodology

This section outlines the methodology, strategies and procedure that will be used to gather information in order to establish the relationship between entrepreneurs' levels of human capital and the performance of their organisations.

1.11.2 Research methodology

Khanzode (2007, p.14) research methodology is a way to find out solution on any problem on scientific base. According to the Glossary of Education (2012, p.1): "research methodology is a procedure used in making systematic observations or otherwise obtaining data, evidence, or information as part of a research project or study".

The study will use the quantitative method to gather the data. Sukamolson (2007) defines quantitative research as a type of research that explains phenomena by collecting numerical data that are analysed using mathematically-based methods

As seen in Saffu et al. (2008), this study proposes that performance will be the dependent variable and that human capital will be the independent variable.

1.11.3 Research design

Kumar (2009, p. 29) research design is a specified pattern of framework for controlling the collection of data accurately and economically. According to the Business Dictionary (2012, p.1) research design is: "A detailed outline of how an investigation will take place. A research design will typically include how data is to be collected, what instruments will be employed, how the instruments will be used and the intended means for analyzing data collected".

For the research design, the proposed study will use a survey as survey research is used for scientific sampling and questionnaire design to measure the characteristics of population with statistical precision (Sukamolson 2007).

Related to this research, the survey method will be used mainly because it is a cost-effective method that fits in with the aim of the research, which is to describe a large population.

1.11.4 Population and sample

1.11.4.1 Population

In his study in Kinshasa Iyenda (2005) defines his research population as the street-vendors in four different areas in Kinshasa (north, west, east and the centre). According to Iyenda (2005, p.17): "Street-vending activities are widespread throughout the city". In the proposed study, the population will be the entrepreneurs who own a retail business in Kinshasa. As with Iyenda's research, this proposed study will collect data from respondents in the same four areas in Kinshasa (north, west, east and the centre).

1.11.4.2 Sample and sampling method

There are two different types of sampling procedures: probability and no probability. Probability sampling methods ensure that there is a possibility for each person in a sample population to be selected, whereas no probability methods target specific individuals (Sukamolson 2007).

No probability sampling methods include the following:

- Purposive samples: to purposely select individuals to survey.
- Volunteer subjects: to ask for volunteers to survey.
- Haphazard sampling: to survey individuals who can be easily reached.
- Quota sampling: to select individuals based on a set quota. For example, if a census indicates that more than half of the population is female, then the sample will be adjusted accordingly.

Due to time constraints, the proposed study will use the haphazard method and the proposed research intends to obtain questionnaire responses from150 respondents.

1.12 The research instrument

The proposed study will use a closed-ended questionnaire as in Sambasivan at al. (2010). The questionnaire designed for the purpose of the study contains five sections: demographic information such as; gender, age, race, income and education level; human capital and competencies. The human capital section contains questions regarding level of education, whether

the respondent's family owns a business, number of years work experience and number of years of management experience prior to starting the business.

1.13 Procedure for data collection

In this study, the questionnaire will be emailed to respondents who have email facilities and faxed to those who do not. The advantage of using email is that the respondent will email it back to the researcher immediately after completing it. The disadvantage is that the delivery of the online questionnaire can be affected by spam filters. To overcome this problem, the questionnaire will be faxed to all the respondents and they will choose which method to use to complete it.

1.14 Ethics

Miller, Birch, Mauthner & Jessop (2012, p.1) 'ethics concerns the morality of human conduct. In relation to social research, it refers to the moral deliberation, choice and accountability on the part of the researchers throughout the research process.'

This study will acknowledge other researchers used in this study and the identity of the respondents will not be revealed. (Penslar 1995) research ethics has a practical value for the researcher.

1.15 Data analysis and interpretation

As in Sambasivan et al. (2010), the independent variables used in this framework are the elements of human capital; education and work experience, and the dependent variable is performance. The study intends to measure and relate the descriptive statistics of the elements of human capital (education and work experience) to the performance.

1.16 Limitations of the study

- Time will be our first limitation based on submission requirements for the research paper.
- The second limitation will be to collect a sufficiently large sample size for the survey.

1.17 Validity and reliability

Research bias poses a threat to the reliability and validity of a study. It happens when there is selective noting of only those parts that a researcher chooses to see to support his or her attitudes and predetermined findings of the study (Dane 1990, p. 149).

1.17.1 External validity

Campbell and Stanley (1966, p.70) propose the commonly accepted definition of external validity: "External validity asks the question of generalisation to what populations, settings, treatment variables and measurement variables can this effect be generalised?".

The respondents to the questionnaire will be CEOs and founders of organisations in the retail industry in four areas in Kinshasa (north, east, west and the centre), following the sample of Iyenda (2005), therefore this study will only generalise its findings to Kinshasa.

1.17.2 Internal validity

Campbell and Stanley (1966, p.71) argue that: "Internal validity occurs when a researcher controls all extraneous variables and the only variable influencing the results of a study is the one being manipulated by the researcher. This means that the variable the researcher intended to study is indeed the one affecting the results and not some other, unwanted variables".

For this matter, the study will only focus on the entrepreneurs in the retail industry who have their companies in Kinshasa.

1.18 Reliability

Dane (1990, p. 149) argues that reliability can be enhanced by using the research instrument in a consistent manner from participant to participant, and consistent criteria should be used for each researcher's contributions and analysis to ensure that they are not variable.

The proposed study will attempt to maximise reliability in the sense that it will measure specific information related to human capital (levels of study and work experience).

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

This chapter consists of a review of literature related to the definition of an entrepreneur, the theory of human capital, and performance in the retail industry. The reason for this literature review is to create a theoretical base from which to develop an instrument (survey) to measure human capital and the performance of the entrepreneur in Kinshasa.

2.2 Definition of an entrepreneur

In their respective research studies, Hormozi (2004), Rai (2008) and Zubeidi (2005) specify that the term entrepreneur is derived from the French word *entreprendre*, meaning to undertake (Holt 1992; Long 1983).

Uy quotes Richard Cantillon (2011, p.15) who defined an entrepreneur as someone: "who buys some merchandise at a certain price and sells them at an uncertain price". Rai (2008) agrees with this by saying that an entrepreneur is the one who buys factors of production at certain prices and sells the final products at uncertain prices.

Veciana (1980) cited by Raposo, Paço and Ferreira, (2008) stated that the term entrepreneur' is related to the start of a novel firm, therefore, Veciana (1980) defined an entrepreneur as a person who creates a business, makes it work and survives for a certain period of time.

Soirinsuo and Mäkinen (2010) define an entrepreneur as an agent of change who accelerates the generation, dissemination and creation of new ideas that boost the market economy. According to them an entrepreneur is not only someone who looks for a new gainful economic opportunity but who is also ready and passionate to take all the risks involved to achieve and realise his goal, so that he will see if his intuition regarding that particular business opportunity was right.

Kauanui et al. (2010) testify that entrepreneurs do what matters to achieve their goal, they deeply define their work and their work becomes filled with a sense of passion, so they are willing to recruit and influence other people to embrace their vision and finally, they are willing to take criticism and take the blame if something goes wrong. Moody, (1988) states that entrepreneurs are the most energetic men or women on earth, and once they develop their idea regarding a business, they will fight to realise it. Exton (2008) attributes to the entrepreneur the role of a "heroic" change initiator in the economy.

Rai (2008) showed that the term 'entrepreneur' has been defined by many scholars in many ways, such as by Schumpeter (1951) and McClelland (1961), who specifies that, an entrepreneur is

an innovator. Knight (1921) defines an entrepreneur as the one who takes action while facing uncertainty. Mill (1954) states that an entrepreneur is a risk taker and Say (1803) and Usher (1954) suggest that an entrepreneur is a coordinator.

In the same way Exton (2008) collected the studies of a number of scholars such as Cantillon (1755) and Say (1803) who define entrepreneurs as risk takers and only driven by profit, Barreto (1989), cited by Saddler (2000) and again Schumpeter who report that the entrepreneur innovates but never invents, and finally, Drucker, who says that entrepreneurs are people who seek potential profitability opportunities (1985, p. 25; cited by Saddler 2000).

Krueger (1998) cites Carland and Carland (1996) who claim that the entrepreneur is a risk-taker, high-achiever, innovator, and problem solver. Uy (2011) reports that entrepreneurs must have these qualities: a propensity for risk-taking, and a penchant for innovation and a leaning towards achievement orientation. Rai (2008) and Soirinsuo and Mäkinen (2010) define an entrepreneur as a risk-taker. Agarwal et al. (2007) define different kinds of entrepreneurs such as:

- The craftsman as an entrepreneur who enjoys the freedom of independence and has a high level of skill in his field.
- The managerial entrepreneur who is motivated by growth and the building of their organisation (bureaucratic)
- The opportunistic entrepreneurs who are motivated by a niche in the market.

Furthermore, Agarwal et al. (2007) report that these three categories of entrepreneurs can perform to the highest degree in their respective markets if they combine their skill and motivation. In other words, having the right skill for the task and being extremely motivated will lead entrepreneurs to perform well. Agarwal et al. (2007) find that the strategy an entrepreneur uses to approach the matter has a great impact as well; having the right strategy to enter into the market or develop the existing market can help the entrepreneur to achieve growth.

In their paper, Wei and Ismail (2008) investigate the human capital of the entrepreneur based on the previous research of Westhead, Ucbasaran and associates (Ucbasaran, Westhead & Wright 2003; Ucbasaran, Westhead, Wright & Bink 2003; Westhead, Ucbasaran & Wright 2005; Westhead, Ucbasaran, Wright & Bink 2005). These authors examine the definition of an entrepreneur and what it was that qualified someone as an entrepreneur and the characteristics they define include:

1. The need for achievement;
2. an internal locus of control;

3. social competences;
4. opportunity sensitivity; and
5. luck.

Nakhata and Chinintorn (2007) define two kinds of entrepreneur by citing the GEM report that states that there are opportunity-based entrepreneurs and necessity-based entrepreneurs (GEM 2002; 2005). Opportunity-based entrepreneurs are entrepreneurs with high levels of human capital and entrepreneurial competencies. They prefer to become SME entrepreneurs when they recognise business opportunities; as a result, pursuing an entrepreneurial career is their choice. Necessity-based entrepreneurs are those with low levels of human capital and entrepreneurial competencies, who become entrepreneurs to meet a basic need.

Nakhata and Chinintorn (2007) note that most of the entrepreneurs studied in Thailand are considered necessity- based; with a low level of education and little interest in skills training to improve their business operations.

As it is one of the largest countries in Africa it made sense for Mitra, Abubakar and Sagagi (2011) to focus their research on Nigeria. Their results show that for many years, the Nigerian economy was focused on oil and other natural resources. In addition, for many years leading up to 1974, Nigeria implemented the same fiscal policies that some Western countries had adopted to increase their economies, which was to create huge industries that would bolster employment.

In doing so, it has neglected the entrepreneurship initiative that has created self-employment. It has only been in the last two decades that the Nigerian government has started to encourage people to work for themselves; so entrepreneurship has become one of the key drivers in the increase in the Gross Domestic Product (GDP. According to Mitra et al. (2011), today 90 percent of the working population in Nigeria is made up of entrepreneurs.

Nigeria's government has introduced many policies, not only to encourage entrepreneurship, but also to increase or create more human capital from the universities so that students will be prepared to face entrepreneurial competition from the rest of the world.

Jin, Huixin and Ruizhan (2010) investigate the importance of the human capital of the entrepreneur in China and growth in terms of performance. In their study, the sample is divided into two types of entrepreneur; those who operate in the high-tech sector and those who operate in the traditional business sector.

Jin et al. (2010) examine several aspects that can influence the performance of the entrepreneur such as: self-efficacy in innovation, openness, neuroticism, learning capability, innovation capability and managerial capability

Slavec and Prodan (2012) investigate the influence of an entrepreneur's characteristics on small manufacturing firm debt financing; according to the authors those characteristics are self-efficacy, strong or weak social ties, the entrepreneur's age, gender, and educational level.

2.3 Definition of human capital

Gimmon and Levie (2009) have collected 29 empirical studies relating to the human capital of the founders of organisations and their venture's performance. Firstly they note that the 29 empirical studies did not use the same instrument to measure either the human capital or the performance of the venture, however, the researchers have collected the 12 key points that became apparent in almost every study such as:

1. Academic titles (doctor or professor);
2. age;
3. education;
4. entrepreneurial mind-set (this is a commonly used term in the literature for a wide range of entrepreneurial personality, culture and sense factor constructs);
5. ethnicity;
6. founder's team compatibility;
7. gender;
8. general management experience;
9. industry-related experience;
10. learning ability;
11. parent(s) were entrepreneurs; and
12. start-up experience.

From the 12 factors, (Gimmon and Levie 2009) note that the most relevant elements to be defined in human capital are the education and experience of the entrepreneur. To collect the data,

an instrument was developed or enhanced to capture the level of education and the past experience of the founder of the firm on one hand, and to ascertain the performance of their organisation on the other. Coleman (2005) also defines human capital as: the education, and past experience of the entrepreneur in the business and finally the life experience of the entrepreneurs in term of their background that might help them to face the challenges of the business world. Borchert and Zellmer-Bruhn (2010) quote Becker (1963), who defines human capital as the level of education and experience.

Kenworthy (2010) has compiled 56 articles from the top three entrepreneurship journals, the aim of this exercise is to examine the different results of those papers regarding human capital and the performance of the firms studied. Similarly, Kenworthy (2010) begins to define human capital by saying that the concept of human capital always elevates controversy about whether or not the Government and the citizen should invest in formal education in both developed and developing countries. The main concern is whether or not these investments in formal education will generate practical returns in terms of the creation of business and the success of public organisations. In other word, can formal education be trusted to develop a nation's public and private firms?

Kenworthy (2010) concludes that the two human capitals worth investing in, in the field of management, are experience and education. This is mostly because this theory has been investigated many times in the past by many scholars such as Mincer (1960), who studies the importance of job training (that is defined today as work experience in the private sector) and the level of education of the owner of the firm.

The knowledge of entrepreneurs seems to be an important element to define human capital. Gates and Langevin (2010) agree that human capital is related to the knowledge, competencies, experience and creativity of the entrepreneurs as well as their attitudes and motivation while Borchert and Zellmer-Bruhn (2010) define human capital as the skill and knowledge of the entrepreneur that is relevant to successfully run his or her business (Forbes, Borchert, Zellmer-Bruhn & Sapienza 2006; Wiklund & Shepherd 2003).

Jin et al. (2010) suggest that there is no need to argue that the generality of entrepreneurs' human capital is personified in dimensions of the common knowledge of entrepreneurs, their personal abilities, personality characteristics and psychological factors, and much literature proves this theory (Schultz 1990; Cheng & Wei 2002; Lan & Chen 2003; Qin 2003; Bates 1990; Gimeno et al. 1997).

Marvel (2009, p.360) claims that the concept of human capital derives originally from Schultz (1961), who defines it as: "skill, knowledge, and similar attributes that affect particular

human capabilities to do productive work. A human capital perspective holds generally that individual knowledge, education, and experience lead to a wide range of positive outcomes" (Becker 1964).

Barcala, Sanzo and Trespalacios (1999, p. 3) maintain that the most important components of human capital are the knowledge and training acquired by a person and which augment their capabilities of performing activities of economic value (Milgrom and Roberts, 1993, p. 385). Roca-Puig, Beltra´n-Martı´n and Cipres (2012) agree and define human capital as the collective knowledge, skills and abilities of, not only an entrepreneur, but any individual working in an organisation (Snell and Dean 1992). And finally, Wei and Ismail (2008) define human capital as the measure of an individual's knowledge and experiences (Rauch & Frese 2000).

Junquera (2011, p.92) states that: "Entrepreneurial human capital gives: (a) capabilities to discover new business opportunities; (b) decision to exploit them; and (c) capabilities to consolidate the current businesses. People who have accumulated entrepreneurial human capital are likely to be: (a) more prone to create new businesses and (b) their businesses achieve a higher level of success".

Arribas and Vila (2007) testify that the concept of human capital looks at some personal abilities that qualify someone as an entrepreneur before even considering his or her organisation, before even looking at the performance of his organisation and the role he or she plays in it.

Jardon and Martos (2012) study the process by which an organisation can achieve success or growth in its environment. To do this, they discuss intellectual capital and its three components; that human capital lies in people, structural capital lies within the organisation and relational capital lies in the relations between the organisation and its environment (Sveiby 2001). For the entrepreneur to have a competitive advantage, he or she must be able to successfully combine the three components of intellectual capital, namely:

- Human capital: The set of values, attitudes, aptitudes and capabilities, of a person that allow him to generate value for the company (Bontiset al. 2000; Bueno et al. 2004).
- Structural capital: The stock of knowledge owned by the firm and includes corporate culture, information technology and explicit knowledge (Halim 2010; Kamukama et al. 2011).
- Relational capital: Developing, maintaining and nurturing high-quality relationships with organisations, people or groups that have an influence on the firm's business (Welbourne and Pardo-del-Val, 2008).

According to Jardon and Martos (2012) human capital appears to be the key component of intellectual capital (Bontis et al. 2000; Wang & Chang 2005) because knowledge dwells in people.

2.4 Types of human capital

Barnir (2012) states that human capital is composed of specific human capital (industry and occupational background) and general human capital (education and employment breadth). In the same way, Marvel (2009) claims that general human capital is measured by formal education and experience breadth while specific human capital is measured by prior knowledge of markets, customer problems, ways to serve markets and previous start-up experience.

Carrera, Carmona and Gutiérrez, (2008) agree by specifying that general human capital refers to the gaining of formal education and training, such as a university degree, college diploma or other qualification from a formal institution that is relatively manageable across firms. On the other hand, specific human capital reinforces an individual's knowledge about the personal routines in the firm.

Li-Hsuan (2003) declares that human capital should be separated into general, firm-specific and industry-specific categories, and illustrates that industry specificity is as vital as the others in wage determination. Diochon Menzies, and Gasse (2008) declare that general human capital relates to skills and knowledge that are easily transferable across a variety of economic settings; specific human capital relates to skills and knowledge that are less transferable and have a narrower scope of applicability (Gimeno et al. 1997).

In the same way, Franck, Nüesch and Pieper (2011) indicate that specific human capital portrayed the skills, experiences and knowledge that are practical to an employer or industry, whereas general human capital refers to the common knowledge that a person gathers through education and past experience in another industry.

(Borchert & Zellmer-Bruhn 2010, p.55) illustrates that there are the two types of human capital; general and specific. According to the researchers: "The general human capital refers to general cognitive abilities meanwhile the specific human capital transforms general abilities into a reservoir of skills and knowledge applicable to future activities".

In their study, Ucbasaran, Westhead and Wright (2008) agree with them by specifying that the two kinds of human capital are: General human capital and specific human capital. In his study Marvel (Marvel, 2005) claims that general and specific human capital are important to the task of explaining the mode of discovery. And finally Amaral, Baptista and Lima (2011) also define two kinds of human capital; general human capital and specific human capital, and according to them, the difference will have an impact on the performance.

Hatch and Dyer (2004) present human capital in a different form, in the sense of how it can give a firm a competitive advantage in the market. To do so the entrepreneurs must focus on the

specific human capital of the firm and transfer it to their employees and to obtain it, the employees must learn while they are doing.

Hatch and Dyer (2004) find that those firms that perform better are those that acquire, develop and deploy specific human capital and continue to invest in learning and training. Hatch and Dyer's (2004) research, conducted in a semiconductor manufacturing industry, finds that human capital improves performance, which is particularly interesting because the semiconductor manufacturing industry is characterised by large (fixed-cost) capital investments.

Hatch and Dyer (2004) quote (Hitt 2001), which suggests that firm-specific human capital is a resource that is essential to knowledge creation through learning by doing and is not easily stolen by competitor firms. (Arribas & Vila 2007, p.312) cites Preisendorfer and Voss (1990): "who measures the specific human capital of the entrepreneur in terms of experience in the same activity of the start-up and previous experience as a business owner".

To come to a relevant conclusion, (Kenworthy 2010) separates human capital into the following three categories:

Human Capital Theory: This theory envisages that both formal education and experience impact personal career performance.

Human Capital Theory with Diminishing Returns: This theory is the same as human capital theory, except that when the investment in education and experience increases, the rate of return decreases.

Increasing Human Experience Model: This variant is related to the model implicitly planned by Cooper, Gimeno-Gascon and Woo in 1994, according to (Kenworthy 2010) their articles have inspired human capital research in the field of entrepreneurship.

2.5 Impact of human capital

Many authors tend to agree that human capital is important at any level that the entrepreneur finds him- or herself, whether contemplating starting a venture or already operating in business. According to (Marvel 2009) the overall contribution is premised on the assumption that human capital is a critical element of entrepreneurial discovery (Dimov & Shepherd 2005).

Tran (2012) testifies that the human capital of the entrepreneur has significant influence on personal performance in a new start up, (Sanders & Nee 1996) quotes other authors, such as Borjas (1990) who supportthe thesis that the level of education influences the possibility of start ups. While (Nakhata & Chinintorn 2007) concludes his research by saying that the human capital of the entrepreneurs has a positive impact with both objective and subjective career success.

In their paper, Segal, Borgia and Schoenfeld (2010 p.17) find that both the level of education and managerial performance are positively related to the performance of the industry, and

indeed the authors have quoted Timmons and Spinelli (2007), who state that: "Successful entrepreneurs are likely to have 8-10 years of substantial experience during which they (acquire the 50,000 chunks) of relevant experience".

Amaral et al. (2011) quotes a previous study that supports the positive relationship between general human capital (years of education and previous work experience) with the performance of the firm. (Lucas 1978; Carrasco 1999) argue that better educated persons are endowed with enhanced skills and abilities, and as a result, may have a higher probability of opting for entrepreneurship than the less educated.

In their paper about the opportunity that the entrepreneur should identify and pursue to create more wealth for their enterprises, Ucbasaran et al. (2008) testify that those entrepreneurs who have a high level of human capital, meaning they are well-educated and have previous experience in the same industry are mostly the ones who identify the opportunity first and then pursue it. (Sanders & Nee 1996) demonstrates the importance of human capital/class resources for immigrant self-employment. In their conclusion, Borchert and Zellmer-Bruhn (2010) find that general human capital and specific human capital have a positive influence on the firm's goals.

Many authors agreed that the human capital of entrepreneurs leads to the growth of their organisation. (Jin, Huixin & Ruizhan 2010, p.176) cites (Wang 2004; Lowell et al. 2003; Mengistae 2006) and claims that: "the human capital of entrepreneurs has a significant implication in endorsing the growth of small- and medium-sized private enterprises".

Roca-Puig et al. (2012) finds that human capital does have a positive impact on the performance of the firm, and quotes authors such as Hitt et al. (2001), who establish that a firm's human capital is the primary source of sustained competitive advantage, et al. and so, owners of the firm must continue to invest in human capital to improve the productivity and financial results of the firm (Black and Lynch 1996; Pfeffer 1998; Snell and Dean 1992).

With a sample of 439 firms in Italy, Colombo and Grilli (2008) find that there is a direct positive effect between the human capital of the entrepreneur and the firm's performance and there is an indirect positive effect between the human capital of the entrepreneur and growth mediated by venture capital financing. (Jin et al. 2010) concludes that there is a positive relationship between the human capital of the entrepreneurs and the growth in terms of the performance of their firms.

Many researchers agree on the importance of human capital in the life of an entrepreneur, but do not think that it is the only factor that leads to good performance. (Agarwal et al. 2007) recognises the importance of human capital but adds two elements that will lead the entrepreneur to higher levels in his new venture performance; motivation and the strategy.

2.6 Human capital impacts the economy of a nation

Oluwatobi and Ogunrinola (2011, p.77) state that: "Human capital has been acknowledged worldwide as one of the most important factors that is accountable for the wealth of nations".

Oluwatobi and Ogunrinola (2011) base their study in Nigeria and aim to analyse whether human capital development has a positive impact on the growth of the GDP of the country. They have conducted several studies in Nigeria which confirm the positive relationship between human capital and the growth of the GDP, even though that growth is quite small and almost insignificant and according to the authors it is due to the level of corruption and other negative factors in the government of Nigeria.

Furthermore, the authors go on to say that the capital expenditure of the Government has a negative impact on the growth of the GDP and again is due to corruption (Ogujiuba & Adeniyi 2004; Omotor 2004; Olaniyan & Okemakinde 2008; Lawanson 2009; Diawara 2009; Awe & Ajayi 2010; Dauda 2010; Ugal & Betiang 2003).

Oluwatobi and Ogunrinola (2011, p.74) also claimed that:

> 'Human capital should be strategically cultivated and positioned for the preservation of both the present and the future economic growth and development. Thus, according to Lyakurwa (2007), human capital development has the capacity to enlarge people's choices and opportunities, improve healthy living through acquired skills and knowledge and eventually enhance growth in the nation's gross domestic product through increased productivity'.

In their study, Oluwatobi and Ogunrinola (2011 p.77) want to go further than the previous researcher, so add a new element to this study; health reform. They go on to say that improving human capital and health in Nigeria will improve the economic growth of the country. The conclusions of their study are drawn as such; firstly, that there is a long relationship between human capital development and economic growth in Nigeria and secondly, that effective reform is required to guide the disbursement and control of funds for capital projects in the education sector and thirdly, that the Nigerian education system is faulty, leading to poor quality of human capital, graduate unemployment and un-employability of Nigerian graduates. Hence, these graduates are a cost to the economy through education and maintenance, without the corresponding contribution to economic growth.

In their paper, Arribas and Vila (2007) analyse the impact of human capital on the survival of the entrepreneur in the Spanish service industry. The study, which analyses 237 firms owned by a

single entrepreneur or a number of entrepreneurs between 2000 and 2004 finds that human capital has a positive impact on entrepreneurial survival in Spain.

Coleman (2005) finds that in the United States of America (USA), white men are mostly educated to degree level, and having that advantage (human capital) helps this population group overcome the problems of ownership compared to black women and black men. The study goes on to show that the only difference between white male owners and Hispanic owners is their assets, not sales.

In Singapore, (Huang, Roy, Ahmed, Heng & Lim 2002) aims to examine the importance of human capital to the local entrepreneur when comparing their organisation's performance with that of a multinational enterprise.

Firstly, (Huang et al. 2002) relates the story of the economy of Singapore since the country achieved independence in 1965. The economy of Singapore was influenced by multinational companies that not only brought their capital in terms of money, equipment and structure but brought the experience of skilled staff. Since then, those multi-national corporations have had a significant impact on the economy of the country, but since the neighbours of Singapore such as Malaysia and China have opened their borders to the multi- national corporations, Singapore can no longer depend only on those multi-national corporations to support the economy. As a result, the Government decided to encourage local entrepreneurs to believe that they can expand internationally so they can benchmark against the multi-national corporations (Huang et al. 2002).

To do this, local entrepreneurs have to have the same level of human capital as the multi-national corporations, and to help achieve this, the Government introduced policies to help local entrepreneurs to undertake training and to provide finance to grow their businesses (Huang et al. 2002). Once again human capital is viewed as a vital element to benchmark with multi-national corporations in Singapore

Foley (2010) studies the impact of social capital and human capital on indigenous entrepreneurs in Australia, Hawaii and New Zealand. Australia is a multicultural country and the findings show that only in Australia are the impacts of social capital limited in business, and the findings show that colonisation has had a negative impact on indigenous Australians and the only way they can build a solid social capital base is through education.

In Hawaii (Foley, 2010), the situation is different and there is no discrimination; once in business, people build a strong human and social capital which is multicultural. New Zealand is the country with the largest impact on social capital, once again there is no discrimination and they are also multicultural.

Mitra, Abubakar & Sagagi (2011) quotes many researchers who confirm that once the human capital of a student is increased in terms of education, which is related to the business and experience, the economy of Nigeria will grow.

To conclude (Sanders & Nee 1996) states that human capital helps the entrepreneurial immigrant to survive in the host country even though they may encounter barriers such as limited employment opportunities, many of them view self-employment as a route to succeed in the host country.

2.7 Human capital impact on migration

Accordingly (Liu 2011) confirms that the human capital of entrepreneurs has a positive impact on their performance wherever they find themselves, be it China, Canada or Korea, once those immigrants are given the authorisation to start their businesses, their education and their experience will help them to build their firm.

Sandersand & Nee (1996) quoted Bates (1994), whose study of sereral Asian immigrant groups shows that human capital and class resources are positively related to business longevity and profits. Reliance on social support networks in the ethnic community is associated with lower profits and higher failure rates.

Liu (2011) quotes scholars who have studied the influence of human capital on migration such as Raijiman (2001) and Bauder (2008) who show that human capital is an important determinant of Mexican immigrants' entrepreneurial activities in the USA and Canada, as those who become entrepreneurs later are usually better educated than those who do not.

Once again (Fertala 2007) finds that human capital has an influence on the performance of the immigrant, as well as the native entrepreneur, in Germany. Regarding the age group of the sample, the authors find a U- shape reverse in terms of the performance of the entrepreneur; it appears that the older the entrepreneur is, the more mature and experienced he becomes, but at some point his performance will decrease.

In his paper, Liu (2011) studies the migration in China of people from the rural to the urban areas to search for a better life, and noted that later, the same people leave the city to go back to their original rural areas with the intention to invest and to become an entrepreneur in the local community. This study takes place in China and according to the authors; it was in 1978 that the Chinese government agreed a new policy for the people in rural areas to be able to move to the city as they wanted, whereas before they were not allowed to move freely to the city.

When rural people were allowed to move to the cities, many young people left their homes and moved to rural areas to work and underwent a distinct change; not only did they work

hard and gain financial return, they also developed human capital through formal education and work experience.

In this paper, we can note that human capital has more influence than expected in that it influenced the decision of young people in the rural areas about whether or not to move into an urban area. (Liu 2011) indicates that people with higher levels of education move to the big city and later came back to invest in their home towns while people with a low level of education did not.

According to Liu (2011) it is not an accident that returned migrants are more likely to move into entrepreneurship. They have at least one advantage over non-migrants in general in starting their own business; a better education. In addition, once they are working in an urban area, those migrants are in a position to earn and save money.

In his paper about Brazilian immigrants in the USA and their need for entrepreneurship, Siqueira (2007, p.35) focuses on the human and social capital of the immigrant Brazilians. He finds that the immigrants have cornered a niche market in the USA, particularly in the state of Massachusetts, where that niche market is related to the house cleaning sector. The results showed that: "45 percent of the Brazilian immigrants in California and Florida have a high school education and 44 percent have a college degree or beyond."

According to Sanders and Nee (1996), when immigrants arrive in the USA most of them had sufficient human capital learned in their original country, however, this human capital is not valued in the USA, which is why most of the immigrants become entrepreneurs to make a living and survive. However, they do not have sufficient money to hire many people and hire only their own families in their businesses, indicating that their social capital plays a huge role in starting a business. However, social capital is not only about family members. According to Sanders and Nee (1996), in their own countries, those immigrants with a higher level of education gather together to help themselves in term of finance, market orientation and so on.

Fertala (2007) investigates the influence of human and social capital on the immigrant and native population in Germany, especially in Upper Bavaria and the level of the survival rate of their businesses. Fertala (2007) finds that, in general, immigrants have many challenges in their host society, primarily with the native behaviour cultural differences, language and attitude. One way for immigrants to integrate, is to become entrepreneurs.

Fertala (2007) finds that the age range of the entrepreneurs in this region was between 26 and 65 years old and the most successful were between the ages of 35and 46 years old. However, (Fertala, 2007) specifies that the highest survival rate for entrepreneurial enterprises in Germany was amongst the native born entrepreneurs and not immigrants. Therefore, (Fertala, 2007) confirms

the first hypothesis in this assessment; that human capital influences the survival performance of German and Non-German founders in this particular region.

The conclusion of this paper and the main finding of the analysis is that the intelligence aspect of human capital of a business founder is not the single determinant of performance. More important is investment in industry-specific, human and social capital which provides a significant reason for the performance of entrepreneurs?

2.8 Education as component of human capital

Zubeidi (2005) cites (Hornaday & Tieken cited in Brockhaus & Horwtiz 1986), which reveals that historically many successful entrepreneurs felt that education was not important for entrepreneurial success. However, since the advances in high technology, severe competition, and the global economy, education is becoming a key element to organisational success. Nakhata and Chinintorn (2007) also mention that in the late 80s and early 90s the younger generation of entrepreneurs became more educated and undertook more training regarding their business, which in turn improved their performance and their career success.

Mizgajska (2011) agrees that the entrepreneur who has a higher level of education performed well in their business and (Segal, Borgia, and Schoenfeld, 2010) investigates the influence of the human capital of the founders of a company on their performance. According to the authors, the level of education of the entrepreneur is the most important element that has a great impact on the performance of his or her firm.

Dickson, Solomon & Weaver (2008) analyses the significance of the level of education of the entrepreneur and the success of his organisation. The paper reveals studies from different countries that support the positive link between the entrepreneur's level of education and his or her performance (Neitzert, 1996).The higher the level of education an entrepreneur has acquired, the better the business growth performance will be (Van der Sluis and Jansen 2005; Bosma et al. 2004; Colombo et al. 2004, p.176).

In their conclusion, Wei and Ismail (2008) report that a higher level of education is confirmed to be vital in building the elements of entrepreneurship in the individual entrepreneurs. (Chawla, Khanna & Chen 2010) claims that the USA study and past research reveals that small firm success is strongly linked to management skills, interpersonal skills and education (Ibrahim & Goodwin 1986; Lussier 1995).

According to (Plummer & Taylor 2004), human capital, especially education, is one of the keys to this matter. Education and training in this context is not only training people to fill the gaps in the job-market, but also to educate them so they will be able to identify opportunities and make

good business decisions. Oluwatobi's and Ogunrinola's (2011, p.74) results show a statistically significant positive relationship between economic growth and recurrent expenditure on education.

Siqueira (2007) elucidates on the importance of education in entrepreneurship by quoting other studies such as (Ibrahim & Gait 2003), which states that: "The economic explanations treat education as a proxy measure of productivity and economic achievement. Sociological theories equally note that education is linked to business ownership, but treat education as a measure of the skills and knowledge for how to organise and operate a business" (2007, p.39)

Zubeidi (2005 p.4) quotes (Scott, Rosa, & Klandt 1998) which argues that:

> Education plays two fundamental roles in the process of economic wealth. First, education increases the supply of highly educated entrepreneurs in the economy especially in industries that require high levels of education. Second, education improves the effectiveness of potential entrepreneurs through enhancing their interpersonal, management and business skills. (Scott et al. 1998).

According to (Wei & Ismail 2008) the knowledge of the entrepreneur is the level of the formal education that he or she received from primary school to post graduate school. (Colombo & Grilli 2008) states that the better educated the entrepreneur the better he or she is able to attract funding from the venture capital sector. Liu (2011) comments that in China migrants develop human capital through formal education. (Oluwatobi & Ogunrinola, 2011, p.75) "Education and healthcare of workers ensure greater productivity (Olaniyan and Okemakinde, 2008).

Marvel (2009) affirms that education increases a person's general stock of information and skills, including the ones needed to recognise and develop an opportunity, while experience provides information and fosters skills that promote venture strategy formulation and resource acquisition. (Neitzert, 1996) argues that the level of education of the entrepreneur helps he or she to recognise more opportunities.

Ismail's and Mahfodz's (2009) results show that the significant majority (80 percent) of the surveyed respondents are at the management level. 52 percent of them are Managers, 20 percent are General Managers or Senior Managers, and 8 percent are CEOs. All the respondents are found to have good education with at least a diploma, while most of them (82 percent) are Bachelors and Masters Degree holders.

The study about knowledge-intensive entrepreneurship and human capital, (Madsen, Neergaard & Ulhoi 2003) finds that in Information and Communications Technology (ICT) and Biomedical, the level of education is very high and it is claimed that entrepreneurs in knowledge-intensive sectors are normally well-educated. Almost half of the respondents have an advanced education, and a fourth of them have Doctorates. In the Biomedical sector, all entrepreneurs have at

least a Master's degree, but more than 65 percent have a Doctorate. In contrast, only 10 percent of entrepreneurs in the ICT sector have a Doctorate, although almost half have a Master's degree and a fourth a Bachelor's degree.

Plummer and Taylor (2004) suggest that theoretical knowledge must be translated into practical usage so that people will apply it to situations in their everyday lives and that governments must implement policies that will promote entrepreneurship.

Tran (2012, p.5) discusses human capital learning and defines it as: "Learning is the continuous process that generates knowledge, which is categorised into vicarious learning (learning by serving) and experiential learning (learning by doing)".

In their paper, Barcala, SanzoPerez, Trespalacios and Gutierrez (1999) find that in the retail industry, it is mostly young people who have attended a college for training specifically around their business, and those individuals have a secondary diploma or have studied at a university. According to the authors, once young people see the positive impact of the training in their retail store, and are able to convert theory into practice, there is a high probability they will go on to complete other courses. However, if they are unable to convert the theory into practice, they become frustrated and may not enrol for other courses as they view it as a waste of time.

Zubeidi states:

> Small business literature includes studies conducted to investigate the reasons behind business failures. Ashmore's (1986 p.151) has surveyed 5000 entrepreneurs and found that 40% had only a high school diploma or less and of that 38% had never taken a business course. He also concludes that the cause behind business failure is the lack of educational background. Samual Aluko's study of business failures, cited by Kiesner (1984), found that most businesses fail due to the lack of business education. Some authors like (Bruno & Leidecker 1988; Noll 1993; and Stull & Labonty 1993) included mismanagement and the lack of experienced employees as the reason for business failure. (2005 p. 30)

2.9 Work experience

In their research, (Chawla, Khanna and Chen 2010) testify that owner experience and knowledge is a success factor that belongs to the entrepreneur in the small business domain and its (experience) effect on small firm performance as described by Keats and Bracker (1988).

Praag (2003, p.14) claims that: "Industry experience has a clear positive influence on the predicted duration, especially because experience in the industry decreases the probability of business failure".

Jyothi & Kamalanabhan (2010, p.16) states: "It was also observed that entrepreneurs were able to abstract experience and knowledge as one of the important aspects/factors for entrepreneurship success".

Coleman (2009, p. 361) states: "The performance of the firm is influenced by the industry experience of the owner" (2005, p.361), and (Marvel 2009) explains that "experience in labour markets, management positions, and previous entrepreneurial activities lead to better venture performance (Bates 1990; Gimeno, Folta, Cooper & Woo 1997; Robinson & Sexton 1994). Work experience provides instrumental cues for effective decision-making and has also been shown to promote discovery and reduce opportunity uncertainty".

With regards to working experience, a total of 46 percent of the respondents spent less than five years in another firm prior to their current firm. Of the young age group that constitutes a large number of the respondents (86 percent aged between 26 and 40 years old), many of them have not worked for a significant period of time in their current firms (about 50 percent have been working for fewer than five years in their current firm (Ismail, Mahfodz 2009, p.94).

Nakhata and Chinintorn (2007, p.68) also find that most of the entrepreneurs studied have had some years of previous work experience in their respective business sector before moving into it as an entrepreneur. They state:

> It was found in this study that on average, most entrepreneurs have 5.69 years of prior industry experience and 7.51 years of entrepreneurial experience; while only 25 percent of them have experience in formal entrepreneurial training, this implies that the skills and knowledge of these SME entrepreneurs have generally been accumulated through prior industry experience and entrepreneurial experience rather than through formal management and/or technical training.

With regard to work experience, (Madsen, Neergaard & Ulhoi 2003, p.430) finds that: "About two thirds of the entrepreneurs have considerable general experience in technology and innovation management, and almost 60 percent have previous, specific experience in entrepreneurship and starting new firms".

2.10 Types of work experience

In their paper, Wei and Ismail (2008) define two kinds of experience; experience with previous firms can be in terms of industrial experience and managerial experience (Dyke et al. 1992). Both industrial experience and managerial experience can enhance an individual's capability to identify and exploit opportunity (Haynes 2003; Casson 2005).

Segal, Borgia & Schoenfeld (2010, p.177) also talks about industry and managerial experience and it finds that it also has a positive influence on the firm's performance. (Jin et al. 2010) argue that: "There are three types of entrepreneur's experiences being considered: industrial experiences, career experiences, and venture experiences. Industrial experiences promote the rate of business profit and survival chances".

Tran (2012) defines four types of entrepreneurial experience; labour force experience, industry experience, occupational experience and entrepreneurial experience". (Wei & Ismail 2008) characterises the experience of being an entrepreneur through different forms as follows:

1. Novice;
2. serial;
3. portfolio; and
4. habitual entrepreneur.

According to (Segal, Borgia, and Schoenfeld 2010), with regards to managerial experience, (Colombo & Grilli 2005) finds that prior experience in the same industry of the new firm was positively connected with growth, whereas prior experience in other industries was not. To garner the response regarding managerial experience, (Segal, Borgia, & Schoenfeld 2010) asks this question: "How many years of full-time managerial work experience did you have in this industry before starting this business?" and to get the responses regarding the level of education the following question was asked: "What was your highest level of formal education before starting this firm?".

2.11 Human capital of employees' impact on the performance

Tomczyk, Solomon & Winslow (2008) show us the importance of having the right employees with the right skills and the right experience, so that their performance will grow the firm. In summary, (Tomczyk et al. 2008) argues that- high-performing firms have a trend to offer employees a variety of incentives to attract them to the firm and to keep them motivated.

Roca-Puig et al. (2012) quotes researchers who have found the link between the human capital of the employees and the firm's performance, such as (Lepak and Snell 1999, 2002; Skaggs & Youndt 2004), which suggest that from an organisational perspective, human capital is the outcome of a firm's calculated investment through the hiring of employees with high general skills (formal education) added to a firm investment in training of more specific skills through precise training activities (Lepak and Snell 1999, 2002; Skaggs & Youndt 2004). Firms promote their

human capital and consequently create value through selection and training, thus escalating their performance (Hitt et al. 2001).

Roca-Puig et al. (2012) has separated the human capital of the temporary employees and the permanent employees. By doing so, the authors aim to ascertain what level of influence the temporary employees have on the performance of the firm in both small and big businesses. The key points from this study are; employing people with a high level of human capital can have a positive impact on the performance of both small and big firms, however, when organisations keep on hiring temporary employees, even though those employees have a high level of human capital, this will impact negatively on the firms performance.

In Taiwan (Ling & Jaw 2011) examines the impact of the human capital of the top management teams on the global competitive advantage of their firms. Measuring first the Taiwan top 1000 companies list published in 2009 by Common Wealth Magazine (Ling & Jaw 2011) shows that the entrepreneurial leadership of the top management teams (TMT) is positively correlated to with international human capital management (IHCM). It further found that TMTs entrepreneurial leadership was positively associated with global competiveness. TMTs entrepreneurial leadership also has direct positive effects on human capital return.

Gates and Langevin (2010) show that Human Resources (HR) managers perceptions of performance are definitely associated with the stage of performance of Human Capital Management. The progress of Human Capital Management systems allows a business to determine and manage the level of human capital to improve performance.

The results also prove that HR managers would like to increase their human capital to align with the strategic direction of their businesses. This paper looks at the influence of the social network, for example, in a situation where the CEO of a firm is to be dismissed, the study shows that if the social network the CEO has with the shareholders is strong and healthy, this will reduce the desire to dismiss and vice versa. In addition, the study shows that the higher and more specific the level of education held by the CEO so will the desire of dismissing him be reduced.

2.12 Authors who do not support human capital

Roca-Puig et al. (2012) shows that the positive effect of human capital on a firm's performance is not universal; an increase in human capital does not always have a positive effect on a firm's performance. Specifically, the results show that human capital has a negative effect on ROS (Return on Sales) in large firms with high temporary employment.

In the same way (Amaral, Baptista & Lima 2011) quotes previous research that rejects the positive relationship between general human capital and performance such as (Blanchflower 2004;

Minniti & Bygrave 2003; Koellinger et al. 2007), which claim that diverse authors in diverse research have found a negative, or nonlinear effect, on the human capital and performance of an entrepreneur and a number of studies show that persons with a higher level of education have less probability of being entrepreneurs than people holding primary and secondary education qualifications (Amaral and Baptista 2007; Livanos 2009).

Dickson et al. (2008) testify that in the industrialised countries where the level of education is very high, many people do not tend to be entrepreneurs and prefer to look for a job that pays extremely well. (Neitzert 1996) confirms this by claiming that more educated people were more productive. However, many of them, though well-educated, did not have the courage to start their own business, and due to the fact that they could not find a formal job in the big enterprises they have accepted work for a local entrepreneur at a specific wage.

Amaral et al. (2011) quote Gimeno et al. (1997), who state that those with further education have more personal opportunities offered to them in the employment market. Therefore, individuals with entrepreneurial experience and higher education are able to choose an alternative occupation in the labour market rather than starting their own business.

While leading their research, Ucbasaran et al. (2008) find that a number of entrepreneurs (respondents) who reported a postgraduate degree as their highest level of education were weakly connected with an increased chance of recognising more opportunities compared to those who had only received compulsory school education.

Kenworthy (2010) also cites scholars who do not support the positive relationship between human capital and performance such as Blaug (1970) who shows that there is no positive effect between human capital and performance. His model envisages the opposite effect to the Cooper 1994 model; specifically that increasing amounts of experience will have no impact upon entrepreneurial performance and sometimes, it will deteriorate the performance. The results show that 19 of the tested Cooper hypotheses (76 percent) did not find a relationship between formal education and entrepreneurial performance.

Regarding work experience (Kenworthy 2010) finds that, of 47 hypotheses that tested the positive relationship between the experience of the entrepreneur and the entrepreneurial performance, 62 percent failed to support the hypotheses.

A particular study, (Ainin, Kamarulzana, Farinda & Azmi 2010, p. 38) "showed that only an entrepreneur's gender and age have a significant relationship with business' Performance, which is at the 5 per cent level ($p<0.05$). Other variables such as ethnicity, education and working experience reveal an insignificant relationship with Business Performance".

To conclude, (William 2008) argues that it is not only the human capital of the entrepreneur that leads a firm to grow, but also the intention and the vision of the entrepreneur. His result was confirmed by the Deputy Minister of Industry, Science and Technology of Russian (2003) in an interview he said that:

> At present we can say that we achieve a certain socio-economic and political stability, the legislation is not perfect but it exists and 'things' are quite stable as well. At home and abroad there is money ready to be invested. However despite that there is no investment rush. One of the reasons, as I can see, is that we don't have public success stories. We have to show some benchmark, to show that technology-based business could be attractive and profitable for an investor. Speaking from experience, we do not have many success stories because very few technology-based companies want to grow, most of them unfortunately turned into lifestyle businesses with no ambition for fast growth.

Tran (2012) finds that the older entrepreneur is less entrepreneurial, mostly because of their past experience, which is why they play in the safety zone.

In conclusion, this review aimed to define certain terms, such as; entrepreneur, human capital, the performance and finally the retail industry. The main focus was to investigate different relationships between these concepts and their interaction, as the proposed research is focussed on Kinshasa, the human capital of entrepreneurs and the retail industry in some of the countries around the world has been investigated to guide the approach to the study in Kinshasa.

2.13 Defining performance or business success and the indicators

This section is about the performance of an organisation, the indicators and how an entrepreneur can measure these factors, however, based on research it is difficult to separate the terms 'performance' and 'business success'. Many researchers agree on this by saying that there is a thin line between the two concepts. (Reijonen & Kompula 2007, p. 689) claims that: "The terms "growth", "success" and "performance" are often very closely linked and are sometimes even used as synonyms in the research of entrepreneurship". In the same way (Powell & Bitner 1992) finds that many researchers used the term 'success' in the titles of their studies, however, in the core of their studies, they talk about 'business performance', so business performance becomes synonymous with business success. This observation was confirmed by other literature: (Dafna 2008; Levy 2012; Alasadi & Abdelrahim 2007; Forsman 2008; Pena 2002; Dyer & Ross 2008).

Segal, Borgia, Schoenfeld (2010) establishes the performance of the firm by the use of specific criteria: Earnings, net worth, cash flow, market share and sales volume and asks the

respondents to provide the data of their firm's most current fiscal year using Chandler and Hanks' method of asking for data in broad categories.

The terms 'success' and 'performance' still confuse many readers, and researchers and scholars do not have a single common definition of these two terms. (Lussier 1996) proposes that a business is considered to be successful when it makes at least the retail industry's average profits. While (Praag 2003, p.6) suggests that: "Success is measured by how long the business is still operating in the market and the motivation of the entrepreneur to start his or her business will define whether he or she will be successful". (Reijonen & Kompula 2007, p.691) agrees with him by quoting (Simpson et al. 2004), which claimed that: "Success is equivalent to continued business operations and the opposite, failure, means going out of businesses"

Dafna (2008) cites another definition; business success at the micro level depends on the ability of firms to adjust internal structures and processes with the existing opportunities and external constraints (Pfeffer & Salancik 1978), and such adjustments depend on the actions of the entrepreneur (Barringer & Jones 2004; Chen & Barnes 2006; Miller et al. 2006).

Some authors describe the performance of an organisation in terms of the achievement of the entrepreneurs' goals. (Wood 2006) suggests that business performance is measured by the success or failure of a firm in achieving its goals, and according to (Adams & Sykes 2003) performance measures are used to estimate a company's success in accomplishing its goals, and (Forsman 2008) quotes Grünberg (2004) who claims that measuring the performance has two major intents: First, to achieve the company goals and objectives, and secondly, to set the aims for development activity.

Ellis- Chadwick, Gunawan & King (2007) shares the same opinions, even though it added one aspect that the others did not mention in suggesting that business performance is about the entrepreneur achieving his or her goals, and it covers numerous characteristics of financial and operational performance.

Talking about financial performance, many studies such as (Walker & Brown 2004; Simpson et al. 2004; Paige & Littrell 2002; Greenbank 2001) quoted by (Reijonen & Kompula 2007) tend to agree with (Ellis-Chadwick et al. 2007), and claim that success is described in terms of financial performance, such as profit, turnover or return on investment or number of employees.

Appiah (1997) agrees with them and affirms that there is a positive relationship between the market orientation and the financial measures which are described by return on assets (Narver & Slater 1990), sales growth (Slater & Narver 1994; Pitt et al. 1996), profitability (Slater & Narver 1994; Pelham &Wilson 1996; Pitt et al. 1996) and the financial variable of a long period (Ruekert

1992). (Wood 2006; Panigyrakis & Theodoridis 2009, p. 21) specify that: "Performance measures may be based on return on investment, profits, turnover or number of customers".

St-Pierre, Julien & Morin (2010) specifies that usually the performance is measured by financial variables (Neely 1999; Walker & Brown 2004), and these variables are more objective than others, although they present some limitations.

Financial variables seem to be considered as the key indicator to describe the performance of an organisation, (Fuckan, Bedenik & Valdevit 2004) proposes that a company is considered to be successful when its sales go beyond 2% of the average and those whose turnover rises above 8%. (Mgbere 2009) states that organisational performance is measured by using capital, market and financial indicators (Laitinen 2002; De Toni & Tonchia 2001; Murphy et al.1996) quoted by (Reijonen & Kompula 2007, p. 690) argues that traditionally, performance is measured in financial terms such as turnover, or an increased number of employees Chell & Baines 1998; Maki & Pulkkinen 2000; Perren 2000; Gray 2002; Georgellis et al. 1999; Murphy et al. 1996).

Growth on its own appears to be an important indicator of measuring the performance or success of an organisation; according to (Ainin, Kamarulzana, Farinda &Azmi 2010) the success and performance of a company can be measured in several ways, with the most important variables being net profit and sales growth. The researchers have advised the use of several indicators to measure the performance (Cochran & Wood 1984; Ibrahim & Rue 1998).

Fuckan et al. (2004) testify that success is measure by growth, the achievement and maintenance of the strategy and finally, harmony with the environment. The French researchers, St-Pierre et al. (2010), report that the performance of a firm is measured by the average sales growth for three years. In the same way, (Ismail & Mahfodz 2009) recommends a more objective measure of financial performance and the most standard measures are profitability, growth and sales.

McMahon (2001) considers two dependent variables to measure performance. The first dependent variable is the sales trends over the preceding 12 months, which have five levels representing the growth of the business (rapid growth, strong growth, moderate growth, no change and decline). The second measurable variable was the expected sales trends over the forthcoming 12 months and again the five levels of growth were rapid growth, strong growth, moderate growth, no change and decline. (Ainin et al. 2010, p.32) affirms that: "business performance is measured in terms of the business' net profit" and (Zubeidi, 2005) defined success in terms of sales growth, employment growth and longevity of the firm.

Fuckan et al. (2004) concludes that the desire and purpose of each organisation is to achieve success in business. The question is to ascertain exactly what success in business is, and how to define it. In the chronology of time success was defined as:

- Growth.
- Achievement of goal and maintenance of the strategy.
- The harmony with the environment dynamism.

Ainin et al. (2010) quotes (Bracker & Pearson 1986; Birley & Westhead 1990), which claim that several researchers support the positive relationship between organisational performance and growth of the business, while some authors such as Begley and Boyd (1988) find the opposite, (Fuckan, et al. 2004, p.1384) testifies that: "Growth alone is no longer sufficient for success, on the contrary high growth rates are almost impossible to achieve. Orientation towards customers and markets and successful management do not guarantee success either".

Wood (2006) states that financial variables do not sufficiently cover the diverse goals set by entrepreneurs, neither do they capture the complexity of the models that entrepreneurs build for leading their businesses (Jarvis et al. 2000).

St-Pierre et al. (2010) agrees that in the context of SMEs, the situation is complex because they implicitly assume that leaders want to maximise their profits or to pursue growth objectives, however, these assumptions apply only to a small number of SME owners; the rest just want to continue to run their companies and survive (LeCornu et al. 1996; Walker & Brown 2004).

In their study of entrepreneurs in France, St-Pierre et al. (2010) note that 24 SMEs or 8.3% of the sample are both small and old, with fewer than 25 employees and had been developed over a period of 25 years. The existence of these older small businesses confirms that growth is not necessarily the goal sought by all entrepreneurs. In contrast, 27 SMEs are less than 13 years old and already have 50 to 249 employees. These young high-growth SMEs account for 9.4% of the sample and have experienced over the last three years, an average annual sales growth of 40.5%.

Reijonen and Kompula (2007) have investigated a researcher in Finland in the field of micro entrepreneurship that employ less than 10 employees and where the turnover does not exceed 10,000 Euros. The results show that many entrepreneurs do not want to grow their businesses and are happy to have a steady business lifestyle as long as it provides for their family and maintains survival. When using an increase in employees as the determination of growth, (Reijonen & Kompula 2007) finds that many entrepreneurs do not want to employ more people as they find it costly and want to keep their business small and easy to control.

In the same way (St-Pierre et al. 2010, p. 291) concludes that: "Several studies on SMEs explain that many entrepreneurs have non-financial objectives and are not necessarily looking at growth or performance (Walker and Brown 2004). For example, McMahon (2001) noted that 70% of companies do not aims for growth, 25% want controlled growth and only 5% expect rapid growth".

Powell and Bitner (1992) quote (Walker & Brown, 2004), which testifies that there have been many definitions of the term success, however many researchers focus on financial performance and growth as the only factors to measure success, though they are not the only factors. (Reijonen & Kompula 2007) quotes (Walker & Brown 2004), which comments that researchers must consider the non-financial measures of success such as: autonomy, job satisfaction and the ability to balance work and family.

In the same way (Panigyrakis & Theodoridis 2009) testifies that financial variables are the most ordinary indicators of measuring the performance of an organisation. However, this view has received a stream of criticism, because the financial indicators cannot incorporate and represent other dimensions of performance (Brignall & Ballantine 1996). In order to obtain accuracy in measuring performance, researchers must also inspect non-financial indicators because these also have a large influence on the performance of a firm (Venkatraman & Ramanujam 1986). Many researchers such as (Mott 2008; Adams & Sykes 2003; Wadongo, Odhuno, Kambona & Lucas 2010; Swamy 2002; Raguz & Jelenc 2010; Fenwick & Avery 2011; Zunic & Vlasic 2006; Henri 2006) support this idea.

In their study, (Wadongo et al. 2010) define the non-financial indicators such as: competitiveness, service quality, customer satisfaction, organisational flexibility, resource utilisation, technology, innovation, community social responsibility, supplier performance resource utilisation and flexibility. (Panigyrakis & Theodoridis 2009) adds that product or service quality, market share, customer loyalty and customer satisfaction could be considered as non-financial indicators

When it comes to choosing the indicators of success, researchers do not unanimously agree. (Zubeidi 2005) finds that many researchers have defined success in many different ways, some include; the size of the firm, efficiency, growth, profit, size, success/failure, liquidity, market share, and leverage (Murphy, Trailer & Hill 1996). (Zubeidi 2005) quotes other researchers such as Duchesneau & Gartner (1990) and Kilpatrick & Crowley (1999) who argue that the indicators of success are: Income, employment, revenue and survival. Talking about survival of the firm, (Wood 2006; Dafna 2008; St-Pierre & Julien Morin 2010; Reijonen & Kompula 2007; Praag 2003) recognise that many entrepreneurs are pleased just to survive.

Fuckan et al. (2001, p. 1382) Claim that: "A specific definition of success determines the way it is measured. In the realm of contemporary business conditions, being successful means being open to changes and changing in accordance with the environment, or even initiating changes in the environment".

Reijonen & Kompula (2007, p.699) concludes that: "Some entrepreneurs measured their success firstly through customer satisfaction and respect. Other criteria such as: job satisfaction, quality of products and making a reasonable living are considered as non-financial meters in agreement with the goals and motivations of the entrepreneurs".

Fabling and Grimes (2007, p.383) find that:

> Investment in capital equipment, R&D and market research are sturdily related to firm performance, industrial structure, sector, age and size, also firm-level performance determinants may differ according to the age of the firm or the sector in which it functions and are also related sturdily to firm performance (Spanos and Lioukas, 2001) find that the internal firm practices and external characteristics of the firm are important in determining firm performance.

Zubeidi (2005, p. 28) states that before talking about success the researcher must choose carefully which indicators he or she wants to use to describe the success of an organisation. "The study suggested being specific about the performance measures to be used, justifying the use of such measures, including multiple dimensions of performance, and considering other critical control factors such as size or industry" (Murphy et al. 1996, p. 22-23). Considering the size of the firm (McMahon 2001; Dafna 2008; Ding, Wu & Liu 2009; Zubeidi 2005; St-Pierre et al. 2010; Fabling & Grimes 2007; Praag 2003; Watson & Everett 1996) tend to believe that the size of the firm is an important indicator to measure its success.

Reijonen and Kompula (2007) report that success is a subjective notion; all businessmen have their own ideas of success. They may consider themselves to be successful, however, when their view of success is measured against traditional financial measures such as sales, growth, the increased number of employees and so on, it is found that a number of company owners that believe themselves to be successful have achieved different levels of success compared to others (Simpson et al. 2004).

In the same way, (Scott & Curci 2012) claims that business owners rate their level of satisfaction and enjoyment related to their business exceedingly positively even when their business's performance is questionable.

Praag (2003) affirms that the success of a company does not have a single definition or a single measure. It was measured and defined by several empirical studies of economics, psychology

and sociology. Performance measures have been defined in terms of self-employment, earnings observed, (Schiller & Crewson 1997) firm size, growth of the company, and also as the probability that a person remained his own boss (Bates 1990; Cooper et al. 1994; Schiller & Crewson 1997; Brüderl et al. 1998). Employee growth is considered a measure of success by (Cooper et al. 1994; Van Praag 1996; Van Praag & Cramer 2001; Sapienza & Grimm 1997; Brüderl et al. 1998). Brüderl et al. (1992) and Pennings et al. (1998) define success as the duration of the activity.

Praag (2003) outlines definitions from the classic researchers who have previously defined business success as a synonym of business performance; these are outlines in the table below.

Table 1

The classic theoretical knowledge bases

Classical economist Jean-Baptiste Say (1803; 1971	States that success in entrepreneurship requires qualities such as "judgement, perseverance and knowledge of the world as well as of business" (1803; 1971, p. 330). Furthermore, success requires knowledge of the industry and the occupation gathered through experience, but an entrepreneur may also fail "without any fault of his own." This chance of failure depends on good luck and general business conditions.
Neo-classical economist Alfred Marshall (1890; 1930)	Success has command over general abilities, specialised abilities, capital and good fortune. General ability depends on family background, education and talent. Specialised ability involves vast knowledge of a specific trade as well as of leadership qualities. Additionally, a businessman with own capital surely has an advantage in running a business. Finally, good fortune is also important for the Marshallian entrepreneur.
Joseph Schumpeter (1911; 1934)	Entrepreneur (has) to innovate, and firms who cease to innovate will not survive. Successful innovations require leadership. Success in entrepreneurship requires strong and scarce motivations to innovate, prior to starting an entrepreneurial endeavour.
Knightian (1921; 1971, p. 269)	Entrepreneur requires "the power of effective control" and intellectual capacity; he or she requires self-confidence and a disposition to act on his or her own opinion. An entrepreneur

	should be venturesome and have foresight. The ability to forecast varies with production sectors depending on the time length of the production process and on the variability of consumer wants that the product satisfies; the more basic the wants, the more stable and predictable they are and the higher the probability of success. A successful entrepreneur should also have superior managerial ability and belief in his or her good luck.

The study (Chawla, Khanna & Chen 2010) compares small business firms in China with small business firms in America, and finds that in both countries the small firm plays a significant role in the economy and the employment rates of the country. The findings revealed that in 2005, 52% of employment in the USA was absorbed by small business and over 25 million small businesses operated in 2005.

Chawla et al. (2010, p.1) In China the number was smaller than in the USA but still had a huge impact on the economy. "National Bureau of Statistics of China (NBS) 2006, indicate that there 1,373,128 small enterprises exist. To put this into proportion, in 1995, small enterprises accounted for 62.5% of China's total industrial output and 73.6 % of its industrial employment (Wang & Yao 2002)".

When it comes to how to measure the performance or success of the firm, (Chawla et al. 2010) finds some similarities and some differences in how the owners in both countries perceived success.

The closest similarities are that small firms in both countries view success as being closely linked to management skills, interpersonal skills and education (Ibrahim & Goodwin 1986; Lussier 1995).

The difference is the fact that:

Chawla et al.,(2010,p.5) In China a key participant among a complex set of interrelated success factors including marketing concerns, location, competitive forces, industry issues and trends, the availability of capital, as well as the motivation and ability of the owners themselves. One implication of this study is that success factors may be different given the very distinct task environments produced by the variation in cultural, political and economic characteristics found in the two nations. Specifically, the finding of a financial needs factor may be due to these differences.

Gerasimos andYannis (2006) analyse how to measure performance in the retail industry, according to them, Business Intelligence (BI) was set up to enable gathering, storing, analysing and providing access to corporate data to help in decision making at three levels; strategic, tactical and operational. BI has failed because it looks at historical business data, while the top manager (strategic level), middle manager (tactical level) and the operational manager (operational level) need real time information, not historical data, to make decisions. Therefore, BI has failed in its objective to help entrepreneurs to make strategic decisions, tactical decisions and operational decisions.

Gerasimos andYannis (2006, p. 130) state that to fulfil their objectives, retail managers need advanced technology to help them meet the needs of consumers in real time (the right information at the right time). To address this problem, the authors proposed a new technology called Radio Frequency Identification (RFID), which, according to the authors, gives three major sets of information to the retail manager:

a. Sequence of purchase: It is possible to know in which order people buy items. In fact, we know the exact time of putting an item in the basket. In extracting such patterns, retailers may decide, for instance, to change the position of some items in the store in order to facilitate (or not) customers purchases in the store.

b. Positive/negative preferences: It is possible to have answers to questions such as: Are there customers that, after taking an item, change their mind and put it back on the shelf? Is there a specific pattern behind this behaviour? How much time do customers need to decide about the selection or not of a product?

c. Routes of customers: By placing RFID labels on the baskets, it is possible to track the movement of customers inside the store. Thus, by placing an Indoor Positioning System (IPS), customers could be informed based on their interests and their location.

In obtaining such crucial information, retail managers will know how, where and what to sell the customer.

According to (Gerasimos & Yannis 2006) the Framework for the Retail Industry should take into consideration these types of information: Source data, integration manager, , online analytical processing(OLAP) Cubes, activity monitoring, data mining, engine, pattern base, enterprise portal.

2.14 Definition of retail

In this section, the term retail will be defined and the impact of retail in the economies of some countries around the world will be presented, in addition to how retail managers can attract more customers.

Knezevic & Szarucki (2013) Retail, by definition is an industry focused on local markets and aiming to distribute goods to consumers in a narrow geographical area. The Oxford dictionary defines retail as the sale of goods to the public in relatively small quantities for use or consumption rather than for resale. While the business dictionary defines retail as a business or person that sells goods to the consumer, as opposed to a wholesaler or supplier, who normally sell its goods to another business.

The study, (Russell, Bendixen & Karen 1999) claims that: "Trade plays an important role in the economy. Retailing is the first link in the chain of distribution, from the point of view of the customer, who provides goods and services to market (1999, p.98). "Retailing serves the selling of goods and services to consumers for personal or household consumption" (Gerasimos & Yannis 2006, p. 130).

2.14.1 Importance of retail in the economy around the world

Lewis (2009) notes that Mexico is rising in the ranks, according to retail-based consultancy AT Kearney, and in 2006was ranked 19th in the Global Retail Development Index from AT Kearney. Mexican retail trade is, however, approaching satiety, which could threaten its position in the rankings of the Global Retail Development Index. Grocery retail contribution reached an estimated US$52.1 billion in 2008.

Growth was tipped to recover in 2009 and fluctuate in 2011 and begin again the cycle of further year-on-year increases, as the retail market becomes more established with a higher concentration of modern formats. In 2013, statistics expect the retail market for the Mexican diet is estimated at about US$64.8 bn.

Supermarkets have been extremely well-received in Mexico and dominate the market (with a share of 42% compared to the world average of 33%). There are opportunities for retailers to build customer loyalty before the inevitable arrival of multinational retailers reduced in the country over the next two years margin. (Lewis, 2009)

In his 2009 study, Lewis notes that the Brazilian retail industries were performing well in all formats from smaller stores to huge hypermarkets. Growth between 2002 and 2007 exceeded 70% for smaller retail operators and just over 50% for hypermarket owners and overall retail sales in 2007 were estimated at US$135.6 bn, up from US$127.0 bn in 2006. Just-food estimates that the

Brazilian retail market will record growth of 84.3% over the forecast period to reach a value of US$234.1 bn in 2013. The estimation is that grocery retail growth would fall a little behind this rate at 80% and rise from US$46.5bn in 2006 to US$83.7bn by 2013 (Lewis 2009).

In Belgium, (De Moerloose, Antioco & Lindgreen 2005) notes that the retail sector generated US$6.5 billion in annual sales by 2006 (Ferriolo 2003). (De Moerloose et al. 2005) claims that although the use of kiosks is quite widespread in other sectors such as banking and airports, their employ in retail is rather low (Ferriolo, 2003).

In Germany, the United Kingdom and France, (Fernie & Arnold 2002) compares the annual revenues of Wal-Mart (it is not only the world's largest retailer - it is nearly the globe's biggest corporation) and the annual revenues of General Motors Corporation. The results show that at the 2000 calendar year-end, the sales revenues of General Motors Corporation were US$183 bn and the total annual sales for Wal-Mart Stores Incorporated at its January 31, 2001 fiscal year-end was US$191 bn. Additionally, Chain Store Age (1999, p. 88) forecasts that Wal-Mart revenues in 2010 would approach US$700 bn.

In Spain (Manero, Hanns & Mercedes 2009) indicates that the total turnover of the 22 businesses studied amounted to 1,461,450 Euros in 2003, which was 0.86 % of the total sales (168,760,000 Euros) from the retail trade in Spain that same year. In 2004, the total turnover of retail trade increased by 12.6 % compared to the previous year.

In Malaysia, Retail Hypermarket Chain (Cauchi 2010) testifies that Aureos Capital has invested US$4.2 million in a Malaysian retail hypermarket chain, scoring the third most important investment for the firm's Malaysia fund. In 2007, (Lewis, 2008) finds that China had reported 17% year-on-year growth in retail spending, according to official national statistics.

In South Africa, (Scheers 2010) states that the turnover of Spaza shops was estimated to be approximately R16 billion per year (Black Market Report 2007, p. 2). In Johannesburg, (De Bruyn & Freathy 2011) claims that it was a historic moment in 2006 when the first shopping mall (the Jabulani Mall) opened in a traditional township area. In September 2007, Soweto witnessed the arrival of the first mega regional mall in a township area; Maponya Mall, which offers 60,000 m2 of retail space to more than 180 tenants, including furniture outlets, restaurants and entertainment. (Wadongo et al. 2010) finds that tourism income in Kenya had increased from US$286,000 in 2002 to US$855 million in 2007 and that it had even influenced investments in hotels.

However, some authors conclude that the retail industry does not always grow (Cliquet & Croisean 2002) confirm the details that the cosmetics industry has been severely restructured in France (Mouton 2000). For example, 13 % of cosmetics shops had closed during the preceding six years and 264 stores were bought in 1999 by major groups such as Marionnaud, Sephora (owned by

LVMH, the Louis Vuitton- Moet-Hennessy group) or Nocibé. On the one hand, these large multinationals seek to grow through the acquisition of chain stores (Tissier 1998).

On the other hand, franchised chains such as Lazartigues abandon the franchise business to open their own concessions in department stores or hypermarkets, almost at once after observing that The Body Shop was facing sustainability difficulties.

Leclerc entered this market with a new store concept: 'one hour for himself' (Charrier 1998) and in the same way, Swinyard (1997) testifies that in the United States retail has continued to change at the 'speed of lightning'. There is unprecedented growth of store closures, mergers and consolidations, the reinvention and redefinition of business retail, new identifications of the market and any changes that occur through the corner selling retail trade in the U.S. as a result of the emerging methods of the twentieth century. This is an applicable time to step back and look at what these changes mean and how they are reflected in the trends of the industry.

2.14.2 Retail manager attract specific customers

Kent (2007) finds that retail stores have become extremely creative environments and many retails stores have developed many creative strategies for the presentation of items in terms of window displays or architecture, to influence and attract consumers to buy from them, for example, the Apple iStores; the music, the colour, and the presentation of the product inside and outside the store plays a huge role in gratifying consumers taste and stimulating the ideas of the manager and his or her team. (Kent 2007) adds that the retail store is not only a place for shopping, but is also a place of leisure and socialisation between the customers, the manager and the employees of the retail store.

In their study, Yu, Fairhurst and Lennon (1996) investigate what influence buyers from small stores have when shopping at the apparel market, the researchers find that the number of lines is the most determinant factor that attracts the buyer at the apparel market, the consumer sees the number of lines as the diversity of the products, so the customer would rather travel a long distance just to go to the store that has many lines (many different products) than go shopping at a more convenient location where there exists only the same products for all.

Carpenter and Moore (2006) aim to analyse the choice of the consumer toward some retail products in competition with others. To do so, the authors consider the demographics (gender, female working status, age, income and marital status) of the consumer as some of the factors that influence their choices. The small retail store must make extensive efforts to serve their consumers;

they must know what the consumer needs and where to find those products so that they can serve them well. (Yu et al. 1996)

Carpenter and Balija (2010) study several elements that influence the consumers who shop at specific retail stores, they want to determine the level of education and age of the average shopper. Their findings show that, firstly, the demographic location of the retail store is the most important element for the shopper, (the closer the shop is, the better for the consumer), and secondly, that although price is one of the most influential elements that attract consumers, there are many other things that the retail owner must take into account such as the presentation and the quality of the products.

Carpenter and Balija (2010) find that most of the clients who always look for discounts in the shops have a lower level of education and are younger; therefore the retail owner must take that these influencers into account so that they can be served accordingly. Regarding the level of education, (Carpenter & Balija 2010) reports that most consumers who frequently shop in the electronic retail department stores appear to have a higher level of education and are aged between 45 and 59 years of age.

However, there is a special group of consumers that (Carpenter & Balija 2010) calls category killers; these consumers have a higher level of education, a higher level of income and are young. They shop frequently and want to have the latest technology; therefore the retailer must serve them well because they are considered core segment shoppers. When it comes to the online shopper, (Carpenter & Balija 2010) claims that ages have an inverse relationship; most of the shoppers online are young and have high incomes.

According to Carpenter and Moore (2006), a store's attributes also play an important role in attracting consumers, and the authors define the top five store attributes for a small sample of frequent shoppers among the specialty grocery format as: Cleanliness, product selection, courtesy of personnel, crowding and price competitiveness. Their findings show that 73% of shoppers are women and 23% are men and among all the factors, cleanliness is considered as the most important factor that attracts the consumer, followed by price competitiveness. (Sampson 2008) concludes that there is a strong relationship between store size and sales revenue in the retail industry; customers are attracted to large retail stores that have many lines in terms of products.

2.15 Democratic Republic of Congo

2.15. Introduction

The Democratic Republic of Congo (DRC), formerly the Républic of Zaire, is geographically the largest state in Central and Southern Africa. It is located at the heart of Africa, and lies on the Equator, covering an area of 2,345,095 km² (Southern African Development Community 2013).

Nsokimieno, Shouvu & Qin (2010) states that the DRC is the third largest land area in Africa after Sudan and Algeria and its population represents the nineteenth most populous nation in the world. According to the (Southern African Development Community 2013) the population is estimated at 75,259,000 (2011), and is divided into ten provinces and one city, namely, Kinshasa – the capital. The provinces are Bandundu, Bas-Congo, Equateur, Kasai-Occidental, Kasai-Oriental, Katanga, Maniema, Nord-Kivu, Orientale and Sud-Kivu. French is the only official language, with four national languages: Lingala, Kingwana, Kikongo and Tshiluba. The DRC has over 200 African ethnic groups, of which the majority are Bantu.

The DRC is one of the richest countries in terms of natural resources and has copper, cobalt, diamonds, gold, zinc and other base metals. It has the second largest tropical forest in the world, and its wildlife has an exceptional range of biodiversity by world standards, with fertile soils, ample rainfall, and considerable and varied mineral resources (Nsokimieno et al. 2010; Southern African Development Community 2013).

Ankomah (1999) claims that in 1482 when the Portuguese sailor Diego Cao unintentionally came upon the river as it emptied into the Atlantic, he was amazed by its size. , (Ankomah 1999) quotes Hochschild who said: "Modern oceanographers have discovered more evidence of the great river's strength in its 'pitched battle with the ocean': a 100-mile-long canyon, in place 4,000 feet deep, that the river has carved out of the sea floor... It pours some 1.4 million cubic feet (use the metric equivalent –cu/mecs) of water per second into the ocean; only the Amazon carries more water" (1999, p.4). That was the DR Congo.

From The Congo Free State, 1885-1908, Ankomah (1999) argues that it was the huge rainforest of The Congo teeming with wild rubber that attracted King Leopold II. The Congo became independent on 30 June, 1960 (Southern African Development Community 2013).

The DRC joined the Southern African Development Community (SADC) on 8 September 1997 and coincidently on 7 September 1997 in Rabat, Morocco Mobutu Sese Seko, former president of Zaire (1965-1997) died and in January 2001, Laurent-Désiré Kabila was allegedly killed by one of his bodyguards and was replaced by his son, Major-General Joseph Kabila.

2.15.1 Congo wars and atrocity

People around the world tend to attribute the conflict, the atrocities and the war in the Congo to its previous and current leaders such as Mobutu, president of Zaire from 1965 to 1997 and Laurent Kabila from 1997 to 2001 and finally, Joseph Kabila from 2001 until now (Behar 2008). However, (Ankomah 1999) reports that only 104 years ago, the agents of King Leopold II of Belgium slaughtered 10 million Africans in the DRC and cutting off hands as a method of forcing maximum profits from rubber collection, the hands were a 'bounty' as it was in Sierra Leone around 1999. Today, Leopold's "rubber terror" has all been swept under the carpet. Adam Hochschild calls it "the great forgetting" in his book, *King Leopold's Ghost.*

Coghlan, Brennan, Ngoy, Dofara, Otto, Clements & Stewart (2006) claims that since 1998, the war in the DRC has been a humanitarian disaster, but has drawn little response from the international community.

Montague (2002) states that the international community has distanced itself from the war in the DRC. Despite the mounting death toll, the country receives only a trickle of aid and even less media attention, and according to Behar (2008) the conflict in the DRC is known as "the world forgotten crisis" and the death toll stands at more than 10 times that of Darfur and according to the International Rescue Committee nearly 5.5 million Congolese have died since 1998.

Just like the "rubber terror" (Behar 2008) testifies that between 1998 and 2001 coltan was the most desired mineral in the warring Congo. (Montague 2002) agrees by saying that: "To attempt to explain the connection between economic exploitation and conflict in Africa beyond a simplistic post-Cold War analysis of conflict based upon tribalism, primitiveness, and chaos. International competition for scarce resources in general and for coltan in particular, is a key factor in the lack of state stability and the continuation of war in the DRC" (2002, p.110)

Nsokimieno et al (2010) testifies that the armed conflict and constant insecurity in the east of the DRC leads to immigration of displaced people at a significant rate. This conflict is recognised as the deadliest conflict worldwide since World War II and millions of people have evacuated their homes to flee to neighbouring countries, and thousands of them arrived in Kinshasa to escape the conflict.

Kodi (2007) claims that: "Ten years of the most destructive conflict since the Second World War, all areas need immediate and urgent attention and thousands of women and girls have been raped by all the warring parties, including the newly integrated national army" (2007, p.13) Montague (2002) affirms that in the three years between from 1999 to 2001, approximately 73 000 people were dying monthly, the death toll reached almost four million.

However, before this latest war, the DRC has experienced several rebellions and wars since its independence in 1960; shown here in chronology order: (Ndikumana & Emizet 2003)

1. The Katanga secession war: 11 July 1960 – 14 January 1963
2. The Kasai secession war: 8 August 1960 – 2 February 1962
3. The Kwilu rebellion: 22 January 1964 – 31 December 1965
4. The Eastern rebellion: 15 April 1964 – 1 July 1966
5. Shaba I (8 March 1977–8 May 1977)
6. Shaba II (13 May–3 June 1978)
7. The Kabila-led rebellion: 17 October 1996 – 17 May 1997
8. The Anti-Kabila rebellion: 2 August 1998 – ongoing

2.15.2 Resolution of Conflict

The DRC is presently experiencing transformative state-building efforts with assistance from a variety of actors in the international community. Thousands of troops have been deployed to the Congo, MONUC/MONUSCO and a significant amount of time, resources and effort have been invested in state building in both of the countries (Coyne & Pellillo 2011). From October 2003 to March 2004, with the support of the European Union, UNDP, MONUC, the World Bank, Belgium, France and the United Kingdom, an audit of the justice sector was carried out in the Congo (Kodi 2007).

However, (Nest, Grignon & Kisangani 2005) argues that those from international countries can be seen as competitors over natural resources as there is little research devoted to learning the actual cost in terms of the economic dimensions of armed conflict that the Congo has suffered since the beginning of this war.

Stern (2012) claims that today, the DRC is considered one of the poorest countries in the world despite its human potential and wealth. (Kodi 2007) states that it is reported that 71.34% of the population can be considered poor.

The truth is that the economic downfall of the DRC started before this present war. Kodi (2007) states that it started at the beginning of 1970 while (Chirushage 2001, p.66) expands as it states:

> A decrease in production was observed in all sectors. Just for the period 1990 to 1994 agricultural export production fell 45.3 per cent, mining and steel production by 65.1 per cent, the production of crude oil by 16 per cent, manufacturing 47, 1 per cent, the production of water of 6.1 per cent and the generation of electricity of 8.3 per cent, a situation that is getting worse and requires special attention on the part of all social groups and should be their major concern.
>
> The same paper, (Chirushage 2001, p.69) states that:
>
> From 1989 to 1993 copper production fell by 89 per cent, cobalt 76 per cent, zinc 95 per cent, gold 36 per cent, oil 14 per cent. Only diamond production rose by 15 per cent. In the energy sector the country has the first river basin in the world with a hydropower potential of 600 billion kWh is the fourth in the world and capable of producing 300 billion kWh is equivalent to 4 times all French dams.

2.15.3 Kinshasa

After independence a massive immigration wave impacted Kinshasa; the urban population has jumped from 400 000 in 1960 to more than 6 million people in 2001, and now (2013) the urban population is estimated at 10 076099 (Nsokimieno et al. 2010).

Katrien 2011; Jewsiewicki & Higginson (2008) claim that since the decline of the late President Mobutu's grip on local media space around 1990, media ownership in Kinshasa has changed, allowing individual entrepreneurs with their own agendas to set up their own television channels to generate income.

Behar (2008) indicates that Chinese shops are abundant and mostly sell counterfeit goods and employ Congolese for a wage of US$50 per month. Furthermore 90 % of NGOs appeared when the World Bank and IMF decided to give the DRC funding, and according to (Behar 2008) the only real drivers of the economy in the DRC are the NGO and UN communities. (Kikouta 2002) suggests entrepreneurs from both the informal and formal sector play a huge role in the economy of Kinshasa.

Table 2

Democratic Republic of Congo (Country Profile)

Titles	Information
Head of State	H.E. Joseph Kabila
Head of Government	Prime Minister Augustin Matata Ponyo
Capital City	Kinshasa
Independence Day	30 June, 1960
Official Languages	French, Lingala, Kikongo, Swahili,Tshiluba
Currency	Congolese Franc (CDF) 1 CF= 100 centimes
Average official exchange rate(s) Congolese Franc/USD	919.4 (2011)
Area/Size of country (km²)	2,345,095
Population (latest census)	75,259,000
Literacy Rate	75%
GDP per capita	US$315
GDP annual growth rate	+6.9%
Annual inflation rate	+12.6%
Imports (billion)	US$11.501
Exports (billion)	US$1.520
Natural resources	gold, diamonds, base metals, coal, oil and gas, wildlife, water, uranium, coffee, sugar, rubber, cotton, fish, wood, banana, cocoa, tobacco, electric energy and copper
Government website link	www.sadc.int/member-states/dr-congo

DR Congo SADC National Focal Point

2.16 Conclusion

This chapter has covered the review that will be used in this report, it began by defining the term 'entrepreneur' and more than ten definitions by ten different authors were found to define the word 'entrepreneur'. Hormozi (2004), Rai (2008) and Zubeidi, Veciana (1980) cited by Raposo, Paço and Ferreira, Soirinsuo and Mäkinen (2010)Cantillon (1755) and Say (1803) gave their opinions in relation to the subject.

Then the concept of human capital was explored, this chapter elaborated on the different types of human capital, and their impact on the economy and finally the authors who do not support the view that human capital has any influence on the performance of the entrepreneur.

The word 'retail' was also defined and studied throughout this chapter and its importance around the world was demonstrated; ten countries were cited to prove that the retail industry plays an important part in the GDP of these countries.

Finally, the end point of this chapter was about the Democratic Republic of Congo. Knowing that the country has been in trouble for more than a decade, an entire section was devoted to the DR Congo Wars and atrocities and another section was devoted to the role of entrepreneurial activity in Kinshasa.

CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

The research in this study used a quantitative survey research method. 150 small businesses from the retail industry in Kinshasa were used to investigate the human capital and the performance of the retail industry and the survey instrument shown in the appendix, which was cross-sectional, was designed to collect data to establish the viability of 126 small businesses in Kinshasa and study the relationship between the human capital of the entrepreneurs and their performance. Firstly, the survey was developed in English, but as Kinshasa is a French-speaking city, the instrument was translated into French so that the respondents would understand and be able to answer the questionnaire.

The survey instrument was composed of demographic items, educational items, work experience items and company performance items. 126 usable responses were received, which represents 84 % of the total sent.

The research design, population, selection of the sample, procedures for collecting data, instrument used treatment of the data and statistical techniques and tests used in this study are also explained in this chapter.

3.2 Research Design

Survey research was used to study the human capital and the performance of the retail industry in Kinshasa; human capital was defined as the level of education and prior experience of the entrepreneur. Demographic variables of business' owners was captured by: Age of the business owner, gender, types of retailing that the entrepreneurs offer, the age of the business, the reason for starting the business and the number of people that the entrepreneur supports financially. For instance, the age of the business was divided into five categories 0-2 years: More than 2 but less than 5; More than 5 but less than 10; 5 to 10 years; More than 10 years. Gender was indicated and finally, the types of retailing were divided into four categories; service retailing; food retailing; merchandise retailing and others.

The age of the business was divided into: 15 years or younger; 16 to 20; 21 to 29; 30 to 35 and 36 years or older. While the reason for starting the business was divided into eight categories: Self accomplishment; financial necessity – I had no choice; didn't want to work for someone; family tradition of running own business; adventure; tired of working for someone else; want to be my own boss; there are no decent jobs in the country; I am not sure and other (respondent had to

specify). The number of people that the entrepreneur supports financially was divided into five categories: None; 1 to 2; 3 to 5; 6 to 10 and more than 10.

3.3 Performance-related variable

As performance plays a huge role in this study, there were eight questions related to performance, such as the number of employees the entrepreneur had when he or she first started the business, the number of employees the entrepreneur currently has (while collecting this data), the current monthly turnover of the business, the monthly turnover that the entrepreneur achieved when he first started, the percentage of growth of the turnover for the preceding two years (McMahon 2001), the expectation of growth for the forthcoming two years, the product range or services expansion and the number of the branches or stores added in the preceding two years.

3.4 Work experience

The prior experience was divided into two questions; how much experience did you have working for others before starting your own business? And how relevant was your previous work experience to this business? 1= not at all relevant; 5 = extremely relevant

3.5 Education

Education was separated into two categories; the education of the entrepreneur (owner) and the education of his or her employees. Concerning the education of the entrepreneur (owner), six questions were asked of the respondents: Level of their education; importance of tertiary education in order to succeed in the retail industry; importance of education in general; to what extent their education has helped them to build their business; if they had the choice to take a course or training, would they take the opportunity; and how often in the preceding year had they attended seminars or short courses to improve their skills regarding their business.

3.6 Education about the employees

The second part was focused on the education of the employees, and again six questions were asked: Level of education required of their employees; would they employ someone who has not completed secondary school but has experience; would they employ someone who has completed secondary school but has no experience; would they employ someone as a decision-maker in their business who had no tertiary education but has experience; would they employ someone as a decision-maker in their business who has tertiary education but has no experience; and how often in the preceding year had they sent their employees for further training.

3.7 Ethnicity

As previously discussed, research has shown that human capital does seem to have a positive impact on the performance of the firm (Dimov & Shepherd 2005; Tran 2012; Nakhata & Chinintorn 2007; Segal, Borgia & Schoenfeld 2010, p. 17). However, some authors have found the opposite result (Roca-Puig et al. 2012; Dickson et al. 2008; Neitzert 1996; Ainin, Kamarulzana, Farinda & Azmi 2010, p.38).

The following two hypotheses are tested to attempt to describe if the human capital of the entrepreneur has an impact on the performance of his or her firm

H1: An entrepreneur's tertiary education has a positive relationship with the performance of the entrepreneur's venture.

H2: An entrepreneur's previous work experience has a positive relationship with the performance of the entrepreneur's venture.

The level of education is separated into five levels: Primary school; state diploma; Bachelors Degree; Masters Degree; and Doctorate. Zubeidi (2005) testifies that these categories of educational backgrounds were used by several studies in the literature (Acs 1999; Faris 2003; Hyungrae & Jinjoo 1996; Robinson & Sexton 1994).

The performance is measured by turnover, number of employees and longevity, which were further divided into five categories. For instance, the monthly turnover was divided into: Below US$1000; US$1000 to US$5000; US$5,001 to US$10,000; US$10,001 to US$20,000; US$20,001 or more, and the number of employees was divided into: 1-2; 3-5; 6-10; 11-20; 20 and more employees.

In addition, the study measures the educational level of the employees and the demographic variables of the business founder such as age, gender and industry. For instance, age of founder was divided into five categories: 25 or younger; 26 to 35; 36 to 45; 46 to 55 and 56 years or older (Ibrahim & Goodwin 1986; Kiesner 1984).

3.8 Population and Sampling Procedure

The population in this study was the entrepreneurs who own a retail business in Kinshasa as the law in the DRC defines Low and Medium income enterprises as all the enterprises that have less than 200 employees and whose turnover is less than FC 11.200.000 or US$120.000 (Regime fiscal des PME 1998).

3.9 Instrument

Greenberger and Sexton (1988, p. 7) note that valid test instruments are available to measure some of the factors, but for others, instruments must be developed and validated (Zubeidi, 2005).

A questionnaire must be subjected to the validity and reliability that is relevant to other data collection measures, quotes Weisberg et al. (1996) who claim that the validity of the survey means the survey should measure the concept that it is intended to measure. The study survey's this study's content validity, firstly because it covered in the questionnaire, all the important aspects of the concepts of the study. In addition, with the assistance of the Wits Business School applied statistician the survey was carefully discussed, critiqued, and re-written. Such processes help to avoid mistakes.

As declared earlier, all the questions in this survey pertain to measuring the human capital of the entrepreneurs and their performance. The questions in this research are designed to meet the following criteria:

1. The questions are related to the research problem and the research objectives.
2. The questions are appropriate to the entrepreneurs in their environment.
3. All items in the questions are clear and unambiguous.
4. Constructions of the questions are based upon theoretical premises related to the study.

The demographic items include: Current owner; age of the business; gender; type of retailing and age when starting the business. Such items are requested to provide a description of the population and to determine if any of the demographic variables are associated with the human capital.

The performance items include current turnover and turnover when first started the business, years in business, and number of employees, current monthly turnover, product range and numbers of branches/stores (St-Pierre, Julien & Morin, 2010; Wood 2006; Panigyrakis & Theodoridis 2009; Fuckan, Bedenik & Valdevit 2004).

The performance is also measured by the longevity to show how long the business had been operating. The age of the business, 5 years or more, indicates continuing success and survival (Ibrahim & Goodwin 1986; Praag 2003, p. 6; Reijonen & Komppula 2007; Simpson et al. 2004; LeCornu et al. 1996; Walker and Brown 2004). The questionnaire has some categorical data and continuous data that are used to gather data and to interpret the results.

Following the process of developing and modifying the survey instrument, data were collected by emailing the questionnaire to an assistant who then randomly selected a sample of the small businesses in Kinshasa.

3.10 Categories data

According to (stat. Yale 1998):

Categorical variables represent types of data which may be divided into groups. Examples of categorical variables are race, sex, age group, and educational level. While the latter two variables may also be considered in a numerical manner by using exact values for age and highest grade completed, it is often more informative to categorise such variables into a relatively small number of groups (1998, p.2).

In this study, the categorical variable is used in some of the questions for example, the questions related to performance.

How many employees (other than yourself) do you now have in this business?

1-2	3-5	6-10	11-20	20+

How many employees (other than yourself) did you have when you started this business?

1-2	3-5	6-10	11-20	20+

What is your current monthly turnover from this business?

Below 1000$	$ 1000 to $5000	$ 5,001 to $ 10,000	$10,001 to $20,000	$20,001 or more

3.11 Continue data

According to the Isixsigma dictionary:

Continuous data is information that can be measured on a continuum or scale. Continuous data can have almost any numeric value and can be meaningfully subdivided into finer and finer increments, depending upon the precision of the measurement system. As opposed to discrete data like good or bad, off or on, etc., continuous data can be recorded at many different points (length, size, width, time, temperature, cost, etc.). It is the data that can be measured on a scale.

In this study, the continuous data were used in some of the questions such as in the question related to education.

What is your highest level of education?

Primary school	High school	State diploma	Bachelor degree	Postgraduate

How important do you think it is to study after finishing secondary school in order for you to be successful in this business?

1 Not important	2	3	4 Neutral	5	6	7 extremely important

Please rate the importance of education? On a scale of 1-5, where 5 is extremely important and 1 is not important. _____

1 Not important	2 A little important	3 Fairly important	4 Important	5 Extremely important

3.12 Data Collection

The following procedures were used for the collection of data.

A random sample consisting of 150 small businesses was selected from the qualified target population. On 5 March 2013, the surveys were emailed to an assistant in Kinshasa who randomly selected entrepreneurs in the small business sector and after almost three months of following up and constant discussion with the assistant regarding the presentation and the context of the questionnaire, the surveys were sent back to the researcher in Johannesburg via DHL on 21 May 2013 and the survey responses were translated from French into English.

3.13 Data Analysis

As there are several business performance variables, the responses are clustered on all these variables. The use of k-means showed that there are two clear clusters in this study, we have divided our population into two clusters so that we can analyse each one of them on its own and show the difference between them.

According to (Rocha & Sternberg 2005) clusters can be defined as a geographically adjacent group of consistent firms and allied institutions in interconnected industries, (Porter 1998) the geographical dimension refers to collocated firms and it has been the only cluster dimension considered in most quantitative studies (Baptista & Swann 1998).

Dolnicar (2002) agrees with them by saying that clustering is a very popular and broadly-used tool for classifying or building data-based market segments. A cluster analytical procedure is used to search the homogeneous elements of subgroups among respondents.

In their study, Rozwadowska, Zieli´nski, Petelski & Sobolewski (2010) chose three clusters to analyse their data and each cluster member was represented by 1, 2 or 3 trajectories together. In the same way, this study uses two different clusters that are represented by the first cluster and second cluster to analyse data. (Dolnicar 2002, p.4) declares that "nearly one fifth of all studies do not explain choice of the number of clusters. Half of them used heuristics (like graphs, dendrogramms, indices etc.) and approximately one quarter combined subjective opinions with heuristics".

In this study the clusters were chosen according to the performance of the entrepreneur in terms of turnover, the expansion of product or services, the reason for starting business, the age of the business, the level of competition, the education of the entrepreneur, the importance of tertiary education and the importance of education in general. Furthermore, the use of graphs and statistic analytics is important to show the difference between the clusters.

3.14 Cross tabulation

RS Michael (2001) describes a cross tabulation as a dual frequency distribution of cases based on two or more categorical variables. Showing a distribution of cases by their values on two or more variables is known as contingency table analysis and is frequently used in Social Science studies and cross-tabulation analyses are used for more than 90% of all research analyses.

In this study, descriptive statistics (cross tabulation) are calculated for the performance of the entrepreneurs with human capital (education and work experience). The Pearson's correlation co-efficient is used to measure the relation between human capital of the entrepreneur and their performance.

The original chi-square test also known as Pearson's chi-square is also used in this study; the theory states that, in the early 1900s from papers by Karl Pearson the test was used to provide both "goodness-of-t" test, where the data are characterised along one dimension, and as a test for the more common "contingency table," in which classification is across two or more dimensions (Howell 1998).

According to (Qualtrics.com 2011), the Chi-square statistic is the principal statistic exploited to test the statistical significance of the cross-tabulation table. (Elliott 2011) pursues that: "The data observations must be independent and each data value can be counted in one and only one category. It is also assumed that the number of observations is fixed".

In this study, the Chi-square test is used on clustering especially on the performance variable and the demographic to show that the clusters differ significantly on these variables and then a graph is presented to compare the performance-related variable of the clusters and to explain

the differences. According to (Evaluation Research 2008, p.1) "Graphs and charts condense large amounts of information into easy-to-understand formats that clearly and effectively communicate important points".

The last part presents and compares the cluster on all the other variables, a t- test on all the continuous rating variables is presented with Cohen's effect size to see if the mean differences are weak/moderate/strong.

According to (Cook & Thalheimer, 2002, p.2): "Effect-size measurements tell us the relative magnitude of the experimental treatment. They tell us the size of the experimental effect. Effect sizes are especially important because they allow us to compare the magnitude of experimental treatments from one experiment to another".

A Chi-square test on the categorical variables with Cramer's V effect size is used to ascertain if the mean differences are weak/moderate/strong. According to (Warmbrod 2001, p.9) "The Cramer's V is used to describe the magnitude or association between categorical variables (nominal) when numbers of row, number of columns, or both are greater than two and Warmbrod argued that Cramer's V must lie between 0 (reflecting complete independence) while 1.0 reflects the opposite meaning (complete dependence or association) between variables".

3.15 Conclusion

In this chapter, the performance-related variable (Work experience, Education) was presented. And the use of the Categories data, Continue data, Data Collection, Data Analysis and cross tabulation were highly structured to interpret the data in the chapter following.

CHAPTER 4: FINDINGS

4.1 Introduction

This chapter is divided into three sections. The first section presents the sample overview, the demographic, business performance and business descriptive (other business-related variable). Then the second section reports the findings results from analysis of the data. The third section presents the comparison between clusters.

4.2 Presentation of sample overview

4.2.1 Type of retailing

There are four categories that represent the types of retailing; service retailing, food retailing, merchandise retailing and others (any activity that does not fit into any of the preceding three) The results show that more than half of the entrepreneurs in the first cluster work in food retailing; indeed they represent 56% of the population in that cluster. Meanwhile the second cluster is dominated by service retailing (87% of the entrepreneurs work in service retailing).

4.2.2 Duration owned business

The results show that in the first cluster, the majority of the entrepreneurs (47%) have owned their business for between 5 and 9 years and only 28% of them have owned their business for more than 10 years. While in the second cluster there are more young entrepreneurs, 42%, who had owned their business for between 3 and 4 years.

4.2.3 Gender

It is observed that the male entrepreneurs are dominant in the clusters, 77% in the first cluster and 70% in the second cluster.

4.2.4 Age of starting business

The results show that 42% of the entrepreneurs in the first cluster started their business at an age of between 30 and 33 years old and 34% of the entrepreneurs in the second cluster started their business at an age of between 20 and 28 years old.

Reason for starting business

There were eight categories in this question: Self accomplishment; out of financial necessity – I had no choice; didn't want to work for someone; family tradition of running own business; adventure; tired of working for someone else; want to be my own boss; there are no decent jobs in the country; I am not sure and other (entrepreneur needed to specify).

These categories show whether the entrepreneur started his or her business out of necessity or out of opportunity. The results show that almost half of the entrepreneurs (44%) in the first cluster started because of self-accomplishment and 37% of the entrepreneurs said that they "Didn't want - work for someone".

In the second cluster, the figure is quite different, only 22% of the entrepreneurs started because of self-accomplishment, even if we add the second category; "want to be my own boss," the result is still below 50%. If we combine the two last categories; "Of financial necessity" and "No decent jobs in the country," the results show that 53% of the entrepreneurs started their businesses because of these two reasons.

4.2.5 Number of people that the entrepreneurs support financially

The results show that 84% of the entrepreneurs in the first cluster financially supports 1-2 people or more and more than half of the entrepreneurs (60%) in the second cluster do not support anyone beside themselves.

Table 3

The result of the demographic

		Cluster 1	Cluster 2	Cluster 1 %	Cluster 2 %
Types of retailing offered	Service retailing	12	72	28%	87%
	Food retailing	24	2	56%	2%
	Merchandise retailing	7	9	16%	11%
Duration owned business	0-2 years	1	2	2%	2%
	3-4	10	35	23%	42%
	5-9	20	17	47%	20%
	More than 10 years	12	29	28%	35%
Gender	M	33	58	77%	70%
	F	9	25	21%	30%
Age you started business	15-18	1	8	2%	10%
	20-28	7	28	16%	34%
	30-33	18	20	42%	24%
	35+	16	26	37%	31%
Reasons for starting business	Self-accomplishment	19	18	44%	22%
	Want to be my own boss	1	14	2%	17%
	Tired of working for someone else	0	3	0%	4%
	Didn't want to work for someone	16	2	37%	2%
	Family tradition of running own business	2	1	5%	1%
	Of financial necessity	5	24	12%	29%
	No decent jobs in the country	0	20	0%	24%

People you supporting financially (incl yourself)	0	4	50	9%	60%
	1-2	36	23	84%	28%
	3-5	3	8	7%	10%
	6-10	0	2	0%	2%

The main problem of this study is to describe the relationship between the human capital of the entrepreneurs in Kinshasa in the retail industry and their performance. To achieve the objectives of this study, two research questions were set and tested; the first about the relationship between an entrepreneur's tertiary education and the entrepreneur's venture performance. The educational attainment is represented by the highest level of education of the entrepreneur; the entrepreneurs were asked how many times they attended seminars or short courses regarding their business over the preceding years, the standard of education they require for their employees and finally how many times they sent their employees for further training in the preceding year.

4.3 Presentation of the result of education

4.3.1 Level of education

The results show that there are fewer educated entrepreneurs (16%) in the first cluster and more than half of the entrepreneurs (63%) have reached high school. While in the second cluster, 63% of the entrepreneurs have reached high school and 35% have attained Bachelor's degrees.

4.3.2 Last year, attended seminars or short courses for business

This question was asked to find out how often the entrepreneur goes for training or a short course to improve his or her skills. The results showed that last year, for the entrepreneurs in the first cluster, more than half them (63%) went to training once and 33% attended training twice a year. However, this result is different to the second cluster, of which more than half of the respondents (53%) said that they had not attended training during the preceding years.

4.3.3 Education required of the employees

The entrepreneurs in the first cluster seem to require employees who are well-educated, while 33% of the entrepreneurs in the second cluster did not bother about this (no specific requirement), as the table below shows.

Table 4

The result of the education

		Cluster 2	Cluster 2	Cluster 1 %	Cluster 2 %
Highest level of education	Primary school	7	2	16%	2%
	High school	26	52	60%	63%
	Bachelors degree	10	29	23%	35%
Last year, attended seminars or short courses for business	Never	2	44	5%	53%
	Once a year	27	31	63%	37%
	Twice a year	14	6	33%	7%
	Three times	0	2	0%	2%
Education you require of your employees	No specific requirement	0	27	0%	33%
	Primary school	1	2	2%	2%
	High school	3	20	7%	24%
	State diploma	23	5	53%	6%
	Post-graduate	16	29	37%	35%
Sent employees for further training last year	Not applicable	2	4	5%	5%
	Never	0	55	0%	66%
	Once a year	41	24	95%	29%

The second sub-problem is to establish whether there is a positive relationship between the level of previous experience of the entrepreneurs and the performance of their organisations.

Prior experience was measured by "how long the entrepreneur used to work for somebody else before starting his or her own business." The results show that more than half of the entrepreneurs in the second cluster did not have any experience before starting their business.

Table 5

The result of the prior experience

		Cluster1	Cluster2	Cluster1 %	Cluster2 %
Your work experience before starting own	No experience	1	45	2%	54%
	1 year	31	24	72%	29%

business	2-3 years	8	10	19%	12%
	4-6 years	3	3	7%	4%
	7 years +	0	1	0%	1%

As can be observed the main problem and the two sub-problems are connected to the performance of the organisation that the entrepreneur owns, therefore performance plays a significant role in this study and is divided into ten categories of question, among those questions, there are three set variables: Owner-related; business performance and business descriptive.

The business performance variable is interrogated by these questions: How many employees (other than yourself) do you now have in this business? How many employees (other than yourself) did you have when you started this business? What is your current monthly turnover from this business? What was your monthly turnover when you first started your business? What was the percentage growth of your turnover for the preceding two years of your business (or in the preceding year in the case of a new business)? How much are you expecting your turnover to grow over the next two years? How much have you expanded the product range/the services you offer in your business in the preceding two years?

4.4 The result of performance

4.4.1 Number of employees

The result showed that more than half of the entrepreneurs in both clusters have 1-2 employees, and almost 33% in both clusters have 3-5 employees.

4.4.2 Number of employees when the entrepreneurs started their business

According to the result, only 28% of the entrepreneurs in the first cluster began with 1-2 employees, and almost half of them (49%) started with 3-5 employees. The figure is different for the entrepreneurs in the second cluster; 59% of them started with 1-2 employees and 28% began with 3-5 employees.

The results show that almost half of the entrepreneurs in the first cluster have seen a decrease in the number of employees and only 29% of the entrepreneurs in the second cluster have seen a decline.

4.4.3 Current turnover

The results show that 98% of the entrepreneurs in the first cluster achieve a monthly turnover below US$1,000 and 98% of the entrepreneurs in the second cluster earn a monthly turnover of between US$1,000 and US$5,000.

Table 6

Presentation of the performance

		Cluster1	Cluster2	Cluster1 %	Cluster2 %
Employees (excl yourself) now in business	1-2	24	48	56%	58%
	3-5	14	28	33%	34%
	6-10	5	7	12%	8%
Employees (excl yourself) when started business	1-2	12	49	28%	59%
	3-5	21	23	49%	28%
	6-10	10	8	23%	10%
	11-20	0	3	0%	4%
Employee growth	from 6-10 to 6-10	1	2	2%	2%
	from 3-5 to 1-2	12	10	28%	12%
	from 1-2 to 3-5	2	10	5%	12%
	from 3-5 to 3-5	5	12	12%	14%
	from 1-2 to 1-2	10	38	23%	46%
	from 11-20 to 6-10	0	3	0%	4%
	from 3-5 to 6-10	4	1	9%	1%
	from 6-10 to 3-5	7	6	16%	7%
	from 1-2 to 6-10	0	1	0%	1%
	from 6-10 to 1-2	2	0	5%	0%
Current monthly turnover from business	Below US$1000	42	1	98%	1%
	US$1000 - US$5000	1	80	2%	96%
	US$10,001 - US$20,000	0	2	0%	2%
	Below US$1000	1	80	2%	96%
	US$1000 - US$5000	42	3	98%	4%
Turnover growth	from Below US$1000 to Below US$1000	0	1	0%	1%

	from Below US$1000 to US$1000 - US$5000	1	79	2%	95%
	from US$1000 - US$5000 to US$10,001 - US$20,000	0	2	0%	2%
	from US$1000 - US$5000 to Below 1000$	42	0	98%	0%
	from US$1000 - US$5000 to US$1000 - US$5000	0	1	0%	1%

Concerning the performance of the firms, in the last preceding years, almost 80% of the entrepreneurs in the first cluster have seen a growth of between 25% and 50%, while almost 90% of the entrepreneurs in the second cluster have had approximately the same turnover for the last two years.

4.4.4 Turnover when they first started

When they first started their businesses, the results reflect that 98% of the entrepreneurs in the first cluster started with a turnover of between US$1,000 and US$5,000 and 96% of the entrepreneurs in the second cluster started with a turnover below US$1,000.

Therefore, the turnover' growth is presented as follows, 98% of the entrepreneurs in the first cluster have seen a decrease in their turnover, while 97% of the entrepreneurs in second cluster have experienced an increase in their turnover.

4.4.5 Expanded product/services in last two years

The results show that 98% of the entrepreneurs in the first cluster experienced moderate expansion and 53% of the entrepreneurs in the second cluster had limited expansion.

Note: This question is about the expansion from when they started until now.

Table 7

Presentation of performance

		Cluster1	Cluster2	Cluster1 %	Cluster2 %
% turnover growth in last two years	approximately the same	0	73	0%	88%
	Between 10% - 50%	0	2	0%	2%
	Between 10% - 25%	2	7	5%	8%
	Between 25% - 50%	34	0	79%	0%

	Between 50% - 100%	7	1	16%	2%
Monthly turnover when first started business	Below US$1000	1	80	2%	96%
	US$1000 - US$5000	42	3	98%	4%
Expecting turnover growth over the next two years	10% - 25%	2	7	5%	8%
	26% - 50%	34	0	79%	0%
	51% - 100%	7	76	16%	92%
Expanded product/services in last two years	No expansion	0	16	0%	19%
	A little expansion	0	44	0%	53%
	Moderate expansion	42	5	98%	6%
	Fairly large expansion	1	18	2%	22%
Branches added in last two years	Not applicable	0	1	0%	1%
	None	28	65	65%	78%
	2-3	11	17	26%	20%
	4-5	4	0	9%	0%

4.5 The statistical analysis

As there are several business performance variables, the responses are clustered on all these variables, using k-means clustering to form two clear clusters that are presented above.

4.5.1 Presentation of Chi-square results on clustering, i.e. performance variables

The Pearson's correlation analysis is used to show if the clusters differed significantly on these variables, i.e. differed on performance. The computed values of the Chi-square for the question about the number of employees that the entrepreneurs have now was found to be 0.05 and the p value was 0.8282, and the Effect size was 0.02, which means there is no difference among the clusters in that question.

However, when asked about the number of employees the entrepreneurs had when they first started their businesses, the Chi-square for that variable was 10.99 and the p value was 0.0041 significant and finally the Effect size was 0.3.

Therefore, the Chi-square of the employee growth was 22.51 with a p value of 0.0074 and an Effect size of 0.42; the results show that there is a statistical difference regarding the question of the current turnover of the entrepreneurs in both clusters, the Chi-square for that variable is 117.26 with a p value of 0.0000 and an Effect size of 0.96.

The same difference is seen for the question: "What was the turnover when they first started?" The computed value of the Chi-square was 109.15 with a p value of 0.0000 and an Effect size of 0.93.

Table 8

Chi-square

	Chi square value	p	Effect size
Employees (excl yourself) now in business	$\chi 2(1)=0.05$	0.8282	0.02
Employees (excl yourself) when started business	$\chi 2(2)=10.99$	0.0041	0.3
Employee growth	$\chi 2(9)=22.51$	0.0074	0.42
Current monthly turnover from business	$\chi 2(1)=117.26$	0.0000	0.96
Turnover growth	$\chi 2(4)=121.61$	0.0000	0.98
% turnover growth in last two years	$\chi 2(1)=94.22$	0.0000	0.86
Monthly turnover when first started business	$\chi 2(1)=109.15$	0.0000	0.93

The statistical analysis also shows that the two clusters differed on the question or variable related to the percentage of turnover for the preceding two years, the Chi-square of this variable is 94.22 with a p value of 0.0000 and an Effect size of 0.86. For the question related to the expectation of the turnover growth for the next two years, the results show that Chi-square is 71.42 with a p value of 0.0000 and an Effect size of 0.75. The Chi-square for the variable related to the expansion of products or services is 101.91 with a p value of 0.000 and an Effect size of 0.9.

Note: The cut-offs for small, moderate and strong effect sizes are .1 .3 and .5 respectively

Table 9

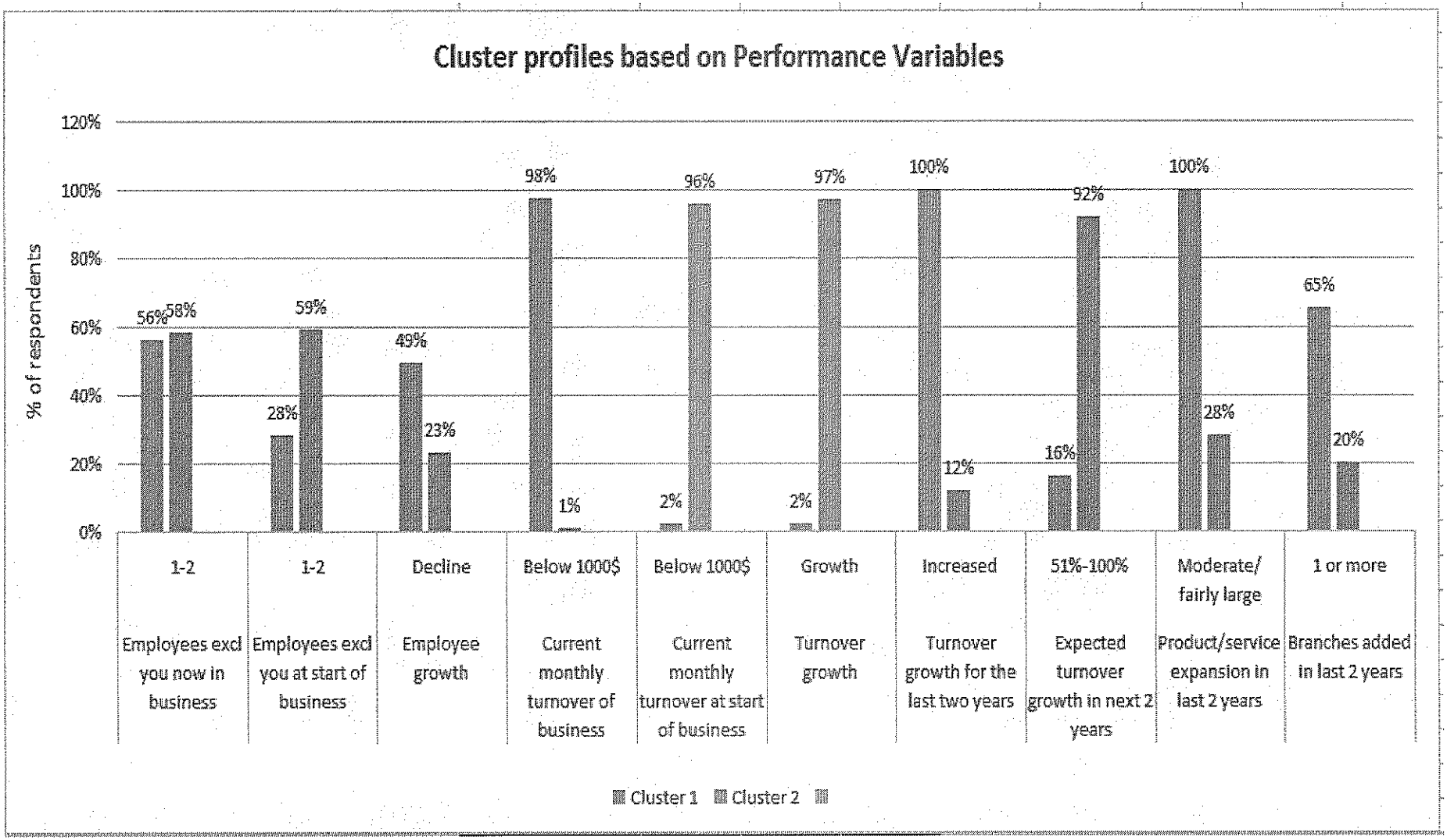
Chi-square continued

	Chi-square value	p	Effect size
Expecting turnover growth over the next two years	$\chi2(1)=71.42$	0.0000	0.75
Expanded product/services in last two years	$\chi2(3)=101.91$	0.0000	0.9
Branches added in last two years	$\chi2(1)=2.97$	0.0850	0.15

4.6 Main difference among clusters on the performance

The statistical analysis shows that the main difference between the two clusters related to the performance can be seen in these variables: Employees (excl yourself) when started business; Employee growth; Current monthly turnover from business; Turnover growth; Percentage of turnover growth in last two years; Monthly turnover when first started business; Expecting turnover growth over the next two years; Expanded product/services in last two years.

Figure 1


Cluster profiles based on Performance Variables
% of respondents
120%
100%
80%
60%
40%
20%
0%
56%
58%
28%
59%
49%
23%
98%
1%
2%
96%
2%
97%
100%
12%
16%
92%
100%
28%
65%
20%
1-2
1-2
Decline
Below 1000$
Below 1000$
Growth
Increased
51%-100%
Moderate/ fairly large
1 or more
Employees excl you now in business
Employees excl you at start of business
Employee growth
Current monthly turnover of business
Current monthly turnover at start of business
Turnover growth
Turnover growth for the last two years
Expected turnover growth in next 2 years
Product/service expansion in last 2 years
Branches added in last 2 years
Cluster 1
Cluster 2

4.6.1 Difference in the number of employees first started

The graph shows the difference between the two clusters in the number of employees employed when the business first started, and we can also see that the number of employees of the entrepreneurs in the first cluster has decreased by 49% compared to the entrepreneurs in the second cluster with 23%.

4.6.2 Turnover growth

In terms of their current turnover, the graph shows that only 1% of the entrepreneurs in the second cluster attain a turnover of below US$1,000. While, 98% of the entrepreneurs in the first cluster have a turnover of below US$1,000, however when they started their business, 98% of them started with a turnover of between US$1,000 and US$5,000. As the graph shows, there has been a decline of 98 US$.

4.6.3 Turnover growth for the last two years

We are still focused on the first cluster to see the difference, even though turnover in this cluster has declined from when the businesses began, but for the last two years the entrepreneurs in this cluster have seen some growth, all of them said that their turnover for the preceding two years was between 50% and100%. In addition 79% of them are expecting an increase of around 25% and 50% over the next two years. In the past two years, 98% of them had a moderate expansion in the term of product/service and finally, 65% of them have added one or more branches or stores for the preceding two years.

However, the figure is very different for the entrepreneurs in the second cluster, almost all of them (96%) started with a turnover of below US$1,000 but actually most of them (98%) are working with a turnover of between US$1,000 and US$5,000. As the graph shows, 97% of them have seen growth since they started their business.

However, compared to the first cluster, only 12% of them said that they had significant growth in the past two years, but 91% of them expect growth of between 51% and 100% for the next two years and 28% of them had experienced moderate to large expansion and finally, only 20% of them have added one or more branches in the last two years.

Now that the difference between the clusters has been statistically examined, the clusters will be compared on all the other variables (education and prior experience). To do so t tests on all the continuous rating variables with Cohen's d effect size were conducted to determine if the mean differences are weak/moderate/strong (.2/.5/.8).

Table 10

The variables compared to the clusters

Variables
Importance of study post secondary school for business success
Importance of education
Extent your education helped build business
Choose to take a course or training
Employ experience but no secondary school
Employ secondary school leaver with no experience
Employ decision maker with experience but no tertiary education
Employ decision maker with tertiary education but no experience
Relevance of previous work experience
Financial help from family/others

Comparison of t tests on all the continuous rating variables with Cohen's d effect size to see if the mean differences are weak/moderate/strong (.2/.5/.8)

The table shows that the first cluster has 43 entrepreneurs and the second cluster has 83 respondents. For the first variable related to the "Importance of study post secondary school for business success," the result shows that in the first cluster the mean is 2.70 while in the second cluster the mean is 2.41. The t-value of both clusters is 2.80 and the p-value is 0.0059.

The results show that there is no significant difference in the standard deviation of both clusters and at the end the Cohen's d effect size showed that the mean differences are moderate (0.53). We can see that there is not much difference among the clusters when it comes to the importance of tertiary education.

The second variable is the importance of education in general; in other words in the respondent's life, and the results show that the mean of the first cluster is 3.37, while the mean of the second cluster is 3.12, the t-value for both clusters is 1.22 and the p-value is 0.2561.

In comparing the standard deviation of both clusters, the results show that there is not much difference between them and the Cohen's d effect size supports this by being weak at a level of 0.22.

The third variable is: "Extent your education helped build business." Here the difference can be seen in the mean values; 4.72 for the first cluster and 3.80 for the second cluster, the t-value of the clusters is 5.35, which is large compared to the two previous variables we have seen and the

p-value is 0.0000; better when compared to the two previous findings and finally the standard deviation is very different, so Cohen's d effect size is strong at 0.93.

It can be confidently stated that the clusters are very different with regards to this variable.

The difference between clusters is clear in the last two variables of the above table; "Relevance of previous work experience" and "Financial help from family/others". It can be seen from the table that their mean values are very different, the t-values are very high and their p-values are 0.000 and that they differed significantly in their standard deviation and, finally that Cohen's d effect values are strong at 1.08 for the first cluster and 2.22 for the second cluster.

T-tests; Grouping: Final classification: Calculated cluster number (Clusters)

Group 1: 1

Group 2: 2

Mean (1) n=43	Mean (2) n=83	t-value	df	p	Std.Dev. (1)	Std.Dev. (2)	Levene (F(1,df))	p (Levenedf=124)	Cohen's d	Strength
2.70	2.41	2.80	124.0	0.0059	0.56	0.54	2.03	0.1563	0.53	Moderate
3.37	3.12	1.22	103.1	0.2561	1.00	1.25	13.02	0.0004	0.22	weak
4.72	3.80	5.35	106.5	0.0000	0.83	1.08	34.28	0.0000	0.93	strong
4.63	4.35	1.73	124.0	0.0859	1.18	0.63	1.78	0.1850	0.33	weak
2.05	2.53	-4.53	112.9	0.0006	0.30	0.87	60.36	0.0000	0.67	moderate
1.02	1.40	-3.51	89.9	0.0115	0.15	0.95	30.80	0.0000	0.49	weak
2.05	2.43	-3.64	113.0	0.0056	0.30	0.87	58.37	0.0000	0.53	moderate
1.02	1.31	-3.40	94.5	0.0133	0.15	0.75	30.90	0.0000	0.48	weak
4.81	2.99	7.12	120.4	0.0000	0.85	2.02	312.05	0.0000	1.08	strong
3.77	1.73	13.73	122.2	0.0000	0.61	1.05	12.96	0.0005	2.22	strong

The test indicates the main differences between the variables related to education and work experience compared in the performance of the two clusters. The results show that the main differences from the question related to "Extent your education helped build business". Fortunately, this question is directly connected to the first sub-problem which is: "To establish whether there is a relationship between the entrepreneurs' level of education and the performance of their organisations". Almost 90% of them say that their education has helped them to build their business. However, the entrepreneurs in the second cluster have a different opinion and more than half of them say that their education did not help them to build their business.

The second difference is for the variable relating to the second sub-problem which is: "To establish whether there is a positive relationship between the level of previous experience of entrepreneurs and the performance of their organisations for the entrepreneurs." The results show that 95% of the entrepreneurs in the first cluster say that their prior experience was extremely relevant to their current business. However, almost half of the entrepreneurs in the second cluster say that their prior experience was not at all relevant to their current business.

The last difference on the t-test is related to financial help from family/others (social network). The results show that more than 70% of the entrepreneurs in the first cluster say that their family help them financially in the running of their business. However, 80% of the entrepreneurs in the second cluster say that their families do not help them.

4.6.4 Categorical variables with Cramer's V effect size

To make sure that the two clusters are very clearly different, a Chi-square test was done on the categorical variable with Cramer's V effect size to see if the mean differences are weak/moderate/strong (.1/.3/.5)

The categorical variables are: Types of retailing offered; Duration owned business; Gender; Age you started business; Reasons for starting business and People you are supporting financially (incl yourself).

The results show that the Chi-square of the categorical variable, type of retailing was 54.52 with a p-value of 0.0000 and the Cramer's V effect size of 0.66 that show that the mean difference is strong for this variable.

The Chi-square of the categorical variable, duration owned business is 10.05 (smaller than the first one) with a p-value of 0.0182 and a Cramer's V effect size of 0.28 that shows that the mean difference is weak.

The Chi-square of the third categorical variable is related to the gender and the results showed that the Chi-square was 1.06 and the p value is 0.3023 with a Cramer's V effect size of 0.09, therefore the mean difference is very weak.

Table 11

Result of Cramer's V effect size

		Chi square value	p	Effect size
Types of retailing offered	Service retailing	$\chi 2(2)=54.52$	0.0000	0.66
	Food retailing			
	Merchandise retailing			
Duration owned business	0-2 years	$\chi 2(3)=10.05$	0.0182	0.28
	3-3			
	5-9			
	More than 10 years			
Gender	M	$\chi 2(1)=1.06$	0.3023	0.09
	F			
Age you started business	15-18	$\chi 2(2)=7.6$	0.0224	0.25
	20-28			
	30-33			
	35+			
Reasons for starting business	Self accomplishment	$\chi 2(2)=20.97$	0.0000	0.41
	Want to - be my own boss			
	Tired of working for someone else			
	Didn't want to - work for someone			
	Family tradition of running own business			
	Of financial necessity			
	No decent jobs in the country			
People you are supporting financially (incl yourself)	0	$\chi 2(2)=36.83$	0.0000	0.54
	1-2			
	3-5			
	6-10			

For the categorical variable related to the education required for the employees, the Chi-square was 19.14 and the p-value of 0.0001 with a Cramer's V effect size of 0.39 that showed that the mean difference is moderate.

The results show that the Chi-square of the categorical variable, Last year, attended seminars or short courses for business was 30.65 and the p-value was 0.0000 with a Cramer's V effect size of 0.49, showing that the mean difference is moderate.

At this point we have regrouped all categorical variables with a strong mean difference on the Cramer's V effect size, those variables: Types of retailing offered; people you are supporting financially (incl yourself); sent employees for further training last year; your work experience before starting own business; meet employees on performance and your products compared to competitors.

These variables show how the clusters differ on the categorical variables. Amongst these variables the one directly connected to the second sub-problem of this study is "Your work experience before starting own business." The results show that the Chi-square of this variable was 34.07 with a p-value of 0.0000 and a strong Cramer's V effect size of 0.52.

Table 12

Result of Cramer's V effect size continued

		Chi square value	p	Effect size
Highest level of education	Primary school	X2(2)=8.9	0.0117	0.27
	High school			
	Bachelors Degree			
Last year, attended seminars or short courses for business	Never	X2(2)=30.65	0.0000	0.49
	Once a year			
	Twice a year			
	Three times			
Education you require for your employees	No specific requirement	χ2(2)=19.14	0.0001	0.39
	Primary school			
	High school			
	State diploma			
	Post graduate			
Sent employees for further	Not applicable	χ2(1)=52.7	0.0000	0.65

training last year	Never			
	Once a year			
Your work experience before starting own business	No experience	$\chi 2(2)=34.07$	0.0000	0.52
	1 year			
	2-3 years			
	4-6 years			
	7 years +			
Family ran own businesses	No	$\chi 2(1)=21.46$	0.0000	0.41
	Yes			
Meet employees on performance	Never	$\chi 2(2)=35.56$	0.0000	0.53
	Once or twice a year			
	Once a quarter			
Your products compared to competitors	Much lower	$\chi 2(2)=31.83$	0.0000	0.5
	A little lower			
	About the same			
	A little higher			
	Much higher			

4.7 Main difference with regard to the variable

4.7.1 Type of retailing

As is reflected in the table, the food and the merchandise sectors of retail are used less than in our sample. Males are dominant in the retailing sector

4.7.2 Reason for starting

As the literature has shown, the reason for starting the business is a key element to succeed in business, in this case more than half of the entrepreneurs in the second cluster started their businesses out of necessity.

4.7.3 Age of starting the business

The graph shows that almost half of the entrepreneurs in the second cluster started the business when under the age of 30 years old and 88% of the entrepreneurs in the first cluster their business when 30 years old or over

4.7.4 Supporting others financially

The graph shows that 91% of the entrepreneurs in the first cluster financially supported more people than the entrepreneurs in the second cluster.

4.8 Education

Education is an important element in this case, and the results show us that more than half of the entrepreneurs in the second cluster state that a tertiary education is not necessary to succeed in the retail industry.

4.8.1 Education helps in building the business

Only the entrepreneurs in the first cluster (88%) are of the opinion that education helps them to build their business, in the second and third clusters more than half of the respondents said that their education did not help them.

4.9 Work experience

Like education, prior work experience is a key element in this study. The results show that more than half of the entrepreneurs in the second cluster did not have any experience before starting their business

4.9.1 Relevance of the experience

The entrepreneurs in the first cluster have more experience and their prior work is connected with their current work; 95% of them said that their prior experience is relevant with what they do.

4.9.2 Regarding the decision making employees (what owners want to have?)

The results show that for decision-making, almost all of the respondents would choose an employee who is well-educated even if he or she does not have experience.

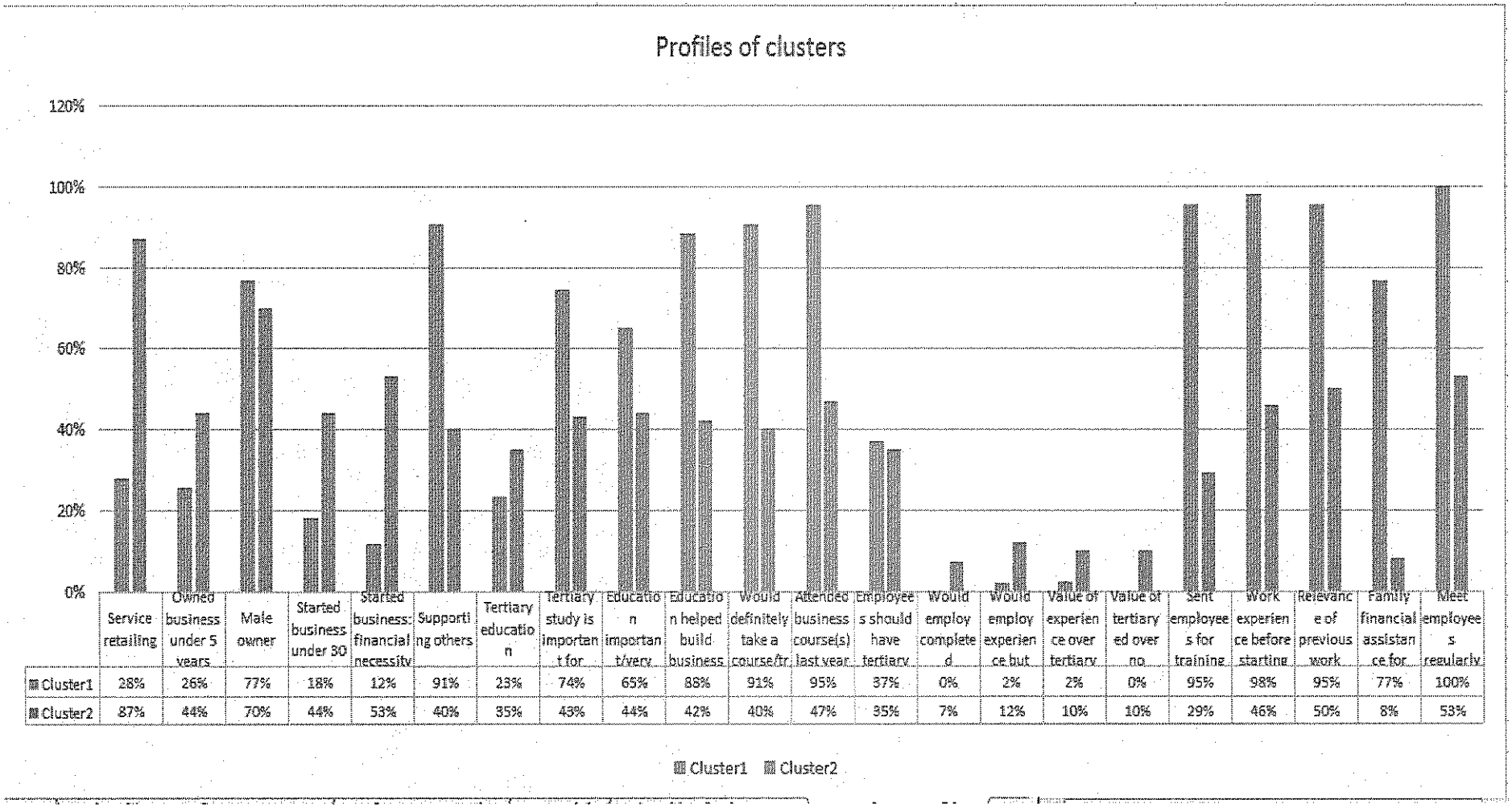
4.9.3 Network (support of family)

The results show that the entrepreneurs in the first cluster receive some financial support from their families, while the entrepreneurs in the second cluster fight alone to succeed.

4.9.4 Importance of training for the employees (do they value it?)

The entrepreneurs in the second cluster do not value training for their employees as most of them have never sent their employees for training. In addition, results show that they do not even value training for themselves as less than half of them said that they would attend training if the opportunity to study to develop new skills regarding their business arose. Fewer than half of the respondents went to a seminar or short course related to their business.

Figure 2



	Service retailing	Owned business under 5 years	Male owner	Started business under 30	Started business: financial necessity	Supporting others	Tertiary education	Tertiary study is important for	Education important/very	Education helped build business	Would definitely take a course/tr	Attended business course(s) last year	Employees should have tertiary	Would employ completed	Would employ experience but	Value of experience over tertiary	Value of tertiary ed over no	Sent employees for training	Work experience before starting	Relevance of previous work	Family financial assistance for	Meet employees regularly
Cluster1	28%	26%	77%	18%	12%	91%	23%	74%	65%	88%	91%	95%	37%	0%	2%	2%	0%	95%	98%	95%	77%	100%
Cluster2	87%	44%	70%	44%	53%	40%	35%	43%	44%	42%	40%	47%	35%	7%	12%	10%	10%	29%	46%	50%	8%	53%

4.10 Creating a case for the entrepreneurs in the first cluster

Who are they?

The results show that they are prevalent in food retailing and 74% of them have owned their businesses for more than five years and 82% of these entrepreneurs started their businesses at the age of 30 years old or over.

Of the reasons given for starting a business, the results show that 88% of the respondents started because of self-accomplishment and 91% of them supported more than one person. They are less educated, only 23% of them have tertiary education however, 74% of these entrepreneurs say that education is important to succeed in the retail industry, 88% say that their education helped them to build their business and over 90% of them say they will definitely study if the opportunity presents itself.

The results show that 98% of these entrepreneurs had prior work experience before starting their own business and 95% say that their prior experience is very relevant to their current business. Regarding their employees, the results show that 95% of these entrepreneurs sent their employees on further their training last year and 77% of them responded that they receive financial help from family and friends and all of them said that they regularly meet with their employees regarding their performance.

However, their performance is not good, and according to the results, they state that they have 1-2 employees but 72% of them started with at least 3-5 employees; it is clear on the graph of performance that 49% of them have decreased the number of employees.

Regarding their turnover, the results showed that 98 of them work with a turnover of less than US$1,000 but when they started their business 98% started with a turnover of between US$1,000 and US$5,000, which means 98 have experienced a decline in terms of turnover.

4.11 Case for the entrepreneurs of the second cluster

Who are they?

The results show that almost 90% of these entrepreneurs work in the service retailing sector, almost 50% of them have owned their business for less than 5 years and almost half of them started their business when they were under 30 years old. The reason they started this business was primarily out of financial necessity and the view

that there were no decent jobs in the country, while almost 60% of them do not support anyone financially.

They are more educated than the entrepreneurs in the first cluster, and the result shows that 35% of them have a tertiary education but more than half of them state that "you do not need a tertiary education to succeed in the service retail sector" and furthermore, the results show that they do not value education.

More than half of them say that education is not important and more than half of them claim that their education did not help them to build their business. In addition, more than half of them state that they will never study again even if an opportunity arises, more than half of them did not attend any seminars in the preceding year and only 29% of them sent their employees to training related to the business.

More than half of the respondents in this cluster had never worked for somebody before starting their own business and more than 90% of them say that they had never received any help from their family or friends. Finally 53% of these entrepreneurs said that they met regularly with their employees to talk about performance.

The results show that 77% of them have seen growth in terms of employee numbers and 97% of them have seen turnover growth, and, finally, over 90% of them expect a turnover growth of between 51% and 100% over the forthcoming two years.

4.12 Conclusion

This chapter was focused on the statistical analysis and presentation of Chi-square results on clustering. The main difference among clusters on performance, Categorical variables with Cramer's V effect on size were presented.

CHAPTER 5: SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter presents the summary of this study, beginning with the main problem and the two sub-problems, the theory from prior research, the research design, the findings concerning the relationship between human capital and the performance of the entrepreneur in the retail industry in Kinshasa and finally a discussion of the findings to draw conclusions.

Related theories show that many authors in various countries have studied human capital and its impact or influence on business performance, authors such as: Jin, Huixin and Ruizhan, (2010) in China; Oluwatobi and Ogunrinola (2011) in Nigeria; Huang et al. (2002) in Singapore; Fertala (2007) and Block and Wagne (2010) in Germany; Foley (2010) in Australia, Hawaii and New Zealand; Coleman (2005) in the USA; Pena (2000) in Spain; Honig (1998) in Jamaica; Trulsson (1997) in Northern Tanzanian; Saffu et al. (2008) in Ghana and Lafuente and Rabetino (2011) in Romanian.

Oluwatobi and Ogunrinola (2011, p.1) state that: "Human capital has been acknowledged worldwide as one of the most important factors that is accountable for the wealth of nations."

The literature reflects that researchers are divided on whether or not human capital impacts positively on the performance of the firm. Authors such as: Saffu et al. (2008, p. 270); Kangasharju and Pekkala (2002); Pena (2000); In Jamaica, Honig (1998); Trulsson (1997); Ramachandran and Shah (1999); Dimov & Shepherd (2005); Tran (2012); Sanders and Nee (1996); Marvel (2009); Borjas (1990); Nakhata and Chinintorn (2007); Segal, Borgia, and Schoenfeld (2010, p.17); Timmons and Spinelli (2007); Amaral et al. (2011); Lucas (1978); Carrasco (1999); Ucbasaran et al. (2008); Borchert and Zellmer-Bruhn (2010); Jin, Huixin and Ruizhan (2010, p. 176); (Roca-Puig et al. (2012); Black and Lynch (1996); Pfeffer (1998) and Snell and Dean (1992) conclude in their research that there is a positive relationship between the human capital of entrepreneurs and their performance.

However, there is a group of scholars who find just the opposite. This group includes authors such as: Schick (2008); Scheicks (2008); Lafuente and Rabetino

(2011); Lorraine et al. (1992); Stuart and Abetti (1990); Sambasivan et al. (2010); Roca-Puig et al. (2012); Amaral et al. (2011); Blanchflower (2004); Minniti and Bygrave (2003); Koellinger et al. (2007); Dickson et al. (2008); Neitzert (1996); Ucbasaran et al. (2008); Gimeno et al. (1997); Kenworthy (2010); Blaug (1970); Ainin et al. (2010, p. 38) and William (2008).

These disparate findings lead the researcher to ask: "What is in it for Kinshasa?" as it is a fact that currently the DRC is one of the poorest countries in the world (Stern 2012). Furthermore (Kodi 2007) reveals that 71.34% of the population can be considered poor and (Chirushage 2001, p.66) demonstrates that the downfall of the DRC's economy started before this present war.

Therefore, the question one asks: "Is human capital the solution to solve the spiral of poverty in the Kinshasa area by creating more decent jobs, or by creating more wealth? If it is, maybe one of the recommendations at the end of this research will be to ask the DRC government to invest time, money and effort in the growth of human capital to enable Congolese entrepreneurs to improve their skills regarding their businesses, and so students with the desire to be entrepreneurs will be better prepared to overcome the different challenges they will face in their business.

In the study undertaken in Nigeria, (Mitra et al. 2011) reveals that 90% of the people in Nigeria are entrepreneurs. It must be observed that Nigeria's government has introduced many policies, not only to encourage entrepreneurship, but also to increase or create more human capital from the universities so that students will be prepared to face the entrepreneurial world.

Therefore, the first step to apply this to the DRC is to know how well the entrepreneurs in the DRC are managing their businesses; questionnaires related to human capital and the performance of the entrepreneur were distributed in Kinshasa to research and develop information about the entrepreneurial environment in the city.

As human capital is a component of education and the prior experience of the entrepreneur (Gimmon & Levie 2009; Borchert & Zellmer-Bruhn 2010; Coleman 2005), the questionnaire was designed to elicit information required regarding the level of education and the experience of the entrepreneur.

As there were several business performance variables, the responses were clustered in all of these variables. K-means clustering was used to form two clear clusters, a person correlation was used on both clusters to show the significant differences on the variable after which both clusters were compared to all the other

variables using the t-test with Cohen's d Effect size to see if the mean differences were weak/moderate/strong (.2/.5/.8) and finally a t-test was done on all the continuous rating variables with Chi-square tests on the categorical variables with Cramer's v Effect size to see if the mean differences are weak/moderate/strong (.1/.3/.5).

The results showed that the first cluster consisted of 43 people and the second cluster represented 83 of the respondents. The performance variable was measured in terms of turnover growth, number of employees' growth, and expansion (in terms of how many branches they had added since they started their business). Education was measured by the following questions: How they value education and what kind education they required from their employees. In addition, the research examined respondents' work experience, social networks and competitiveness in the market as indicated by the price of their products compared to their competitors.

The demographic variable helped to show the differences between the two clusters, and one of the most important variables between the clusters is "the reason for starting one's business." According to GEM (2001) there are 'opportunity entrepreneurs' and 'necessity entrepreneurs' and opportunity entrepreneurs are viewed as entrepreneurs who start a business in order to pursue an opportunity, while necessity entrepreneurship is more needs-based (Block & Wagner 2010). These two categories were used to name the clusters.

The findings of this research are supported by theories from different researchers and comments were made to interpret and analyse the two different clusters.

5.2 Performance measured by employees' growth

Many researchers believe that performance can be measured by an increase in the number of employees; we saw that in the review authors such as Zubeidi (2005) define success in terms of sales growth, employment growth and longevity of the firm. (Praag 2003) affirms that (growth in the) number of employees as a measure of business success was only recently developed (Cooper et al. 1994; Van Praag 1996; Van Praag & Cramer 2001; Sapienza & Grimm 1997; Bruderl et al. 1998). Ainin et al (2010) states that business performance can be based on number of employees.

From entrepreneurs in the first cluster, the results show that 49% of these entrepreneurs started their business with, on average, 3-5 employees and 23% of them started with 6-10 employees, while only 28% of them started with 1-2 employees. However, at the time of the survey, the number of their employees had decreased since business inception; 56 % have 1-2 employees, 3% have 3-5 employees and only 12% now have 5-6 employees.

Meanwhile, the entrepreneurs in the second cluster started with an average of 1-2 employees and currently 61% had not increased their number of employees.

The chronology of the literature indicates that the performance of the first cluster in terms of number of employees has declined, and for the second cluster, performance was stable because almost half of them did not add or lose any employees.

5.3 Performance measured in terms of turnover growth

According to Ellis-Chadwick et al. (2007), success is described in terms of financial performance, such as profit, turnover or return on investment. (Wood 2006; Panigyrakis & Theodoridis 2009) specify that performance measures may be based on return on investment, profits and turnover. In addition, there are many researchers who agree that the performance of the firm is best measured by turnover (Fuckan, Bedenik & Valdevit 2004; Reijonen & Kompula 2007: 690; Chell & Baines 1998; Maki & Pulkkinen 2000; Perren, 2000; Gray 2002; Georgellis et al. 1999; Murphy et al. 1996; Manero, Hanns & Mercedes 2009; Scheers 2010)

The entrepreneurs in the first clusters started with a monthly turnover of between US$1,000 to US$5,000 and currently their turnover has dropped to below US$1,000; 98% of them are currently working with a turnover of below US$1,000 and only 2% work with a turnover of US$1,000- US$5,000. Only 2% of the respondents started with a turnover of below US$1,000 and 98% of them with a turnover of US$1,000- US$5,000.

For the entrepreneurs in the second cluster, their turnovers have changed for the positive. Most of them started their businesses with a turnover of below US$1,000 and currently their turnovers are shown as between US$1,000 and US$5,000.

The success and performance of a company can be measured in several ways; the most important variables are net profit and sales growth (Ainin et al. 2010).

Considering this figure, we can conclude that performance in terms of turnover of the entrepreneurs in the first cluster has dropped, as with their performance in terms of the numbers of employees. However, the performance of the entrepreneurs of the second cluster has increased in terms of turnover.

The research further narrows performance as does McMahon (2001), who considers two dependent variables to measure performance. The first dependent variable was the sales trends over the preceding 12 months which have five levels representing the growth of the business (rapid growth, strong growth, moderate growth, no change and decline). The second measurable variable was the expected sales trends over the forthcoming 12 months and again there are five levels of growth applied (rapid growth, strong growth, moderate growth, no change, and decline).

In this case, a question was asked about the performance for the last two years and the entrepreneurs expectations for the next two years. The entrepreneurs in the first cluster said that their performance in the previous two years had risen by about 50% to 100%. This led to the conclusion that they have been doing well for the preceding two years and furthermore the research asked them about their expectations for growth for the forthcoming two years; the results showed that they are not expecting a significant increase in turnover in the near future, especially in the next two years (25% to 50).

When, we consider the above figures, we can identify three scenarios, the first is the fact that these entrepreneurs have achieved their goal in the last two years by increasing their turnover by around 50% to 100%. However, the second scenario shows that these entrepreneurs are not expecting to grow turnover any further in the forthcoming two years, and the third scenario is that these entrepreneurs do not want to grow; they want to control their growth.

(St-Pierre et al. 2010) claim that in the context of SMEs, the situation is complex because many researchers implicitly assume that leaders want to maximise their profits or to pursue growth objectives, which is an assumption that is applicable to only a small number of SME owners; the rest just want to continue to run their companies and survive (LeCornu et al. 1996; Walker & Brown 2004). McMahon too (2001a) finds that 70% of companies do not aim for growth, 25% want controlled growth and only 5% expect rapid growth.

Meanwhile, the entrepreneurs in the second cluster state that for the previous two years, the growth of their turnover has been approximately the same, but they are expecting growth in the next two years of 50% to 100%.

In this cluster, the entrepreneurs have experienced growth in terms of financial indicators and they are expecting further growth as well and they think that they will achieve their goal or objective over the next two years.

The theory says that the entrepreneurs' goals or the firms' goals tend to be very important as a way to measure their performance. (Wood 2006) suggests that business performance is measured by the success or failure of a firm in achieving its goals, according to (Adams & Sykes 2003) performance measures are used to estimate a company's success in accomplishing its goals and (Forsman 2008) quotes Grünberg (2004), who claims that measuring performance has two major intentions: Firstly, to achieve the company goals and objectives, and secondly, to set the aims for development activity.

5.4 Performance in terms of expansion

Expansion refers to the number of branches or products that the entrepreneur has added to his or her business, in other words, the size of the firm. (Murphy et al. 1996, p. 22-23) considers the size of the firm as an indicator of performance. and (McMahon 2001; Dafna 2008; Ding, Wu & Liu 2009; Zubeidi 2005; St-Pierre et al. 2010; Fabling & Grimes 2007; Praag 2003; Watson & Everett 1996) all tend to believe that the size of the firm is an important indicator to measure its success.

Overall, 98% of the entrepreneurs in the first cluster achieved a moderate expansion. Meanwhile, 61% of the entrepreneurs in the second cluster have expanded, even just a little; in terms of product range and services in the last two years, however, we can say that none of them have experienced significant expansion.

5.5 Performance in terms of the age of the business

(Praag 2003) suggests that: "Success is measured by how long the business is still operating in the market and the motivation of the entrepreneur to start his or her business will define whether he or she will be successful" (2003 p. 6).

(Reijonen & Kompula 2007) agrees with him and quotes (Simpson et al. 2004), which claims that "success is equivalent to continued business operations and the opposite, failure, means going out of business" (2007, p.695), and (Zubeidi 2005) defines success in terms of the longevity of the firm. When we look at the data from

this research, we see that 56% of the entrepreneurs in the first cluster are in the food retailing sector and have owned their businesses for a significant period of time; 5 plus years. They are males and started their business when they were slightly older; 35 years and older. The main reason for starting their business was self-accomplishment and because they were tired of working for someone else. Most of them are currently supporting more than 1-2 people.

When examining the age of the entrepreneurs in the study, (Fertala 2007) it is found that human capital has an influence on the performance of immigrants as well as native entrepreneurs in Germany. Regardless of age group, the study finds a U-shape reverse in terms of the performance of the entrepreneur, it appears that as the entrepreneur grows older, the more mature and experienced he becomes, but, at some point, his performance is going to decrease.

When relating it to the statement in (Fertala 2007), one can tell why the entrepreneurs of the first cluster do not perform well.

When examining the entrepreneurs in the second cluster, it becomes clear that most of them are in the services retailing sector that they have not been in business for a significant period of time and that most of them are male and young. This result can be related to what (St-Pierre et al. 2010) experiences; its results show that the young high-growth SMEs account for 9.4% of the sample, and they have experienced over the last three years, an average annual sales growth of 40.5%.

The main reason the entrepreneurs in the second cluster started their businesses was because of financial necessity and no decent jobs available. Only 40% of them are supporting 1-2 persons and the remaining 60% do not support anyone. This factor could indicate why they achieved an increase in turnover compared to the entrepreneurs in the first cluster who financially supported more than 1-2 people.

(Singh & Belwal 2008, p.122) comments that: "In case of SME factors such as age, gender, education and training, family background, ethnicity, and religion, network membership, and motivation, in addition to other structural and competitive factors play an important role in influencing entrepreneur's behaviour and decision making (Porter 1980; Gartner 1988; Brush 1997; Orhan & Scott 2001)."

5.6 Education

We have already showed in the literature that education appears to be the most important element in achieving great performance and Mizgajska (2011) claims that the entrepreneur who has a higher level of education will perform well in their business. (Segal, Borgia, & Schoenfeld 2010; Dickson, Solomon & Weaver 2008; Neitzert 1996) all claim that the higher the level of education an entrepreneur has acquired, the better the business growth performances will be (Van der Sluis & Jansen 2005; Bosma et al. 2004; Colombo et al. 2004, p. 176; Wei & Ismail 2008 ; Chawla, Khanna & Chen 2010; Ibrahim & Goodwin 1986; Lussier 1995).

The entrepreneurs in the first cluster have the lowest level of education compared to those in the second cluster, however, even though they did not further their tertiary education, they value the importance of education and when asked to rate the importance of education on a scale of 1 to 5, most of them chose 5, meaning that education is important.

They all agreed that the little education they had acquired had helped them in building their businesses and if they have a choice or an opportunity to further their studies in the future they would accept it. In the preceding two years, they had attended 1-2 seminars or short courses to improve their skills regarding their business.

The question one may ask is how people with low education develop a considerable appreciation for the value of education? To answer that question, (Shah, Hussain, Khan, Sibtain & Gul 2011, p.133) investigates a study entitled *A comparative study of attitudes of educated and uneducated parents towards female education in district Dera Ismail Khan in Pakistan*, and according to their findings "all un-educated male and female urban respondents had positive attitudes and the extent of their attitude was different. Urban respondents had a more positive attitude than the total respondents because their mean score is more than that of rural respondents."

There is a different scenario for the entrepreneurs in the second cluster, according to (Wei & Ismail 2008) the knowledge of the entrepreneur is related to the level of formal education that he or she has received ranging from primary school to postgraduate level.

Their level of education is higher than in the first category of cluster. However, they do not value education to the same level as the first category. Regarding their business they do not rate the importance of education. This statistic is

surprising in that some educated people do not value their own education, but in his article: *Is Higher Education a Waste of Time for Entrepreneurs?* Favela (2013) debates that: "Mainstream thinking says that everyone should go to college. Many people say if you skip it you will fail…doomed to a life of low-paying jobs. I believed this when I was younger, and that's one of the main reasons I went to a college. Now, I now think that reasoning is false. It might have been true in the old days…during our grandparents' generation".

In his article, (Ajaero 2013) says: "I have been within the four walls of school and I have been on the street. I can confidently tell you that the street is tougher, more challenging, daring, exciting and more rewarding. In school; you play alone. But on the street, you play with the big boys."

In addition, (Favela 2013) adds that: "The world has changed. Higher education is increasingly irrelevant. It's gotten to the point where it is actually hurting people. More people are realising that university can be a waste of time and money. As time goes on, formal higher learning will become less important."

The comments above come from two well-educated entrepreneurs, who may have the same values as the entrepreneurs in the second cluster. Most of them stated that their education did not help them in building their businesses and they are not sure if they would pursue education in the future, even if an opportunity presents itself; it is possible they are disappointed in their studies. In addition, almost none of them attended seminars or short courses to improve their skills regarding their business in the preceding last year.

5.7 Education of employees

Tomczyk, Solomon & Winslow (2008); Roca-Puig et al. (2012); Lepak & Snell (2002); Skaggs & Youndt (2004); Hitt et al. (2001); Aguinis (2011) show us the significance of having the right employees with the right skills and the right experience, so that their performance will grow the firm.

The entrepreneurs in the first cluster are only interested in employing people with at least a state diploma or Postgraduate level degree. For them education is more important than experience, but they are not willing to employ someone who does not have experience or a tertiary education in the decision-making level of their business, such as manager.

Aguinis (2011, p.5) states: "Employees are provided with training in the necessary skills, and are also rewarded for improved performance so that they have both the knowledge and the motivation to improve product quality and customer service". At least once in the preceding year, entrepreneurs in the first cluster sent their employees to further training related to the business.

Aguinis (2001) discusses: "The conversation between managers and employees where feedback is exchanged and coaching is given if needed." (2001, p.3). The respondents in the first cluster say that they have 1-2 meetings with their employees in a year regarding the performance of the firm.

Aguinis (2001, p.3) asks: "So, what makes some businesses more successful than others? What is today's key competitive advantage? The answer is people. Organisations with motivated and talented employees offering outstanding service to customers are likely to get ahead of the competition, even if the products offered are similar to those offered by the competitors."

However, the level of education for the employees of the entrepreneurs of the second cluster is lower; they do not care to employ someone without a tertiary education. Most of them did not send their employees to further their training regarding the business and half of them said that they did not have meetings with their employees regarding their performance, while 50% said they hold 1-2 meetings per year with their employees.

These results prove that (Martin & Knudsen 2010, p.349) is right when it state that:

> We chose the retail sector because it is one of the largest service sectors and has a large share of unskilled workers. In the UK in 2002, the broad category of the combined wholesale and retail sectors accounted for 24.2 per cent of total employment while in Denmark in 2003, the wholesale and retail sectors contributed 19.2 per cent of jobs (OECD Observer 2005, p. 7). Unskilled workers are over-represented in the retail sector in both countries, because the educational background and skills content of retail jobs are relatively low in proportion to general service sector employment.

Furthermore, (Frevert 2010, p.3) argues that: "Despite the fact that the retail industry comprises a large share of the state's employment, the skills needed to work in retail for the majority of employees do not require as much education as professional industries require.

To conclude this point, (Klaveren 2010, p.7) comments that: "The supermarket price war of 2003-2006 strengthened employers' orientation on deploying youngsters, in particular secondary and tertiary education students, (initially, in 2003-04) at the expense of adult women and, structurally, at the expense of those youngsters who want to earn a living wage after leaving school."

Zubeidi (2005) cites (Hornaday & Tieken cited in Brockhaus & Horwtiz 1986), which reveals that, in the past a lot of the successful entrepreneurs felt that education was not important for entrepreneurs.

5.8 Work experience

Chawla, Khanna & Chen (2010); Praag (2003, p. 14); Jyothi & Kamalanabhan (2010, p. 16); Keats & Bracker (1988); Coleman (2005, p. 361); Marvel (2009, p. 361); Bates (1990); Gimeno, Folta, Cooper & Woo (1997; Robinson & Sexton (1994) all testify that owner experience is a key success factor that belongs to the entrepreneur in the small business domain and it (experience) has an impact on small firm performance.

In the first cluster, almost all of the respondents had worked for at least one year before starting their business in the same field as the actual business they are running.

In the second cluster, more than half of them have not had any experience before starting their business and just a few of them had worked for one year prior to starting their business. Furthermore, 50%of those who worked before starting their business said that their previous work had nothing to do with their actual business.

5.9 Social network

Venter, Urban, Rwigema (2011, p. 79) argues that: "Social capital refers to the relationships and networks from which individuals are able to derive institutional support. Social capital theory explains the ability of actors to extract benefits from their social structures, networks and memberships. Social network provided by extended family, community-based or organisational relationships theorised to supplement the effects of education and financial capital". Alfred Marshall (1890; 1930) argues that general ability depends on family background and Sanders and Nee (1996) indicate that social capital plays a huge role in starting the business

In the first cluster, most of the entrepreneurs agree that their family gave financial assistance when in trouble because 88% of them were raised in a business

family, we may interpret that by saying that they started working in the family business before starting their own.

However, the question of why are they not performing very well arises. The answer may come from (Sanders 1996, p.230), which claims that "reliance on social support networks in the ethnic community is associated with lower profits and higher failure rates."

In the second cluster, most of the respondents do not get any financial help from their family compared to the first cluster. This affirms what (Venter, Urban & Rwigema, 2011, p.90) claims: "Although Africa is largely characterised as a collectivist nation, there is a school of thought which believes that capitalism was practised in Africa long before colonisation".

5.10 Level of competition

The entrepreneurs in the first cluster are not competitive in the market because they sell their products at the same price as their competitor/s. Zubeidi (2005) cites (Hornaday & Tieken cited in Brockhaus & Horwtiz 1986) which specifies that competition in today's market is important to participate successfully in the global economy. Viewing their low level of competition we can only assume that that is the reason for their low performance.

The second cluster, on the other hand is very competitive compared to the first group, just as Carpenter & Moore (2006) says: The small retail store must make extensive efforts to serve their consumers; they must know what the consumer needs and where to find those products so that they can serve them well.

CHAPTER 6: CONCLUSION

The conclusions reached as a result of this study are:

An important conclusion of this study is that the often-argued relationship between the human capital of the entrepreneur and the performance of his or her organisation continues to be critical. Therefore, our hypotheses were set as follows:

H1: An entrepreneur's tertiary education has a positive relationship with the entrepreneur's venture's performance.

Years of formal education is often linked to the success of small business. Many researchers agree with the fact that entrepreneurs and small business owners are more likely to succeed and sustain a profitable business if they have education: (Mizgajska 2011; Zubeidi 2005; Hornaday & Tieken cited in Brockhaus & Horwtiz 1986; Nakhata & Chinintorn 2007; Segal, Borgia, & Schoenfeld 2010; Dickson, Solomon & Weaver 2008; Neitzert 1996; Van der Sluis & Jansen 2005; Bosma et al. 2004; Colombo et al. 2004; Wei & Ismail 2008; Chawla, Khanna & Chen 2010; Ibrahim & Goodwin 1986; Lussier 1995; Plummer & Taylor 2004; Oluwatobi & Ogunrinola 2011, p. 74; Siqueira 2007, p. 39; Ibrahim & Gait 2003; Scott et al. 1998; Colombo & Grilli 2008; Marvel 2009).

The results of this study show that entrepreneurs in the second cluster were the most educated, and their performance in terms of the company turnover has increased.

To conclude this point, it can be said that the first hypothesis; that an entrepreneur's tertiary education has a positive relationship with the entrepreneur's venture's performance, is accepted.

Our second hypothesis was set as follows:

H2: An entrepreneur's previous work experience has a positive relationship with the entrepreneur's venture's performance.

As the literature review reflects, human capital is a component of education and prior experience (Coleman 2005; Borchert & Zellmer-Bruhn 2010; Becker 1963; Gimmon & Levie 2009). In addition it indicates the positive impact of human capital on performance (Dimov & Shepherd 2005; Tran 2012; Borjas 1990; Ucbasaran et al. 2008; Borchert & Zellmer-Bruhn 2010; Jin, Huixin & Ruizhan 2010, p. 176) cite (Wang 2004; Lowell et al. 2003; Mengistae 2006; Roca-Puiget al. 2012; Hitt et al. 2001; Black and Lynch 1996; Pfeffer 1998; Snell and Dean 1992).

However, in this particular study, prior experience appears not to be directly linked to small business success, most of the owners who perform well in terms of turnover are younger (entrepreneurs in the second cluster) and have a little experience (averaging less than two years), and most of them state that their prior experience is not related to their current business. This finding may support the theory of Tran (2012) who finds that the older entrepreneur is less entrepreneurial mostly because of their past experience and this leads them to be more cautious in business, and (Ainin et al. 2010, p. 38) finds that working experience reveals an insignificant relationship with business performance.

However, even though the findings of this study do not support the positive relationship between an entrepreneur's previous work experience and the venture's performance, the second hypothesis cannot be immediately rejected because we recognise that the population of our study is very small compared to the total population of Kinshasa.

When examining why the entrepreneurs in the first cluster are not performing well, the results make it clear that they spent some of their revenue on educating themselves and training their employees, and finally they support more people compared to those in the second cluster. These three factors may justify the decrease in turnover; therefore, concerning our second hypothesis related to the prior experience of the entrepreneur and their performance, it can be stated that the sample was too small to catch successful entrepreneurs with prior experience.

There was an unexpected discovery in this study, in that the entrepreneurs in the second cluster, who have higher levels of education and reflect better performance, do not value the importance of education; most of the questions around this scored 1 in a rating of 1-5 (1 meaning education is not important and 5 meaning education is extremely important). The other unexpected result was from the entrepreneurs in the first cluster, who are considered to be less educated and have experience but are not performing well in terms of turnover and number of employees. Those entrepreneurs value education to a larger degree and most of them scored 4 in a rating of 1-5 for questions relating thereto (4 meaning education is important).

Finally, we are going to name our clusters. The reason for starting the business is considered as the key element to name the cluster, and the results show that more than 80%of the entrepreneurs in the first cluster started their businesses

because of self-accomplishment and 98% of them worked before starting their business and finally 95% of them say that their prior experience was relevant to their actual business. (Block & Wagner 2010) states: "When a person has left their previous job in paid employment voluntarily to set up a business, we classify this person as an opportunity entrepreneur. We argue that this person was drawn into entrepreneurship by a prior discovered entrepreneurial opportunity" (2010, p. 5) and based on this, the entrepreneurs in the first cluster are considered opportunity entrepreneurs.

Regarding the entrepreneurs in the second cluster, the results show that more than 50% of them state that they started their business out of financial necessity and because there are not enough decent jobs in the country. (Block, Wagner 2010) argues that: "When a person has left their previous job in paid employment involuntarily (e.g. her place of work closed down), we interpret this in a way that she was pushed into entrepreneurship by external factors. We argue that such a situation corresponds to necessity entrepreneurship" (2010, p. 5). Furthermore, (Amin 2009) stats that a: "necessity entrepreneur (equivalently, necessity firm) is defined as one who started (or took over) a business because he or she could not find a satisfactory job. In contrast, an opportunity entrepreneur (equivalently, opportunity firm) is one who started (or took over) a business to take advantage of a business opportunity." (2009, p.1). Therefore, the entrepreneurs in the second cluster are considered necessity entrepreneurs.

6.1 Recommendations

Five recommendations are made based on the findings and conclusions of this study.

As the findings of this limited study indicate that a positive relationship exists between an entrepreneur's tertiary education with the entrepreneur's venture's performance, it is suggested that additional studies be undertaken in the same city, Kinshasa, with larger samples, because Kinshasa is a big city with a population of approximately 10 076099 (SADC, 2013), and with a sample of 126 entrepreneurs, the findings cannot be generalised , but what the research has achieved is to begin to understand the impact of human capital on entrepreneurs in Kinshasa.

As the findings of this limited study indicate, there lacks a linear correlation, or the existence of a negative correlation, that an entrepreneur's previous work

experiences has a positive relationship with the entrepreneur's venture's performance. It is suggested that additional studies should carried out with larger samples to better understand this phenomenon.

Due to the fact that Kinshasa is a city with a multi-ethnic population (Nsokimieno, Shouvu & Qin 2010) with many foreigners living within its boundaries (Behar 2008), it is suggested that additional studies be undertaken to examine the differences between the various ethnic groups and the country of origin of the entrepreneurs, so that the performance each ethnic group will be considered and the impact of foreigner-owned businesses will be known.

Due to the unexpected result that was found about well-educated entrepreneurs (second cluster) who do not value their own education and the education of their employees, it is suggested that additional studies be completed to evaluate exactly what level of education those entrepreneurs have attained and why they do not value education.

Due to the fact that the DRC has ten provinces, it is suggested that additional studies be done in those other provinces to assess the human capital and the performance of their retail industries in the various areas.

Due to the fact that the DRC is known for its rich natural resources, it is suggested that additional studies should be undertaken to test human capital and performance within the mining industry.

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ANNEXE

Questionnaires in English

Dear respondent

We (I) am are from Wits Business School and we (I) am are required to write? Our (my) dissertation this year, therefore we (I) want you to be part of this research by responding to our (my) questionnaire and we (I) can assure you that your confidence is our (my) first priority and nothing you will say to us (me) would (will) be used for any other purpose than this research. Your confidentiality, anonymity, will be strictly respected and maintained, etc?

Thank you

Instructions

Throughout the questionnaire, please place a cross (X) over the most appropriate response i.e.

1) Demographic

1. Circle which types of retailing you offer in this business

   Service retailing

   Food retailing

   Merchandise retailing

   other

2. How long have you owned in this business?

   0-2 years

   More than 2 but less than 5

   More than 5 but less than 10

   Five to ten years

   More than ten years

3. What is your gender

   M

   F

4. How old were you when you started this business? _____ years

5. Why did you start this business?

   Self accomplishment

   Of financial necessity – I had no choice

   Didn't want to work for someone

   Family tradition of running own business

   Adventure

   Tired of working for someone else

   Want to be my own boss

   There are no decent jobs in the country

   I am not sure

   Other: Please specify_____

6. How many people (in addition to yourself) are you supporting financially?

0	1-2	3-5	6-10	11+

2) Education

1. What is your highest level of education?

Primary school	High school	State diploma	Bachelor degree	Postgraduate

2. How important do you think it is to study after finishing secondary school in order for you to be successful in this business

1 Not important	2	3	4 Neutral	5	6	7 extremely important

3. Please rate the importance of education? On a scale of 1-5, where 5 is extremely important and 1 is not important. _____

1 Not important	2 A little important	3 Fairly important	4 Important	5 Extremely important

4. To what extent has your education helped you to build your business?

1 Not helped at all	2	3 Undecided	4	5 Helped a lot

5. If you had the choice to take a course or training, would you take the opportunity?

1	2	3	4	5
Definitely not			Undecided	Yes, definitely

6. Last year, how often did you attend seminars or short courses to improve your skills regarding your business?

Never	Once a year	Twice a year	Three times	More in a year

2.1 About your employees

7. What level of education do you require for your employees?

   Not applicable

   Primary school

   High school

   State diploma

   Post graduate

   No specific requirement

8. Would you employ someone who has not completed secondary school but has experience?

Definitely not	Maybe	Can't decide	Probably	Definitely

9. Would you employ someone who has completed secondary school but has no experience?

Definitely not	Maybe	Can't decide	Probably	Definitely

10. Would you employ someone as a decision maker in your business who has no tertiary education but has experience?

Definitely not	Maybe	Can't decide	Probably	Definitely

11. Would you employ someone as a decision maker in your business who has tertiary education but has no experience?

Definitely not	Maybe	Can't decide	Probably	Definitely

12. How often did you send your employees for further training last year?

Not applicable	Never	Once a year	Twice a year	More than twice a year

4) Work experience

1. How much experience did you have working for others before starting your own business?

No experience	1 year	2-3 years	4-6 years	7 years +

2. How relevant was your previous work experience to this business? 1=not at all relevant; 5=extremely relevant

1 Not at all relevant	2	3	4	5 Extremely relevant

3) Performance

1 How many employees (other than yourself) do you now have in this business?

1-2	3-5	6-10	11-20	20+

2 How many employees (other than yourself) did you have when you started this business?

1-2	3-5	6-10	11-20	20+

3 What is your current monthly turnover from this business?

Below 1000$	$ 1000 to $5000	$ 5,001 to $ 10,000	$10,001 to $20,000	$20,001 or more

4 What was your monthly turnover when you first started your business?

Below 1000$	$ 1000 to $5000	$ 5,001 to $ 10,000	$10,001 to $20,000	$20,001 or more

5 What was the percentage growth of your turnover for the last two years of your business (or in the past year in the case of a new business)?

A loss	approximately	Below 10%	Between 10% to 50%	Between 50% to 100%

6 How much are you expecting your turnover to grow over the next two years?

No growth	Below 10%	Between 10% to 25%	Between 25% to 50%	Between 50% to 100%

7 How much have you expanded the product range/ the services you offer in your business in the last two years?

No expansion	A little expansion	Moderate expansion	Fairly large expansion	Major expansion

8 How many branches/stores have you added to your business in the last two years?

Not applicable	None	1	2-3	4-5	6 or more

9 To what extent does your family/ others assist you with financial help in running this business?

No help	Hardly ever	Now and again	Fairly often	Often

10 Did you grow up among family members who run their own businesses?

Yes

No

11 How often do you have a meeting with your employees regarding their performance?

Never	Once or twice a year	Once a quarter	Twice a quarter	Weekly

12 How do your products compare to your competitors?

Much lower than competitors	A little lower	About the same	A little higher	Much higher than competitors

Questionnaires in French

Cher répondant

Nous sommes (je suis) de l'école de gestion *Wits Business Schoo*l et nous sommes (je suis) tenu (s) d'écrire mon (notre) mémoire de fin d'étude cette année, donc nous voudrions (je voudrais) que vous fassiez partie de cette recherche en répondant à mon (notre) questionnaire et nous pouvons (je peux) vous garantir que votre assurance est notre (ma) première priorité ; et tous ce que vous nous (me) diriez serait utilisé seulement dans le cadre de cette recherche. Votre confidentialité et anonymat seraient strictement respectés et maintenu, etc…

Merci

1) Démographique

1 .Encerclez quels types de commerce en détail vous proposez dans cette entreprise.

- ☐ Vente en détail des services
- ☐ Vente en détail alimentaire
- ☐ Vente en détail des marchandises
- ☐ Autre

2) Depuis combien de temps possédez-vous cette entreprise ?

- ☐ 0-2ans
- ☐ Plus de 2 mais pas moins de 5
- ☐ Plus de 5 mais pas moins de 10
- ☐ 5 à 10 ans
- ☐ Plus de 10ans

3) Quel est votre sexe

- ☐ H
- ☐ F

4) Quel âge aviez-vous lorsque vous avez commencé cette entreprise ?_____ans

5) Pourquoi avez vous entamé cette entreprise ?

- ☐ L'accomplissement de soi
- ☐ Par nécessité financière- je n'ai eu aucun choix
- ☐ Vous ne vouliez pas travailler pour quelqu'un d'autre
- ☐ C'est une tradition familiale de posséder sa propre entreprise
- ☐ Aventure
- ☐ Fatigué de travailler pour quelqu'un d'autre
- ☐ Vous voulez être votre propre patron
- ☐ Il n'y a pas d'emplois décents dans le pays
- ☐ Je ne suis pas sur
- ☐ Autre : Pouvez-vous spécifier_____

6) Combien de personne (en plus de vous-même) vous soutenez financièrement ?

0	1-2	3-5	6-10	11+

2) Education

1. quel est votre plus haut niveau d'éducation ?

Ecole Primaire	Ecole Secondaire	Diplôme d'état	baccalauréat	Troisième cycle

2. Quelle importance pensez vous que les études ont afin que vous puissiez réussir dans cette entreprise ?

1 Pas important	2	3	4 Neutre	5	6	7 Extrêmement important

3. Pouvez-vous évaluer l'importance de l'éducation ? Sur une échelle de 1-5, où 5 est extrêmement important et 1 n'est pas important.

1 Pas important	2 Peu d'importance	3 Assez important	4 Important	5 Extrêmement important

4. Dans quelle mesure votre formation (scolaire ou universitaire) vous a aidé à construire votre entreprise ?

1 Pas aidé du tout	2	3 Indécis	4	5 A beaucoup aidé

5. Si vous aviez le choix de prendre un cours ou une formation saisiriez-vous l'opportunité ?

1 Définitivement no	2	3	4 indécis	5 Oui, définitivement

6. L'an dernier, combien de fois avez-vous assisté à des séminaires ou des cours de courte durée afin d'améliorer vos compétences en ce qui concerne votre entreprise ?

Jamais	Une foi par année	Deux fois par année	Trois fois par année	Plus d'une année

2.1 A propos de vos employés

7. Quel niveau d'éducation exigez-vous pour vos employés ?

- ☐ No applicable
- ☐ Ecole Primaire
- ☐ Etudes secondaires
- ☐ Diplôme d'état
- ☐ Etudes supérieures
- ☐ Aucune condition spécifique

8. Pouvez vous employer quelqu'un qui n'a pas terminé l'école secondaire, mais a de l'expérience ?

Certainement pas	Peut être	Ne peut pas décider	Probablement	Certainement

9. Pouvez vous employer quelqu'un qui a terminé l'école secondaire, mais n'a aucune expérience ?

Certainement pas	Peut être	Ne peut pas décider	Probablement	Certainement

10. Pouvez vous employer quelqu'un pour prendre des décisions dans votre entreprise, qui n'a pas d'éducation supérieure, mais a de l'expérience ?

Certainement pas	Peut être	Ne peut pas décider	Probablement	Certainement

11. Pouvez-vous employer quelqu'un pour prendre des décisions dans votre entreprise qui a une éducation supérieur mais aucune expérience ?

Certainement pas	Peut être	Ne peut pas décider	Probablement	Certainement

12. Combien de foi avez-vous envoyé vos employé pour une formation avancée l'année dernière ?

Ne s'applique pas	jamais	Une foi par année	Deux fois par année	Plus de deux fois par année

4) l'expérience de travail

1. combien d'expérience avez-vous acquis pendant que vous travaillez pour les autres avant de commencer votre propre entreprise ?

Aucune expérience	1 an	2 -3 ans	4-6 ans	7 ans +

2. Comment votre expérience antérieure du travail était connectée à cette entreprise ? 1= Pas du tout connecté ; 5= Extrêmement connecté

1 Pas du tout connecté	2	3	4	5 Extrêmement connecté

3) Performance

1. Combien d'employés (autre que vous) vous avez maintenant dans cette entreprise ?

1-2	3-5	6-10	11-20	20+

2. Combien d'employé (autre que vous) aviez-vous quand vous avez commencé cette entreprise ?

1-2	3-5	6-10	11-20	20+

3. Quel est votre chiffre d'affaires mensuel actuel de cette entreprise ?

Au-dessous de 1000$	$ 1000 à $5000	$ 5,001 à $ 10,000	$10,001 à $ 20,000	$20,001 ou plus

4. Quel a été votre chiffre d'affaire mensuel lorsque vous avez commencé votre entreprise ?

Au -dessous de 1000$	$ 1000 à $ 5000	$ 5,001 à $ 10,000	$ 10,001 à $ 20,000	$ 20,001 ou plus

5. Quel était le pourcentage de croissance de votre chiffre d'affaire pour les deux dernières années de votre entreprise (ou de l'année écoulée dans le cas d'une nouvelle entreprise)

Une perte	Environ	Au-dessous 10%	Entre 10% à 50%	Entre 50% à 100%

6. Combien prévoyez vous que votre chiffre d'affaire augmente au cours des deux prochaines années ?

Pas de croissance	Au-dessous de 10%	Entre 10% à 25%	Entre 25% à 50%	Entre 50% à 100%

7. Combien avez-vous développé la gamme de produit/ les services que vous proposez dans votre entreprise au cours des deux dernières années ?

aucune expansion	Un peu d'expansion	Expansion modérée	Assez grande expansion	Majeur expansion

8. Combien de branches /magasins avez-vous ajouté à votre activité dans les deux dernières années ?

Ne s'applique pas	Aucun	1	2-3	4-5	6 ou plus

9. Dans quelle mesure votre famille /autre vous aides financièrement dans l'exploitation de cette entreprise?

Aucune aide	A peine	De temps en temps	Assez souvent	Souvent

10 .Avez vous grandi parmi des membres de familles qui dirigent leur propre entreprise ?

☐ Oui

☐ Non

11. Combien de fois avez-vous une réunion avec vos employés concernant leurs performances ?

Jamais	Une ou deux fois l'année	Une foi quater	Deux fois quater	Hebdomadairement

12. comment comparez-vous vos produits par rapport à vos concurrents ?

Beaucoup plus faibles que les concurrents	Un peu plus bas	A peu près la même chose	Un peu plus haut	Beaucoup plus élevé que les concurrents