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The Influence of Cultural Intelligence on the relationship between Social Capital and Entrepreneurial Performance: A study of foreign traders in Johannesburg's informal economy

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Prepared

By

Sabelo Mtolo (1235084)

A dissertation submitted to the Faculty of Commerce, Law and Management, at the University of the Witwatersrand, in fulfilment of the requirements of the degree of Master of Commerce in the School of Economic and Business Sciences - Management

Johannesburg

South Africa

Supervisor: **Dr. Robert Venter**

Date: **June 2017**

ABSTRACT

Entrepreneurship continues to dominate public discourse as has been the case for the past century; this topic has been widely discussed in academia and policy development, not only as an abstract concept, but as a necessity to activate economic growth, especially for developing countries such as South Africa. Many authors have argued that the mixture of good entrepreneurial activity in the formal and informal sector is necessary and it is interlinked. As such, the multifaceted nature of entrepreneurship continues to be a subject of contention, especially when it comes to issues surrounding entrepreneurial performance. The purpose of this research was to investigate the influence of Cultural Intelligence on the relationship between Social Capital and Entrepreneurial Performance amongst foreign traders based in Johannesburg's informal economy. The major studies underlying this research are in agreement in the field of social science and business studies, suggesting that Entrepreneurship is embedded in social contexts and cannot be wholly understood unless one attempts to evaluate the influence of different social phenomena. This study assessed foreign entrepreneurs' cross-cultural adjustment capabilities, their social networks and how the two influence entrepreneurial performance. This study was motivated by the 2008 and 2015 xenophobic attacks in the informal economy which exposed a need to understand cultural and social capital dynamics that underpin entrepreneurial performance amongst foreign entrepreneurs. The research model for this study sought to investigate the mediating influence of cultural intelligence on the relationship between Social Capital and Entrepreneurial Performance. The results of this study indicate that Cultural Intelligence is no significant mediator between Social Capital and Entrepreneurial Performance amongst foreign traders in the informal economy. The results of this further reflected significant differences in attitudes between the groups of foreign traders under study.

Key words: Entrepreneurship, Foreign Entrepreneurs, Social Capital, Cultural Intelligence, Entrepreneurial performance

DECLARATION

I, Sabelo Goodman Mtolo, declare that this research report is my own work except as indicated in the references and acknowledgements. It is submitted in fulfilment of the requirements for the degree of Master in 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.

- I am aware that plagiarism (the use of someone else's work without their permission and/or without acknowledging the original source) is deemed unethical
- I have followed the required conventions in referencing the thoughts and ideas of others using the Harvard style of referencing
- I understand that the University of the Witwatersrand may take disciplinary action against me if there is a belief or proof that this thesis is not my own unaided work or that I have failed to acknowledge the source of the ideas or words in my writing.

……

Sabelo Goodman Mtolo

Signed at …….

On the …….. Day of …… 20…..

DEDICATION

Be life long or short, its completeness depends on what it was lived for.

A dedication to my dear mother who succumbed to cancer on the 26th of September 2016.

I also want to dedicate this to my lovely daughter, Sivikelwe Ngonamandla Athandwa Mtolo

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My sincere thanks and appreciation to the following individuals and institutions:

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- To the ANC government, comrades and compatriots, thank you for advancing the struggle for widening access to education and ensuring that no black child is left behind

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1 CHAPTER ONE: INTRODUCTION AND BACKGROUND OF STUDY

1.1 Introduction

Herrington, Kew and Kew (2010) note that Entrepreneurship has been a prominent debate in academic set-ups and the public press in general; regardless of where the debate takes place, there is wide agreement that entrepreneurship is a nucleus that sustains the well-being of any economy as it harbours a potential to alleviate poverty through creating jobs. Within the first economy; specialisation, technological advancements and persistent market shifts require businesses to constantly change in order to stay relevant, differentiated and profitable in very complex and unpredictable markets. However, this is also true for the second economy (informal economy). The South African informal economy is characterised by dynamic conditions which can enable or hinder the success of small business, (Herrington et al. 2010). Many social science authors have singled out the concept Social Capital as the most salient concept that drives the success of social relations (within the ecosystem) which enables individuals to live together and benefit from each other, and improve social cohesion (Lin 1999). Westlund and Bolton (2001) presents that the study of social capital for small businesses and general entrepreneurship is equally important with other concepts associated with entrepreneurship, such as human capital, hence, the concept of social capital has recently became fashionable (even though it has been used previously) as a result of the growing prominence of entrepreneurship, especially within informal economies.

1.2 Context of Study

Economic growth, productivity, innovation and resources employment associated with entrepreneurship have continued to encourage the place of the latter in public policy and advocacy in many countries (Umoren & Udofot 2014). The development of small businesses, both in the formal and the informal economy, has emerged as a critical phenomenon in order to fight poverty and create employment. The development of small and medium enterprises has become critical in the overall development agenda of many countries. Herrington et al. (2010) further expand by noting that within the first economy; specialisation, technological advancements and persistent market shifts require businesses to constantly change in order to stay relevant, differentiated and profitable in complex and unpredictable markets. However, this is also true for the second economy, the South African informal economy is characterised by dynamic conditions which can enable or hinder the success of small business. Researchers have noted that all entrepreneurial endeavours take place within the context of multi-dimensional interactions within Entrepreneurial Ecosystems (EE). The whole notion of EE evidences the interconnectedness of entrepreneurial actors (existing or potential), organisations (firms, banks, etc.), institutions (Universities, public sector, etc.) Including practices which objectively and subjectively merge, intervene and control performance within specific environments (Mason & Brown 2014). As such, Mason et al. (2014) further note the inherent impact of human capital, connections and culture.

Recent studies on entrepreneurship have extended to understanding what enables entrepreneurial performance within different industries; such studies includes the work done by Ahmed and Seymour (2006) of the EOCD around *Defining Entrepreneurial Activity*. Other studies in recent history has sought to understand factors affecting entrepreneurial growth, Braunerhjelm's (2010) work on entrepreneurship, innovation and growth argues that macro-economic models that seek to interpret factors related to entrepreneurial growth are not sufficient because entrepreneurship entails the actions and activities of individuals working within firms or for themselves. It is in this context that Social Capital is considered as one of the most important forms of capital

that enables entrepreneurial success in any economy. As many authors have noted, Lin (1999) reaffirms that the principle underscoring social capital is not as complicated as one would think; it is basically a deliberate investment in social relations with a view to deriving returns. The three main reasons individuals invest in social relations is to access an uninterrupted flow of information, exerting influence on authorities/agents and facilitating credentials for people. It appears as if without the ability to facilitate and manage social bonds, bridges and linkages it is difficult for entrepreneurs and normal individuals to thrive and be successful in any societal set-up. However, many researchers have contended that social capital can be influenced by the individuals' ability to cope with unfamiliar cultural situations – this is called Cultural Intelligence. According to Ang, Dyne, Koh, Yee Ng, Templer, Tay, and Chandrasekar (2007), Cultural Intelligence refers to an individual's natural ability to operate and cope effectively in culturally diverse settings. In the South African context where society embraces diversity and interconnectedness, cultural intelligence becomes a non-negotiable trait if one seeks to build strong, lasting and beneficial relations – and even do business successfully. While this is a requirement for everyone – it becomes more of a requirement for foreign nationals who live and do business in different communities in South Africa (and anywhere in the world).

Existing literature has pondered entrepreneurial performance as a multi-dimensional construct. The work done by the Organisation for Economic Cooperation and Development (OECD) seeks to give a high level assessment of entrepreneurial performance indicators in relation to affiliated countries' entrepreneurial activities. This research seeks to understand entrepreneurial performance from a firm based perspective which is defined largely by the behaviour taken by an entrepreneur(s) to reach desired business goals. Umoren & Udofot (2014) note that rigorous studies on entrepreneurial success indicators appear to be lacking in developing countries, the indicators are often expressed in financial terms which are best limited to a handful of case studies.

Business performance is an important, intricate and multifaceted concept in entrepreneurial studies and it normally refers to the firm's success in the

entrepreneurial environment which may harbour unique outcomes. The basis of business performance is underscored by the individual company's ability to achieve objectively acceptable outcomes and actions (Oyeku, Oduyoye, Asikhia, Kabouh, & Elemo 2014). Thus, this study seeks to apply a novel approach to measuring the entrepreneurial performance of different businesses in the informal economy by focusing on firm based indicators. Historically, business performance is usually measured using financial metrics together with non-financial metrics, such as customer satisfaction and brand resonance (Oyeku et al. 2014). While there are on-going debates in relation to what indicators are most effective when it comes to measuring performance, as such, this study uses only three measures, namely, profits, survival rates and employees, because these are the most used and are relatively easy to measure, considering the fact that this research focuses on entrepreneurship in the informal economy.

Hitherto, literature has explored entrepreneurial performance in relation to skills and aptitudes of individual entrepreneurs from a technical perspective, thus, negating the other aspects of the environment within which entrepreneurs operate. As such, Griffee (2016) notes creativity, risk tolerance, responsiveness, leadership and rights as the top five factors influencing entrepreneurship. This study provides a novel application of social science theory in relation to the concept of entrepreneurial performance in the informal economy of Johannesburg. Therefore, the study investigates the influence of cultural intelligence on the relationship between social capital and entrepreneurial performance focusing only on foreign entrepreneurs in the informal economy of Johannesburg. To build a strong theoretical basis, this study exploits the work done by Siisiainen (2003) when exploring Bourdieu (1976) and Putnam (1993)'s work on Social Capital.

1.3 Problem Statement

Delmar (1996) argues that entrepreneurial performance is determined by the environment and the individual's capacity and will to deal with the environment. There is substantial agreement from researchers that multiple factors play a role in the

success of any business. However, the most salient determinant of business success could be an entrepreneur's personal strengths coupled with the ability to build winning strategies complemented with skills and talents that outweigh weaknesses (Oyeku et al. 2014). Olakitan and Ayabami (2011) had also noted that the success of a business is due to many factors, but the greatest determinant of a business's success is the entrepreneur him/herself.

In recent years, the entrepreneurial body of literature has extended beyond the confines of commerce in order to understand the multi-construct nature of entrepreneurship and the factors that affect its development. As such, many authors have tapped into social science in order to understand social factors that influence and shape entrepreneurial performance, as a result, social capital has emerged as the most salient form of capital that facilitates the success of social relations (Lin 1999). According to Burt (2000), Social Capital is rapidly becoming a fundamental concept in society ranging from business, political science and sociology. Consequently, the 2008 and 2015 xenophobic attacks in South Africa's informal economy have sparked a lot of interesting debates in the political as well academic arenas. There are different hypotheses around what really cause xenophobic attacks. Tiwari (2015) argues that Social Capital is the most dominant hypothesis. The hypothesis seeks to suggest that too much bonding social capital (networks within the group) within groups of foreign entrepreneurs may cause exclusion and antagonism. As per the dominant social capital theory, xenophobic attacks are symptoms of distracting or lack of social capital that is a distraction between South Africans and foreigners, between foreigners and the state, and between South Africans and the State (Steenkamp, 2009). The contributions by the aforementioned authors validate the dominant narrative between Social Capital and Xenophobia in relation to the perceived disruptive relationship between South Africans and Foreigners.

Despite these notable theoretical contributions on social capital and entrepreneurial performance, authors have also presented cultural intelligence as one of the critical factors that can enable or hinder an entrepreneurs' success. Cultural intelligence is one of the intangible assets that refers to the person's ability to adapt to different

cultural situations and different cultural areas. Cultural intelligence affords a researcher an operational understanding of cultural terms, social identity, international managements and cross-cultural communication (Joupari & Far 2015). As such, many researchers have pondered how social capital and cultural intelligence impacts entrepreneurship in any economy. Therefore, despite these significant contributions, one can argue that there is no universal agreement on the influence of cultural intelligence on the relationship between social capital and entrepreneurial performance, that is, there is no agreement on how an entrepreneur's ability to cope with different cultural environments impacts his ability to maintain social relationships that have a meaningful contribution to the success of his or her entrepreneurial endeavours.

1.4 Purpose of the Study

As presented in the preceding discussions, multiple academic writers and commentators have explained entrepreneurial activity and its success as a function of many unique but interrelated variables (Olakitan et al. 2011). In light of the problem statement discussed above, the purpose of this study is to understand the influence of the entrepreneurs' ability to manage unique cultural situations (Cultural Intelligence) on the relationship between Social Capital and the multi-faceted construct of entrepreneurial performance in the informal economy; a study focusing on foreign entrepreneurs in Johannesburg.

1.5 Objectives of study

In order to unpack the identified problem and achieve the purpose of the study the following objectives were identified:

1.5.1 Primary Objective

- The primary objective of this study is to assess the influence of cultural intelligence on the relationship between Social Capital and Entrepreneurial Performance

1.5.2 Secondary Objectives

- Assess the influence of Cultural Intelligence on the relationship between Bonding Social Capital and Entrepreneurial Performance
- Examine the influence of Cultural Intelligence on the relationship between Bridging Social Capital and Entrepreneurial Performance
- Determine the influence of Cultural Intelligence on the relationship between Linking Social Capital and Entrepreneurial Performance

1.6 Research questions

In light of the above research objectives, this study answers the following questions:

1.6.1 Main research question

- Does Cultural Intelligence positively influences the relationship between Social Capital and Entrepreneurial Performance?

1.6.2 Secondary Research questions

- Does cultural Intelligence infer a positive influence on the relationship between Bonding Social Capital and Entrepreneurial Performance?
- Does cultural Intelligence infer a positive influence on the relationship between Bridging Social Capital and Entrepreneurial Performance?
- Does cultural Intelligence infer a positive influence on the relationship between Linking Social Capital and Entrepreneurial Performance?

1.7 Significance of Study

The study aims to present a different perspective than that of social science when it comes to social capital and cultural intelligence. Lang and Hornburg (1998) denotes that many debates related to the notion of social capital appear to be incoherent – this appears to be the case in many social formulations. Yet, many social scientists apply a very direct and measurable definition to social capital in their research which only focuses on social cohesion and the livelihood of citizenry. Such applications include the work done by Dudwick, Kuehnast, Jones & Woolcock (2006) where he presents that Social capital, defined most practically as social networks and norms, mediates development opportunities and outcomes. By extension, Putman (1993) contends that Social Capital is interlinked to economic growth. Even though there is evidence about the influence of Social Capital on entrepreneurial performance, little research has been done which specifically measures social capital in relation to entrepreneurship in the South African context especially in the informal economy.

Knowing how social capital functions within the entrepreneurial landscape of the informal economy can assist policy makers, practitioners and researchers to better comprehend the factors underscoring the relationship between self and society (Lang et al. 1998). Hence, it is critical for this study to be conducted as it aims at contributing to understanding social capital within the entrepreneurial landscape. Social Capital as a societal characteristic stimulates or prevents the society in general to act efficiently as a collective of entrepreneurs driven by finding innovative ways that create business opportunities while solving abject social conditions, social capital of this kind is called entrepreneurial social capital (Westlund et al. 2003).

Nieto and Alvarez (2014) note that the entrepreneurial research has predominantly pointed to the importance of social networks for entrepreneurs, further arguing that these networks are the most significant source of knowledge; this assertion ratifies the dominant literature which contends that the main source of entrepreneurial inspiration and knowledge comes from individuals networks. Even though there is universal agreement around this point, little research has emerged that specifically assesses

social capital between people of different groups in the informal economy. This study examines social capital together with cultural intelligence in order to understand these two concepts as building blocks to successful entrepreneurship, especially amongst foreign entrepreneurs in the informal economy.

1.8 Contribution of study

This study presents a different perspective to that of social science which narrowly focuses on social capital and cultural intelligence as a social cohesion mechanism. This study believes that even though there is agreement that social capital is linked to economic growth, little articulation has been presented that specifically measures social capital amongst foreign entrepreneurs in the South African economy. It is of importance for this study to be carried out as it enriches the entrepreneurial body of knowledge; this study achieves a practical contribution through helping entrepreneurs understand the importance of social capital in relation to entrepreneurial performance and also enhances existing literature. This study operationalises the discussion around social capital and entrepreneurial performance and aims to understand how the two are interrelated in the informal economy amongst people of different groups. The results of this study can be used in policy formulation in a sense that it helps policy makers to find methods for social cohesion in different entrepreneurial environments in order to facilitate free flow of information, skills and capital necessary for economic growth.

1.9 Conclusion of Chapter

This chapter discussed the overview of Social capital and Entrepreneurial performance including the mediating variable, cultural intelligence. Critical elements precipitating the formulations of this study were reviewed to build a background of the

study. This section also discussed the importance of the study, its purpose and inherent research questions.

The next chapter discusses the literature related to the discussed variables as a way of supplementing the formulations made in this chapter.

2 CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter examines existing literature in relation to the impact of social capital and cultural intelligence on entrepreneurial performance amongst foreign entrepreneurs in the informal economy. The first section looks at entrepreneurial performance and dominant social factors, measurements instrument confronting it. The second section looks at social capital, the definition of social capital, advantages and disadvantages and the application of social capital within the entrepreneurial context around the identified research problem. The third section examines cultural intelligence.

2.2 Background of Study

Brooks (2015) describes entrepreneurship as a self-chosen path of exploring unique opportunities while managing risks, it is usually undertaken to achieve financial profit or social benefit; entrepreneurship happens within specific economic environments. Studies relating to entrepreneurial ecosystems have broadly broken up economic activity into formal and informal. This study is concerned with examining entrepreneurship in the informal economy. Hasan and Raza (2015) argues that initial development literature predominantly perceived the informal sector as small and mobile which would eventually become part of the formalised economy. Mbaye (2014) notes that the informal sector consists of all activities operating outside the official legal and fiscal system, with a resulting lack of reliable statistical information. Chen (2007) Argues that the informal economy is centred on self-employment and wage employment in informal jobs.

Entrepreneurial approaches there differ drastically depending on which level it takes place. As defined above, there are unique challenges that faces entrepreneurs in the informal economy which are not applicable to the formal economy and vice versa. The scope of this study examines factors related to the informal economy of Johannesburg.

The Gauteng Department of Economic Development notes that the informal economy continues to be a major player in many developing economies across the world. In the Sub-Saharan region in Africa, the informal sector absorbs a whopping 70% of the workforce while in specific countries like Ghana, the informal sector absorbs about 85% of the workforce and 400 million individuals in India are said to be working in the informal economy. In the South African context, about three million jobs are generated by the informal economy. However, it can be argued that it is a difficult expedition to quantify this sector as such efforts are usually hampered by a lack of quality data.

Despite the already known challenges in the informal economy, the most abstract and unique challenge is that which relates to demographics. Recent studies have sought to understand these demographics from a race, gender and academic perspective. While many studies have been successful, less research that looks at foreign entrepreneurs in the informal economy.

Budlender (2014) of the Migration for Work Research Consortium (MiWORC) alludes that international migrants usually operate their own businesses. About 11% amongst this group is made up of migrants who create employment, while 21% are self-employed. By way of association, 5% of non-migrants and domestic migrants were employers and only 9% of non-migrants and 7% of domestic migrants were self-employed. Further contributions from Dr Peberdy of the Gauteng City-Region Observatory says that below 20% of individuals who own businesses in the informal economy of Johannesburg were cross-border migrants (Peberdy, Crush, Mibi & Rox 2004).

During the year 2014, the MiWORC report noted that African migrants are more positioned to find employment in the informal sector and predominantly in low paying jobs characterized by poor working conditions. However, contrary to this fact, many in community circles still maintain an untrue perception that migrant-owned business in the informal economy disadvantages South Africans. The notion underscoring this belief is an objective reality that foreign owned business appear to be doing well compared to local counterparts.

The Integrate Immigration, which is a company that helps foreigners who want to start businesses, notes that starting a business as a foreigner in South Africa can be an arduous task without enlisting some sort of help from people & institutions at different levels. There are a number of ‘hoops’ that must be circumvented and the process can be time consuming and a distraction from the all-important task of establishing a business. This calls for foreign entrepreneurs to be connected and have great cultural adaptation in order to succeed in their entrepreneurial endeavors.

As discussed above, most success factors in entrepreneurship have to do with the entrepreneur as an individual. These include technical skills and various forms of capital and how they are applied. Foreign entrepreneurs in the informal economy are faced with abject conditions that require them to face up to complex social challenges in order to be successful in their entrepreneurial endeavors; this speaks to additional expertise required by entrepreneurs in order to be successful in new and unfamiliar conditions, such expertise are centered around entrepreneurs ability to build strong relationships with people and organizations at different level as well as an uncompromising capability to decode various environments and cope accordingly. The broad understanding of entrepreneurship is not complete without breaking down multiple components that necessitate performance.

2.3 Entrepreneurial Performance

Entrepreneurs are usually applauded for introducing new solutions, tapping into new markets and displacing old habits through innovative destruction (Parker & Van Praag, 2005). The importance of entrepreneurship has prompted multiple skills development initiatives from government in a quest to improve performance of small and medium enterprises. It is important to understand that these programmes are constrained by human and financial capital which hamper the growth of entrepreneurship and entrepreneurial performance.

According to Sebikari (2014) entrepreneurial performance is the achieving of set entrepreneurial goals. In addition, entrepreneurial performance utilizes the available opportunities to grow the business idea. However, entrepreneurial performance can be measured subjectively and objectively; absolute performance is used to measure objective values using quantitative data while subjective values uses qualitative data by asking perceptive views about performance. Yusuff, Bakar and Ahmad (2016) identified performance as a measurement or indicator to evaluate or assess individuals, groups, firms and organisations. Measuring entrepreneurial performance is still a relatively difficult task; as a matter of fact, measuring performance continues to be a difficult task, as discussed previously, historical measures for performance have focused majorly on financial metrics (Chatterji, 2009).

The widely used measures of entrepreneurial performance are usually quantitative. These include revenue, sales, growth and other economic indicators. Quantitative measures are normally good to give an indication of the general worthiness of a business as an economic player but fall short when it comes to testing the businesses strength against turbulent environmental issues dominant in the environment within which it operates. Such factors include social embeddedness, cultural adjustments and societal impact, (Olaniran, 2016).

Owing to the multi-faceted nature of entrepreneurship, it is unclear which performance indicators are the most effective. However, many researchers have relied on more

quantitative measures such as market share, sales, profit, employees, and survival rates. However, Oduyoye et al. (2014) notes that many researchers prefer to use profits, survival rates and employees because these are the most used and are relatively easy to measure, considering the fact that this research focuses on entrepreneurship in the informal economy. The most famous work in recent literature is work produced by the OECD around measuring entrepreneurship – Eurostat Entrepreneurship Indicators Programme (EIP). Owing to the nature of entrepreneurship, the EIP avoids prescribing a single measure to entrepreneurship. This is because entrepreneurship is a multidimensional construct and is largely dependent on the environment within which it occurs. Due to the broadness of entrepreneurship, it is crucial for policy makers to understand and to be able to identify unique measures for entrepreneurial performance

Table 2.1: Core indicators of entrepreneurial performance

Entrepreneurial Performance		
Firms	Employment	Wealth
Employer Firm Birth rate	**High Growth Firm rate by Employment**	**High Growth Firm rate by Turnover**
Employer Firm Death rate	**Gazelle rate by Employment**	**Gazelle rate by Turnover**
Business Churn	Business Ownership Start-Up rate	Value-Added by Young or Small Firms
Net Business Population Growth	Business Ownership rate	Productivity Contribution, Young or Small firms
Survival Rate at 3 and 5 Years	Employment in 3 and 5 Year Old Firms	Innovation Performance, Young or Small firms
Proportion of 3 and 5 Year Old Firms	Average Firm Size After 3 and 5 Years	Export Performance, Young or Small firms

Source: Ahmad & Hoffman (2007)

Essentially, the above table mentions three broad pillars within entrepreneurial performance, namely, Start-up, Growth and Wealth. Firms start off as ideas by a single person or a group of individuals with ideas. The aim can be to meet certain needs in the market and ultimately, to make profits. This in turn, reflects a desire to grow business into a big enterprise that generates revenue; this shows the life stages of enterprises. However, many researchers have struggled to link the different

performance indicators to various stages in the business life cycle. The impact of entrepreneurship, according to the OECD, constitutes job creation, economic growth and poverty reduction. While these concepts can be discussed separately, they are usually treated as interrelated concepts.

Entrepreneurial performance can also be understood through examining entrepreneurial related factors such as entrepreneurial orientation and leadership styles of managers. Entrepreneurial orientation (EO) has received substantial conceptual and empirical attention, representing one of the few areas in entrepreneurship research where a cumulative body of knowledge is developing (Rauch, Wiklund, Lumpkin & Frese, 2009). Entrepreneurial Orientation refers to strategy making that provide businesses with guidelines and basis for decisions and actions, it is usually associated with innovativeness, autonomy, pro-activeness, competitiveness and risk taking. The notion underlying EO and performance is related to how the business is geared to make decisions and actions hence such decisions and action infer direct influences on how the business performs (Yang, 2008).

As discussed in the preceding sections, entrepreneurial activities do not take place in a vacuum; they are subject to various environmental issues which become determinants of entrepreneurial performance. The OECD looked at different factors affecting entrepreneurial performance. These factors are; regulation, market conditions, access to finance, research, development and technology, entrepreneurial capabilities, culture and social capital. Other researchers have extended the list of determinants to include motivation and time invested in the business (Bosma & Van Praag, 2002). There are also many social & cultural factors affecting entrepreneurial performance. Sabuhilaki (2016) alludes that social and cultural factors are the forgotten aspects of entrepreneurship that is the result of entrepreneurship's mono-dimensional look ever since because a person who deals with creation of the neo-ideas has social backgrounds such as family characteristics, customs community, the rate of participation and cooperation with friends, neighbours and relatives that can help him/her to reach success. For this reason, Sabuhilaki (2016) emphasize the effective feature of framing the behaviour of entrepreneurship and states that in the

following manner: the roles of society, the experiences of life, family backgrounds, education and consciousness level, social class and bureaucratic organizations.

Entrepreneurship has positive interests and effects in society in the case of social cases because it makes more jobs. It reduces the social tensions and provides the implementation of the resources and activate them for national enormous productivity. The entrepreneurship provides the social benefit for the community through the government that shows the social and economic development in a certain way. As the social participation increases in the entrepreneurial activities, it rapidly reaches the economic and social developments.

Religious, social and cultural factors also influence the individual taking up an entrepreneurial career, in some countries there is religious and cultural belief that high profits unethical. This type of belief inhibits growth of entrepreneurship. TR Kunene (2009) agrees with Sabuhikali (2016) that when it comes to entrepreneurial performance, there a multiple social and cultural factors that infer direct influences, such factors include public infrastructure, technology, labour, economic resources, capital as well as culture. As discussed in the preceding paragraphs, capital is a broad term, there are various types of capital which range from monetary resources, human resources as well as social capital. At the same time, culture plays a pivotal role in entrepreneurial performance. This study is concerned with examining social capital and cultural intelligence as dominant socio-cultural factors affecting entrepreneurial performance.

2.4 Defining and understanding Social Capital

According to Krishna and Shrader (1999), Social Capital refers to features of social organization such as networks, norms and social trust that facilitate coordination and cooperation for mutual benefit. Lin (1999) notes that the concept of capital first came as a result of Karl Marx's assessment of surplus value, which is captured by capitalists in the circulation of commodities between production and consumption. Further refinements in theory have revealed that capital is a surplus value which is reflective

of an investment with returns; therefore, the premise behind the notion of Social Capital is rather simple; investment in social relations with expected returns. Lin (1999) denotes that people participate in unique networking endeavours in order to elicit profit – or derived value. As a result, three broad explanations capture the essence of resource embodiment in social networks that will enhance outcomes of actions through the facilitation of information flow, exerting influence and improving social credentials. By the very nature of social networks, the fundamental principle underscoring social networks is that they must be result driven.

Social Capital becomes a construct of derived benefits as a result of engagements between individuals and groups (vertical or horizontal). Burt (2000) also notes that even though social networks are important, they are not a natural given, it requires interested individuals to deliberately make necessary investments using unique strategies aimed at building enough institutional group relations which will later yield beneficial results. Burt's assertion implicitly suggests that social relations and networks require investments, both economic and social investments; these investments allow people to leverage of resources owned by their counterparts. The strength of networks largely depends on individuals and groups finding mutual benefit from each other. Furthermore, Burt (2000) argues that unique environments in which individuals find themselves can be likened to markets in which people exchange ideas and interests in pursuit of desired results. Individuals and groups who find mutual benefit in each other are likely to find ways of strengthening their relations thus investing more time and effort in their relationships. It is through mutual benefit that networks grow and bonds become stronger and stronger.

Heilbruun's (2005) assertion is that entrepreneurship cannot be isolated from social contexts within which it finds expression. Thus, an attempt to understand entrepreneurship is largely based on understanding the different social forces of particular environments. According to Chen, Tzeng, Ming-Ou and Chang (2007), strengthened cooperative relationships between organisations and individuals infer a positive influence on the relationship between concerned organisations through reducing costs of entrepreneurial exchanges. Thus, social capital can be identified as

a network that connects businesses, individuals and institutions. Such connection helps businesses to thrive and reach full potential. As such, many studies have observed that the success of organisations is linked to the overall success of all the players in the value chain that is lubricated by repetitive actions which breeds trust over time.

2.4.1 Sources of Social Capital

Burt (2000) notes that social capital exhibits many differences to other types of capital, human capital is largely dependent on one's acquired intellectual acumen over time and financial capital has to do with one's bank account. However, social capital is embodied on people's interactions; no one man can claim social capital by himself. As a result, there is no absolute agreement on the sources of social capital. Burt contends that there are four broad sources of capital namely: networks, norms, social beliefs and rules.

2.4.1.1 Networks

Social networks of individuals, groups and organisations are the main source of social capital (Burt, 2000). Fu (2004) notes that such a standpoint is influenced by many social network writers as it reflects both egocentric and sociocentric perspectives. Walker, Kogut and Shan (2009) also notes that the establishment of a network is a function of two opposing forces, on one side is a production of a structure that is a social resource for all members and other the other side is a conversion of the structure to suit entrepreneurial needs. This implies that there are networks that help individuals get by largely associated with family relationships and there are also networks important for business success. Individuals invest in a network structure and development of new relationships in order to improve their social capital; this is a construct and a direct consequence of ones' desire to move ahead in life.

2.4.1.2 Norms

Pretty and Ward (2001) note that norms are collectively agreed actions that uphold group interests above individuals. They afford all individuals the confidence to embed themselves in networks through investing in collective and group activities with confidence that such behaviours is reciprocated by other parties. Norms do not necessarily imply that individuals meet and agree on certain things; it can also mean that as people get introduced to a network structure, they observe and learn acceptable practices and voluntarily decide to conform.

2.4.1.3 Beliefs

Shared belief(s) refer to constrained unity, a sense of community solidarity which results from collective shared experiences (Fu, 2004). Burt (2000) argues that shared beliefs, forms of common strategic visions, understandings, and general meanings of things play a crucial role in the generation of social capital. Therefore, a belief is seen as a drive to action, a motivator that drives individuals and groups to strengthen their ties and derive mutual benefit. Burt (2000) cites Karl Marx's assertion that the working classes' struggles cause them to identify with each other and develop a course of action based on the adversity of their conditions.

2.4.1.4 Rules

Rules are usually non-codified practices governing institutions, as a result formal institutions and rules usually have an influential effect on social capital through their influence on the first three sources. Rules shape the network structure, they influence norms and beliefs (Burt, 2000). Authors seem to agree that the principle of trust underscores all the sources of social capital. Trust is a psychological state of individuals, and perceptions of one another. Fu (2004) argues that trust involves risk taking; both parties understand that the actions of the one materially affects others.

Burt believed that trust and social capital are mutually reinforcing in a sense that social capital generates trust and trust generates social capital.

2.4.2 Types of Social Capital

Many writers argue that types of social capital are a direct result of social capital dimensions. Social capital dimensions observe those peculiar characteristics of social relations that afford individual players with certain intangible resources, expectations and obligations central to the coordination of deriving of benefits. Lollo (2013) argues that frequency, homogeneity and hierarchy are all dimensions of social capital. He further notes each one's different characteristics;

- Frequency: social capital appears to grow with positive experience, frequency of interaction enhances closure.
- Homogeneity: number of common characteristics amongst individuals
- Hierarchy: the extent to which redundancy can be tracked to a single contact in the network.

Lollo (2013) argues that the different types of social capital assist in explaining unique characteristics. The characteristics associated with Social Capital form the basis of the type into which Social Capital can be broken up. Network analysis and the structural perspective categorised different groups recognising that they specifically contributed to the capacity of individuals to gather together and to the outcomes of cooperation. The essence of categorisation of "Social Capital" is based on the understanding that individuals interact with different people for different reasons and this formulates unique types of Social Capital. Thus, many authors have argued that social capital is made up of three types of networks which each make a difference - Bonding networks, Bridging networks and Linking networks.

2.4.2.1 Bonding networks

Bonding Social Capital refers to close ties that individuals require on a day-to-day basis; these are ties into which someone is usually born. These connections are usually with family, friends and neighbours. The Australian Bureau of Statistics (ABOU) notes that “Bonding capital usually refers to relationships people have with family members and ethnic groups (Edwards, 2004). The above definitions presumably imply that individuals are born as part of a network structure; they are born into families, race, and religion

2.4.2.2 Bridging networks

This refers to networks that that are not as strong and which afford individuals more opportunities. These networks are usually with people different from us; who are members of organisations, occupations or associations that we do not usually engage (Lollo, 2013). Hamayan (2015) notes that diversity becomes a critical asset to facilitate access to different forms of information and adds to one’s networks. These may be people who are from a different socio-economic status, from a different generation or a different ethnicity. This reflects an advanced degree of social capital, reflecting one’s desire to expand his/her circle with people who have a different social and economic orientation as them.

2.4.2.3 Linking networks

Linking social capital refers to links to people or groups further up or lower down the social ladder. Bayat (2015) notes that this social capital type of relationship is one between different social groups (vertical) which is known as linking social capital. Linking Social Capital is usually associated with networks between people who hold different levels of power and social status e.g. links between the political elite and the general public or between individuals from different social classes. Linking social capital attempts to eradicate the chasm between people of different groups. This is

essentially dealing with the gap that exists between people of different social classes from political leaders to leaders in business and other sectors of society. According to Lollo (2012), linking social capital facilitates access to institutions and complex systems that allows people to access resources they need to make the necessary change. These institutional relationships are usually with government, banks, and legal bodies that possess resources relevant to individuals. These resources may be monetary and also sentimental. Linking capital does not only facilitate vertical relationships with institutions present in the community but it also helps to access resources outside the community. Thus, linking social capital can be viewed as a catalyst that allows individuals to benefit from resources and human capital that is beyond the confines of immediate communities, (ABOU 2012).

The main thread underscoring each type of social capital is an understanding that each type of social capital is concerned with building relationships that bring value, many authors including Putman (19993) argue that bridging social capital helps individuals to live their lives on day to day basis while bridging and linking social capital helps individuals get ahead.

2.4.3 Strong and Weak Networks

The discussion around different types of social capital denotes a fundamental need to further examine at a deeper level what those networks are made of; in so doing, this section presents a discussion around the strengths and weaknesses of network ties. Easley and Kleinberg (2010) note that one of the powerful roles that networks play is to bridge the local and the global. Carolan and Natriello (2005) note that social interactions provide powerful learning and development opportunities; social interactions do not only depend on the individual preferences and differences on the individual actors involved, but they also depend on various patterns dominant in the environment within which social actors find existence. To get access to these social relations requires individuals to first decode rather complex social circumstances which may be unfamiliar at times; such active decoding forms the basis within which

important and value driven entrepreneurial exchanges occur. Such exchanges allow the sharing of opinions, learning new ways of doing things and sharing of experiences. (Carolan et al. 2005). Below is a tabulation of strong and weak ties and associated types of social capital discussed above

Table 2.2: Strong and weak ties

Level of strength and diversity	Strong ties	Weak ties
Bonding (Horizontal) ties	These are networks people we share common characteristics with such as friends and family members	These are people who have common personal and social interests
Bridging (Horizontal) ties	These are relationships with people who are different from us which we maintain frequent contact	Relationships with our least active networks usually referred to as acquaintances
Linking (Vertical) ties	Relationships usually found in institutions such as school and places of work	Usually with people who are far different from our institutions across 234`ss various hierarchical levels

Source: Ferlander (2007).

The above table presents a perfect analysis of how various types of social capital relate to strong and weak ties as discussed in the previous section of this chapter. In a nutshell, Ferlender (2007) suggests that each type of social capital harbours particular elements relating to strong and weak ties; this is to say, there are strong and weak ties associated with each type of social capital.

2.4.4 Network Framework

As discussed above, entrepreneurship is embedded in social relationships, some of which are personal, such as ties with family, friends and neighbours. This section discusses the framework for network relationships. It has been ascertained in the previous discussion that strong ties are usually of long duration and are underlined by a principle of deliberate reoccurrence. This is reflected by the inner dark circle in the framework below. Due to deliberate reciprocity and longer duration, strong ties are likely to be more reliable as they are normally built on mutual trust with a reasonable degree of emotion. The next level reflects weaker ties; they are normally characterised by shorter durations with limited reciprocity – such can be associated with bridging social capital. The last layer represents relationships of purpose – these are relationships largely maintained for particular reasons and naturally become dormant until revived again for reasons that are mutually beneficial.

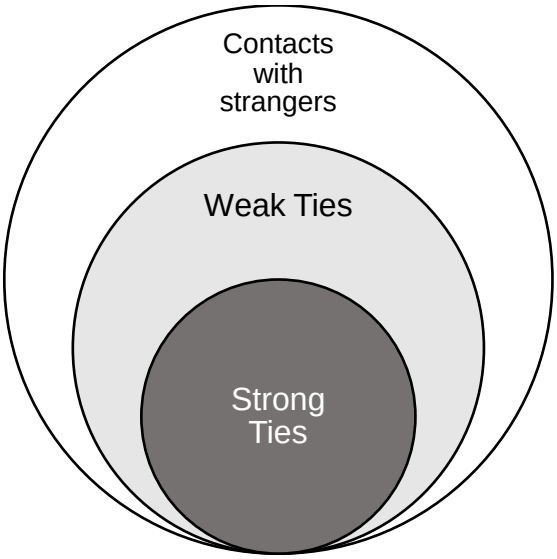


Figure 2.1: Framework of network relationships

Source: Birley and MacMillan (2002), Entrepreneurship in the global context

This attempts to operationalise the discussion on Social Capital for foreign entrepreneurs in the informal economy. Kozan and Akdeniz (2014) maintain that the above network framework eloquently displays that most social relationships are based

on deliberate investments which later yield positive results. These positive results depend on the purpose of the network, largely, these results include information sharing and access to resources which grow businesses (Elfring & Hulsink, 2004). It is a belief that without meaningful social ties, it becomes difficult to fulfil entrepreneurial potential and objectives. The notion of building a strong network structure for entrepreneurs' centres around the enablement of resources access, ease of communication and network diversity. It can be argued that weak ties are not always of great benefit, however, the section below centres around network diversity which emanates from the networks that entrepreneurs maintain with people unlike them. The benefits of social networks have been recognised as a critical factor underlying entrepreneurial success (Elfring & Hulsink, 2004). It is a belief that without meaningful social ties, it becomes difficult to fulfil entrepreneurial potential and objectives. The notion of building a strong network structure for entrepreneurs' centres around enablement of resources access, ease of communication and network diversity. It can be argued that weak ties are not always of great benefit, however, the following section centres around network diversity which emanates from the networks that entrepreneurs maintain with people unlike them.

2.4.5 Social Network Diversity

Barefoot, Gronbaek, Jansen, Schnohr & Prescott (2005).contends that network diversity has received little attention from various researchers and studies. However, where work has been done, there is wide agreement about the role of network diversity, that is, necessity to build and maintain networks with different characteristics. The underlying principle is that there is power in diversity, as such, different networks afford individuals with multiple different opportunities. Most benefits associated with social network diversity also enhance other forms of capital, including cultural knowledge (Hampton, Joo Lee & Ja Her 2011). It is also widely agreed that network diversity improves the entrepreneur's chances of tapping into new opportunities (Erickson, 2000). How diverse are the social networks of foreign entrepreneurs in the informal economy of Gauteng, Johannesburg? And what are the differences and

similarities in terms of age, sex, race, education, religion and etc? These questions are pertinent in our day-to-day activities as we try to understand social networks in a deeper sense. Many researchers have argued that the cornerstone of network diversity emanates from our weak ties of acquaintances.

Hristova, Williams, Musolesi, Panzarasa & Mascolo (2016) note that large metropolitan cities bring together diverse individuals, creating opportunities for cultural and intellectual exchanges, which can ultimately lead to social and economic enrichment; further assumptions can be made that those with more diverse networksstand a better chance of reaching high levels of success in their personal lives, careers and entrepreneurial endeavours. The different layers of diversity are explored to further operationalise the discussion on diverse networks. According to Gargenwarts, Cherbosque & Rowe (1991) diversity, those aspects across which we interact, can be understood as the multiple dimensions in which these are both similar and different. Figure 2.2 is a detailed diagram depicting all the different dimensions of diversity according to Gargenwarts *et al.* (1991).

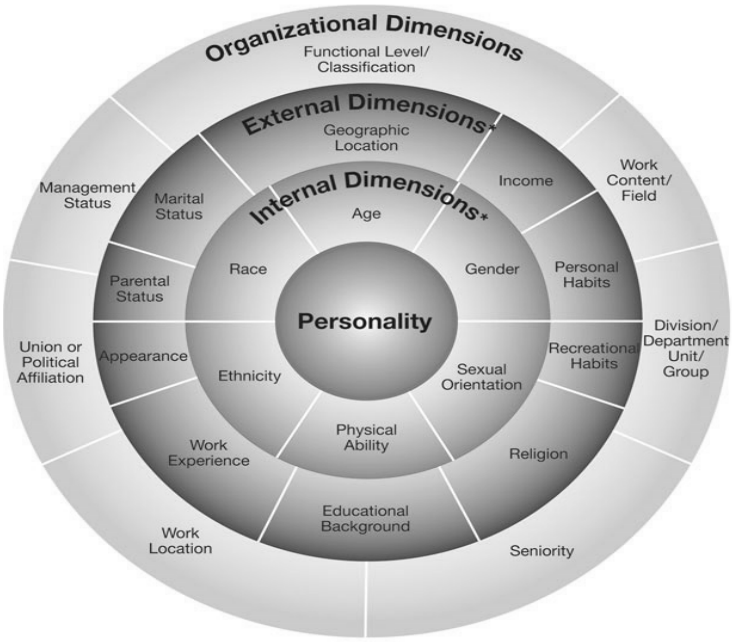


Figure 2.2: Dimensions of Diversity

Source: From Diverse teams at work (Gardenwarts & Rowe, 1991)

The above model divides diversity into various types. The most important are the internal and external dimensions; these two dimensions centre on personality which is the cornerstone of all things. Internal dimensions assess issues related to demographic information which external dimension also assesses; the outer part of the model discusses organisational dimensions which are largely associated with linking social capital

2.4.6 Levels of Social Capital

According to Krishna et al. (1999) the conceptual framework on the levels of social capital indicates two broad levels which sit at the macro and micro levels. The macro level focuses on the institutional context within which individuals and organisations operate. This level is concerned with the overall macro-economic, legislative and political framework within which entrepreneurship occurs, this level of social capital operates within the political economy charged by dominant ideas of the rulers, the laws and political influences on policy.

The micro level focuses on issues largely within the control of entrepreneurs and individuals. Such issues include values, rules and cultures, social behaviours and attitudes. They also include processes that influence individual actions such as horizontal societal structures. Figure 2.3 is a conceptual framework of the levels and types of social capital.

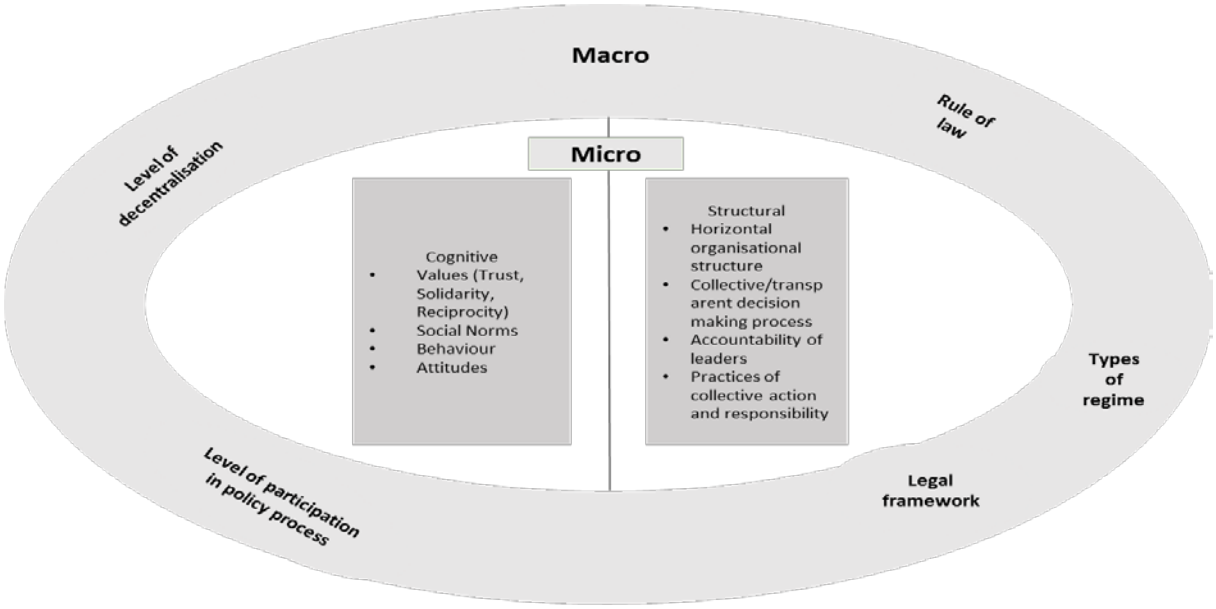


Figure 2.3: Conceptual framework: levels and types of social capital

Source: Bain & Hicks (1998)

2.4.7 Ownership of Social Capital

Social capital remains a critical component for the study of entrepreneurship in the modern age. As a consequence, many attempts have been made to analyse social capital in retrospect to other forms of capital. However, the discussion around ownership of capital takes different forms in relation to each form of capital.

Hence, this section seeks to look at ownership patterns for social capital. Waldstrom (2003) notes that unlike other forms of capital, social capital is unique is a sense that no single individual can claim monopoly over its ownership; this is due to the fact that social capital itself is embedded in social interactions which allows it to be owned by everyone. Thus, social capital is a collective of all individuals in a particular environment, organisation, social cluster, etc.; as a consequence, if a member of a group leaves or decides to terminate participation, he or she is likely to leave with a certain component of the relationship. Waldstrom (2003) continues by adding that even though social capital does not belong to anyone per se, it is important to assess the value each individual brings to the network, this gives strong meaning to the

thinking underscoring this study, based on an understanding that social capital is value driven. As a result, it is safe to conclude that social capital finds expression when valued by an individual.

Therefore, there are two approaches to social networks, namely, egocentric and sociocentric; the egocentric approach presents an individual as a focal actor while the sociocentric approach locates an individual within the overall structure of a network. Both these approaches do not fundamentally contribute to the understanding of social capital because the sociocentric tradition deals with advantages gained by individuals, given their position in a network (Waldstrom, 2003).

In relation to the above discussion, it is imperative to highlight that most of the time, social capital from an entrepreneurial perspective, largely depends on mutual beneficiation based on the “you scratch my back, I scratch yours” principle. As a result, the survival of individual players can largely depend on who they socialise with and what benefit they able to derive from that.

2.5 Cultural Intelligence

The study of entrepreneurship has revealed over the past few years that there are various factors that need to be considered which directly impact entrepreneurship. As such, the understanding of entrepreneurial ecosystems, both at a macro and micro level, becomes critical. This section alludes to the impact of cultural intelligence on entrepreneurship which is part of the entrepreneurial ecosystem.

The concept of entrepreneurship has imposed itself as a critical study, especially for developing economies. It is believed that most successful economies are largely driven by entrepreneurship, but, entrepreneurship does not exist in a vacuum, it exist within different social, economic and cultural contexts. Hence, this section explores cultural intelligence as a mediating variable which infers influence on social capital and entrepreneurial performance.

According to Ersoy (2014), cultural intelligence (CQ) is an outsiders' natural ability to interpret unfamiliar cultural conditions and adopt certain behaviours, gestures and codes in order to cope with unique environments: cultural intelligence thrives on meta-cognition systems which enable people to adapt to certain environments through adopting new cultural practices dominant in the new environment. The ever-growing surge of globalisation and connectivity forces entrepreneurs to exhibit specialised cultural traits which enable them to do business even in unfamiliar territories. Issues related to cross-cultural adjustments and capabilities continue to receive attention as academics and researchers try to understand traits necessary to survival in an increasingly globalised environment.

2.5.1 The four factor model of cultural intelligence

The very construct of cultural intelligence varies from study to study; and many researchers argue that there is no single approach to understanding cultural intelligence. Ang and Dyne (2008) argue that cultural intelligence is a multifaceted subject which can be broke into four significant dimensions namely: metacognitive, cognitive, motivational and behavioural. A discussion on what each dimension means follows. Figure 2.4 is a graphical representation of the different facets of cultural intelligence.

Cultural Intelligence	Cognitive	Declarative & Procedural knowledge
		Meta-Strategies
	Motivational	Efficacy
		Goals & effort
		Perseverance
	Behavioural	Repertoire
		Mimicry
		Habits & Rituals

Figure 2.4: The four factor model of cultural intelligence

Source: Yordanova (2011)

Each dimension is explored with a view to understanding what each mean within the multi-faceted construct of cultural intelligence.

2.5.1.1 Meta-cognitive CQ

According to Yordanova (2011), metacognition is concerned with thinking or knowledge about cognitive objects. It broadly refers to the unique processes individuals use to obtain understanding of cognitive information. This refers to an individual's conscious behaviour during interactions with people of different cultures. It is based on advanced cognitive strategies and unique processing capabilities which allows individuals to grasp different arrays of information across a wide cultural spectrums (Ersoy 2014).

2.5.1.2 Cognitive CQ

Ersoy (2014) notes that Cognitive CQ is about the knowledge of underlying norms, practices and conventions from different cultures. This includes the knowledge of basic economic, legal and social systems. This reflects an individual's ability to apply learned knowledge acquired through meta-cognitive abilities.

2.5.1.3 Motivational CQ

Motivational CQ is about the mental capacity of individuals to direct and sustain energy on particular tasks or situations (Ang et al. 2007). This is underscored by an individual's unique focus to pay attention to cultural differences within environments in which they find themselves. This type of CQ gives individuals an ability to manage uncertainty and anxiety during unfamiliar circumstances (Ersoy, 2014).

2.5.1.4 Behavioural CQ

Behavioural CQ talks to observable actions of individuals. This form of CQ allows individuals to moderate their behaviours as and when a cultural encounter requires it. This form of CQ is more concerned with what people display and how they carry themselves in different cross-cultural environments (Ottavi, 2009).

The above section ponders the different dimensions of cultural capital. Livermore (2011) believes that the world is fast becoming smaller due to technological advancements, the world is slowly shrinking as people are now easily connected across the globe. Thus, it becomes of critical importance that individuals are able to manoeuvre and manage effectively within different cultural environments. Further, this becomes more important for entrepreneurs who do business in ecosystems engulfed by different cultures.

2.5.1.5 Sources of Cultural Intelligence

The concept of cultural intelligence manifests itself in different ways. Cultural Intelligence has similar characteristics to various approaches of cultural competence, but it differs in the specific aspects of intelligence research (Livermore, 2011). Hence, research acknowledges that cultural intelligence is more than a concept but a way of life, a characteristic individuals possess. It is the overall capability individuals can take with themselves anywhere. Cultural Intelligence can be derived from different sources; these sources in detail below. According to Ottavi (2009), there are three sources of CQ.

2.5.1.6 Head

Ottavi (2009) notes that the head is connected to cognitive cultural intelligence. The head harbours various learning strategies which allow individuals to make sense of different cultural situations. The head allows individuals to identify different entry points to unique cultural situations using their previous experiences to decode and adjust. Earley and Mosakowski (2004) further argue that no amount of programming and development can make individuals learn a culture.

2.5.1.7 Heart

The heart allows people to overcome obstacles associated with joining new cultures, the heart further gives individuals a sense of self-efficiency and confidence which, once developed, eliminates doubts and creates a unique conviction to become full actors and participants in unique cultural situations.

2.5.1.8 Body

Exhibiting physical behaviours which gives practical sense to understanding a new cultures (Earley et al. 2004). Just like behavourial CQ, the body exhibits subtle actions that gives away the individual's interpretation of different cultural environments. This is exhibited through changing the way you greet, shake hands, and so on. Also, the way individuals make some gestures reflect how much the know about a particular culture.

The above discussed sources are related to the four dimensions of cultural intelligence. And the head, heart and body work together to enable ones intelligence and ability to adjust and live in different environments. For example, the "head" gives rise to cognitive CQ, the heart gives rise to motivational CQ and the body facilitates Behavioural CQ. These are sources from which an individual can derive his/her intelligence.

2.5.2 Profiles of Cultural Intelligence

Having discussed sources of CQ, the profiles as presented by Ottavi (2009) are now presented; these profiles are important to locate the individual's level of cultural intelligence, strengths and short coming

Table 2.3: Profiles of Cultural Intelligence

Profile	Description
The Provincial	Works effectively with people similar to him/her
The Analyst	Takes time to decode unique cultures using different learning techniques
The Natural	Uses his inner feelings and any information presented first instead of applying different learning techniques
The Ambassador	When found in unfamiliar cultures, usually shows massive confidence which shows that he actually belongs to that environment - this is usually to hide lack of knowledge
The Mimic	Applies a cautious behaviour, quick to pick up cues. Very comfortable with facilitating communication and builds rapport very easily
The Chameleon	Harbours all forms of CQ which is a rare characteristic. He normally has great insider and outsider perspectives

Source: Earley and Mosakowski (2004)

Cultural intelligence is now a critical skill which needs constant improvement in order for managers and entrepreneurs to stay relevant. This skill must be harnessed across a wide spectrum of development for entrepreneurs for all the stages of cultural intelligence; these stages are reactivity, recognition, accommodation, assimilation, and proactivity (Ottavi, 2009). Below is a discussion on the stages of Cultural Capital.

2.5.3 Stages of Cultural Intelligence

The different five stages of developing CQ for individuals is directly extracted from the work done by Clark (2007).

Reactivity to external stimuli

At this stage, individuals with very limited exposure religiously uphold their own cultural rules. They become confined to their normal way of doing things while forgetting they are now in a different culture.

Recognition of other cultural norms and motivation to learn more about them

This is a state where individuals start appreciating new cultures and start asking more about them, however, at this stage he/she is still overwhelmed by variances.

Accommodation of other cultural norms and rules

At this stage, the individual starts to understand the norms and rules, the individual slowly becomes comfortable enough to adjust his or her behaviour

Assimilation of diverse cultural norms into alternative behaviours

At this stage the individual functions more effectively and works in a new culture effortlessly. In addition, rapport soon develops between the individual and people of other cultures.

Proactivity in cultural behaviour, based on recognition of changing cues that others do not perceive

At this stage, the individual is so submerged in the new culture that he starts developing behaviours outweighing original citizens. His or her behaviours becomes automatic.

The five stages of developing cultural intelligence are of critical importance. It can be said now that cultural intelligence takes many forms and shapes based on where one finds him/herself. It is critical that people are able to deduce important “nuggets” about different cultures and develop the ability to adjust accordingly.

The global economy over the past couple of years has become flatter allowing people of different origins to do business together. Globalisation has been one of the most prominent trends in the past few years, as such, this trend necessitates that individuals are able to understand and adjust to different economic ecosystems across the world. Therefore, cultural intelligence becomes a critical capability that helps people, business and institutions to stimulate coherence and cross-cultural existence.

The above section considered cultural intelligence as a multi-faceted concept. It can be argued that existing literature is similar in one way or another when it comes to what the sources of cultural intelligence are. Instead of pondering each within an entrepreneurial context, the section is largely concerned about understanding cultural intelligence as an individual capability more than an input to entrepreneurship, noting, that cultural intelligence can help individuals beyond entrepreneurship; cultural intelligence can be used for enhancing management skills, personalities, work performance and social cohesion.

It is in this spirit that this section captures cultural intelligence as an individual characteristic more than it being a subset of other forms of capital.

2.5.4 The benefits of cultural intelligence for entrepreneurs

The economic events of recent years have significantly changed how culture has been viewed and practiced. Globalisation has taken the world by storm leaving people with no choice but to coexist regardless of their cultural differences. As a result, many organisations have invested fortunes to train their employees to be able to deal with cultural differences in the workplace and in their personal lives.

It is becoming more difficult for someone to describe his own culture since people have been so blended through different mediums, and this becomes a serious concept in

the study for entrepreneurship. Cultural Intelligence is fast becoming the most critical skill within globalised economic systems.

Hence, this section looks at the advantages and benefits of cultural intelligence for individuals. The concept of cultural intelligence has been treated as one of those insignificant soft skills. An ever increasing quantum of people is starting to acknowledge the advantages of cultural intelligence is an over competitive world as cultural intelligence can infer a competitive advantage for entrepreneurs.

The benefits of cultural intelligence as a capability that influences entrepreneurship is examined.

2.5.4.1 Superior cross-cultural adjustment

Most twenty-first century interests such as careers, sport and religion require people to be able to adjust effectively to various cultures. Individuals with better levels of cultural intelligence are likely to adjust better in different cultures as they continue exploring opportunities.

Within the entrepreneurial context, people can and do discover opportunities for growth in very foreign and unfamiliar markets. The entrepreneur only has to rely on his ability to adjust to different market conditions and become able to energise the workforce from different cultural backgrounds. Such a globalised world affords many with an opportunity to meet different people for different reasons. Thus, cultural intelligence improves people's ability to perform. Hence, entrepreneurs need to have high cultural intelligence so that they are able to adjust effectively in different and unfamiliar environments. Therefore, higher cultural intelligence acts as an enabler for better entrepreneurial performance in different markets.

2.5.4.2 Job performance

Livermore (2011) notes organisations are realising that employees who adjust to different cultures are usually very effective, adaptable and innovative.

Their superior CQ helps with decision making, negotiation, networking, and leadership. People with high cultural intelligence are able to understand things quicker since cultural intelligence is related to IQ. This suggests that high pressure entrepreneurial environments needs people who can push beyond boundaries even in environments that are not familiar to them.

2.5.4.3 Personal Well-being

Usually, people with high levels of cultural intelligence are likely to enjoy working in diverse cultural situations as they are able to cope with stresses associated with new cultures (Livermore, 2011). The individual who has the ability to master different norms, “squad codes”, and cultural ethos of other groups is able to find emotional peace since they are less likely to be devastated by foreign behaviours. Essentially, they are able to make peace quicker with work habits, communication styles and interactions.

2.5.4.4 Profitability

Livermore (2011) notes that there is an inherent connection between CQ and profitability. Researchers have argued that individuals who adjust better to different cultures tend to perform better at their jobs through better decision making, negotiations and networking which helps organisations win more business. The same can be said about entrepreneurial performance, those who are able to read cultural dynamics effectively are able to realise more profits for their business.

The section above on cultural intelligence (CQ) ponders the entire concept with a view to understanding its implications for individuals within the broader cultural borders of many social environments. It must be mentioned that this section looks at cultural intelligence as a personal and individual trait more than an entrepreneurial phenomenon. This is simply because cultural intelligence cannot be a shared concept – it is an individual characteristic that people develop through various stages of their lives.

The South African economy remains a very diverse economy, especially within the informal sector. The events of the recent past, ring-fenced around xenophobia, has necessitated that we relook cultural differences amongst people of different groups. Cultural misunderstandings can lead to catastrophic social disasters such as neighbourhood fights, work politics and international conflicts, this is where cultural intelligence becomes important to lubricate society and thus prevent conflict.

2.6 Conclusion of Chapter

This chapter discussed the literature underpinning variables under study. It used multiple sources to formulate and back up conclusions made herein. Literature revealed that the construct of entrepreneurship is embedded in Social Networks. Literature further revealed that Cultural Intelligence has a significant impact on how individuals perform in their jobs and businesses. Thus, this chapter concluded that there is a need to understand the influence of Cultural Intelligence on the relationship between Social Capital and Entrepreneurial performance.

The next chapter discusses hypotheses formulated as a result of the above discussion. It further proposes a conceptual model to test the variable.

3 CHAPTER THREE: HYPOTHESIS DEVELOPMENT, HYPOTHESIS STATEMENT & CONCEPTUAL MODEL

3.1 Introduction

This section discusses theoretical undertakings hypotheses development of this study. It also discusses the conceptual model central to this study. Through the discussion of the conceptual model, the research draws credibility, reliability and validity of the research findings. The discussion of the conceptual model also helped guide the type of statistical instruments used to collect and analyse the data. This study first discussed literature around each hypothesis followed by the hypothesis statement. The conceptual model is presented after the development of hypotheses.

3.2 Hypotheses development and Hypotheses statement

3.2.1 Relationship between Social Capital and Entrepreneurial Performance

Sabuhilaki (2006) notes that entrepreneurship is a process locating in a variable network of community relations and these relations can facilitate or limit the relationship of entrepreneur with the sources and opportunities. According to Ajhter & Sumi (2014) understanding entrepreneurship as a social phenomenon allows us to draw on the well-developed more general literatures on social capital and social networks. Ajhter & Sumi (2014) observes a trend within Bangladesh entrepreneurs and argues that in the modern era, an entrepreneurship is really facing a challenging task because of identifying the business opportunities in anticipating a value addition to the clientele end and yielding profits considering certain social and environmental issue.

As a result, Socio-cultural environment in broad terms consists of both the social system and the culture of a people. It refers primarily to man created intangible elements which affect people's behaviour, relationship, perception and way of life, and

their survival and existence. In other words, the social-cultural environment consists all elements, conditions and influences which shape the personality of an individual and potentially affect his attitude, disposition, behaviour, decisions and activities. Such elements include beliefs, values, attitudes, habits, forms of behaviour and life styles of persons as developed from cultural, religious, educational and social conditioning.

Heilbruun's (2005) also asserts is that entrepreneurship cannot be isolated from social contexts within which it finds expression. Thus, an attempt to understand entrepreneurship is largely based on understanding the different social forces of particular environments. Social-cultural environment, in relation to entrepreneurship, can be defined as consisting of all the elements of the social system and culture of a people which positively or negatively affect and influence entrepreneurial emergence. Understanding entrepreneurship as a social phenomenon allows us to draw on the well-developed more general literatures on social capital and social networks.

According to Portes (2000), the concept of social capital is arguably one of the most successful exports from sociology, it is mostly used to explain deferential performance amongst people and different groups. Social capital is conceptualized as the network of relationships enjoyed by a focal firm, which generates value by providing access to resources that are owned or controlled by partners, Castro, Galan & Bravo (2012). Social capital is a significant source of value for individuals and organisations. Social capital is more concerned with social networks and relations which later yield or create value for everyone involved. Social capital also provides access to financial and human resources (Fornoni, Arribas & Vila, 2012).

Souza (2011) argues that there is good consensus amongst researcher that Social Capital is associated with performance and functioning of private companies and government institutions. Chen *et al* (2007) social capital plays an important role in identifying entrepreneurial opportunities and securing external resources. Therefore, Social networks are the relationships through which one receives opportunities to use financial and human capital.

H1: There is a positive relationship between Social Capital and Entrepreneurial Performance

H1 (a) There is a positive relationship between Bonding Social Capital and Entrepreneurial performance

H1 (B) There is a positive relationship between Bridging Social Capital and Entrepreneurial performance

H1 (C) There is a positive relationship between Linking Social Capital and Entrepreneurial Performance

3.2.2 Relationship between Social Capital and Cultural Intelligence

Onodugu & Onudugu (2015) notes that entrepreneurial development takes place within a framework of forces that constitute the system environment, which are either external or internal. A critical issue in the entrepreneurial development and growth is firms' ability to adapt to their strategies to a rapidly changing system environment to which the entrepreneurs' role is critical to the success or failure of such firm. For the entrepreneur to be successful, he must be able to identify and find a useful niche within the large environment where it takes risk, makes strategic business plan and takes/implements decisions. Socio cultural factors are factors relating to both society and culture matters. Socio cultural factors are the larger scale forces within cultures and society that affect the thoughts, feelings and behaviour of individuals.

Cultural intelligence is the most important capability which could be applied for appropriately dealing with Multi-cultural situations. Cultural intelligence helps demonstrating appropriate behaviour with quick and accurate understanding of different cultural factors, on the other hand, social capital enables members of an organization to interact with each other and effectively and efficiently achieve their common goals in the forms of networks, norms and trust (Jafari 2013).

Systematic decoding of ambiguous cultural environments in order to survive and cope with different cultural environments requires understanding of social forces underlying various social environments. Entrepreneurial environments require entrepreneurs who are able to continually adapt with people of different cultures and manage cross-cultural communication; are familiar with different cultures and can interact with other cultures by providing trust and suitable communicational networks. For this purpose, managers will require cultural intelligence and social capital.

H2: There is a positive relationship Social Capital & Cultural Intelligence

H2 (a) There is a positive relationship between Cultural Intelligence and Bonding Social Capital

H2 (B) There is a pos1itive relationship between Cultural Intelligence and Bridging Social Capital

H2 (C) There is a positive relationship between Cultural Intelligence and Linking Social Capital

3.2.3 Relationship between Cultural Intelligence and Entrepreneurial Performance

The economic events of the recent years have significantly changed how culture has been viewed and practiced. Globalisation has taken the world by storm leaving people with no choice but to coexist, regardless of their cultural differences. As a result, many organisations have invested fortunes to train their employees to be able to deal with cultural differences in the workplace and in their personal lives.

It is becoming more difficult for someone to describe his own culture since people have been so blended through different mediums, and this becomes a serious concept in the study for entrepreneurship. Cultural Intelligence is fast becoming the most critical skills within globalised economic systems.

Hence, this section looks at the advantages and benefits of cultural intelligence for individuals. The concept of cultural intelligence has been treated as one of those insignificant soft skills. A growing number of individuals, however, are discovering the competitive edge that comes from enhancing their cultural intelligence.

The benefits of cultural intelligence as a capability that influences entrepreneurship are discussed in detail in the following paragraphs.

3.2.3.1 Superior cross-cultural adjustment

Most twenty-first century interests such as careers, sport and religion require people to be able to adjust effectively to various cultures. Individuals with better levels of cultural intelligence are likely to adjust better in different cultures as they continue exploring opportunities.

Within the entrepreneurial context; people can and do discover opportunities for growth in foreign and unfamiliar markets. The entrepreneur only has to rely on his ability to adjust to different market conditions and become able to energise the workforce from different cultural backgrounds. Such a globalised world affords many with an opportunity to meet different people for different reasons. Thus, cultural intelligence improves people's ability to perform. Hence, entrepreneurs need to have high cultural intelligence so that they are able to adjust effectively in different and unfamiliar environments. Therefore, higher cultural intelligence acts as an enabler for better entrepreneurial performance in different markets.

3.2.3.2 Job performance

Livermore (2011) notes organisations are realising that employees who adjust to different cultures are usually very effective, adaptable and innovative.

Their superior CQ helps with decision making, negotiation, networking, and leadership. People with high cultural intelligence are able to understand things quicker since cultural intelligence is related to IQ. This suggests that high pressure entrepreneurial environments need people who can push beyond boundaries even in environments that are not familiar to them.

3.2.3.3 Personal Well-being

Usually, people with high levels of cultural intelligence are likely to enjoy working in diverse cultural situations as they are able to cope with stresses associated with new cultures (Livermore, 2011). The individual's ability to master different norms, "squad codes", and the cultural ethos of other groups is able to find emotional peace since they are less likely to be devastated by foreign behaviours. Essentially, they are able to make peace quicker with work habits, communication styles and interactions.

3.2.3.4 Profitability

Livermore (2011) notes that there is an inherent connection between CQ and profitability. Researchers have argued that individuals who adjust better to different cultures tend to perform better at their jobs through better decision making, negotiations and networking which helps organisations win more business. The same can be said about entrepreneurial performance; those who are able to read cultural dynamics effectively are able to realise more profits for their business.

The section above on Cultural Intelligence (CQ) ponders the entire concept with a view to understanding its implications for individuals within broader cultural borders of many social environments. It must be mentioned, this section looks at cultural intelligence as a personal and individual trait more than an entrepreneurial phenomenon. This is simply because cultural intelligence cannot be a shared concept – it is an individual characteristic that people develop through various stages of their lives. Studies have demonstrated that individuals with high levels of cultural intelligence find it easier to work in different environments (Livermore, 2011).

The South African economy remains a diverse economy, especially within the informal sector. The events of the recent past, ring-fenced around xenophobia, have necessitated that we relook cultural differences amongst people of different groups. Cultural clashes are a major destabilising factor in our world, whether its neighbourhood rivalries, office politics, or international disputes. Cultural intelligence provides a way to work through the many misunderstandings and conflicts that accompany cross-cultural encounters.

The above discussion captures the essence of what our discussion around cultural intelligence has been about; therefore the above discussion validates the notion of understanding the impact of cultural intelligence amongst foreign entrepreneurs within the South African informal economy.

H3: There is a positive relationship between Cultural Intelligence and Entrepreneurial performance

3.2.4 Mediation hypothesis: Influence of Cultural Intelligence on the relationship between Social Capital & Entrepreneurial Performance

Lam and Liaw (2017) notes that managers and entrepreneurs they have to improve their level of cultural intelligence through accumulating more cultural knowledge and behaviour interaction with unfamiliar cultural backgrounds. Cultural intelligence appears to be an indispensable factor in an international context which helps entrepreneurs to deal with cultural barrier issues effectively. Multiple researchers have presented Cultural Intelligence as a mediator. For example, Ang and Dyne (2008) have proposed CQ as a mediator of the relationship between distal individual characteristic (such as personality traits, worldviews, demographic and biographical differences) and intercultural effectiveness. A list of research which prove CQ as a strong mediator in intercultural performance are: Ward and Fischer (2008) whose about international exchange students in New Zealand has shown that CQ is mediator between personality traits (cultural empathy, open-mindedness) and flexible general adjustment. Dyne et al. (2008) who indicated that CQ mediates the effects of international experience on international leadership potential of cultural diverse participants of an executive development program (Ang & Dyne, 2008).

Considering the defining characteristics of cultural intelligence and its dimensions, and applying them to a multicultural domestic setting, where all individuals, although of the same or different culture, have distinct values, beliefs, interests, behaviours and goals, it will be expected that individuals with high levels of cultural intelligence are able to

organize their social behaviour, opting for more integrative styles and more cooperative relations, compared to those with lower levels of cultural intelligence, (Cancalves, Reis, Sousa, Santos, Orgambidez-Ramos, 2015)

Cultural intelligence is treated as the main catalyst that helps individuals facilitate social interactions & relationships that are valuable. As a consequence, there is huge interdependency between an entrepreneur's ability to manage unique cultural environments and how they go about building and maintaining profitable relationships.

Earley (2002) argued that individuals have a high level of cultural intelligence will be more confident of their knowledge and capabilities to dealing with cultural barriers smoothly as well as building social links and relationships that facilitate entrepreneurial activity.

H4: Cultural intelligence is a mediator of the relationship between Social Capital and entrepreneurial performance

3.3 Conceptual Model

Drawing from the in-depth review of entrepreneurial literature discussed above, a conceptual research model was developed as demonstrated in Figure 3.1. The conceptual model can be called the mutual dependence model according to Baron et al. (1986) simply because it uses mutually exclusive concepts to illustrate the mediation relationship between them. Essentially, this study assesses the mediating influence of Cultural Intelligence on the relationship between Social Capital and Entrepreneurial performance using Baron and Kenny (1986)'s conceptualisation of mediation. Hence, the model comprises three constructs, one independent variable in Social Capital, and a mediating variable in Cultural Intelligence and dependant variable in Entrepreneurial Performance. The model is developed using three hypothesis statements which are informed by the in-depth discussion above. The constructs of this conceptual model assess three hypotheses as presented in the

statements above. It demonstrates the conceptual formulation of the relationship that exists between Social Capital and Entrepreneurial Performance, Social Capital and Cultural Intelligence and lastly, Cultural Intelligence and Entrepreneurial Performance. The conceptual model together with hypothesised relationships for the proposed study is displayed in Figure 3.1.

The conceptual model below summarises hypothesis 1 to 3 also accounting for mediation.

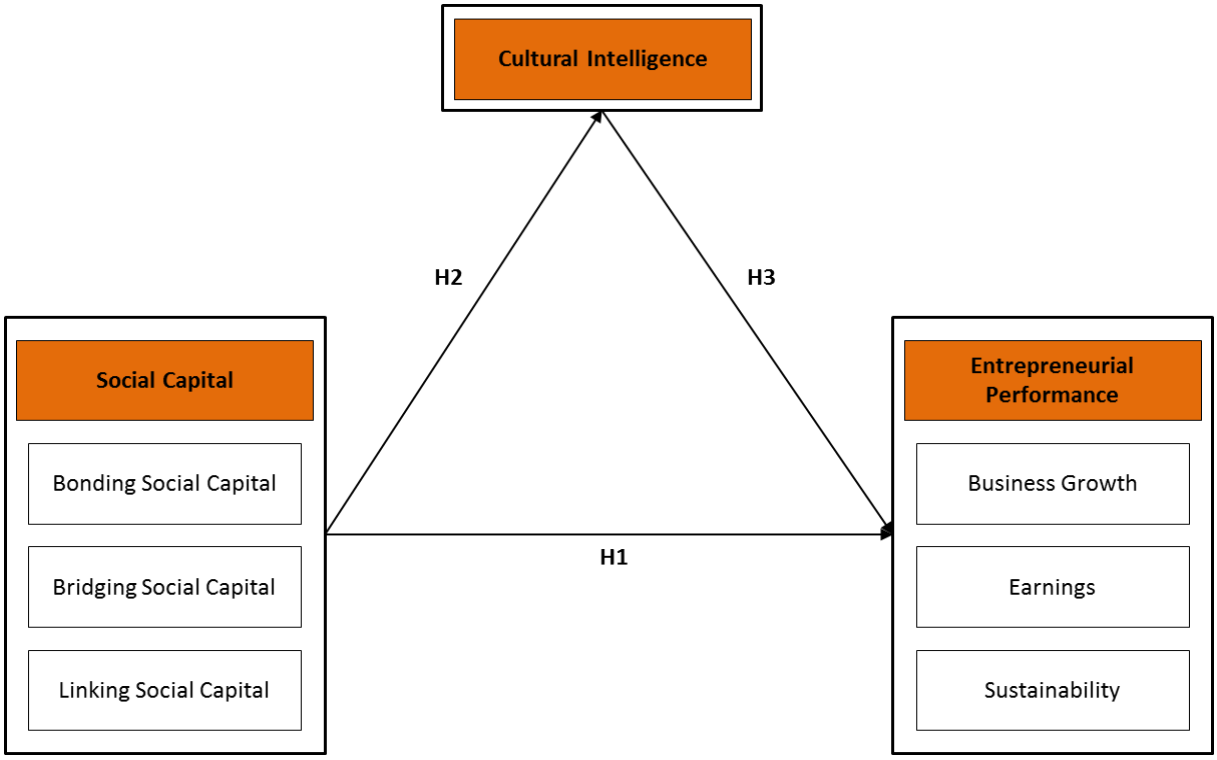


Figure 3.1: The conceptual model

3.4 Summary of research hypotheses

- **H1: There is a positive relationship between Social Capital and Entrepreneurial Performance**
  - *H1 (a) There is a positive relationship between Bonding Social Capital and Entrepreneurial performance*

- *H1 (B) There is a positive relationship between Bridging Social Capital and Entrepreneurial performance*
- *H1 (C) There is a positive relationship between Linking Social Capital and Entrepreneurial Performance*

- **H2: There is a positive relationship between Social Capital and Cultural Intelligence**
  - *H2 (a) There is a positive relationship between Cultural Intelligence and Bonding Social Capital*
  - *H2 (B) There is a pos1itive relationship between Cultural Intelligence and Bridging Social Capital*
  - *H2 (C) There is a positive relationship between Cultural Intelligence and Linking Social Capital*
- **H3: There is a positive relationship between Cultural Intelligence and Entrepreneurial Performance.**
- **H4: Cultural intelligence is a mediator of the relationship between Social Capital and entrepreneurial performance.**

3.5 Conclusion of Chapter

This chapter discussed the literature behind the formulation of the hypotheses central to this study. This study further presented a conceptual model which demonstrates the mediating effect of cultural intelligence. Thus, it can be deduced that this study in its totality tests the mediating effect of cultural intelligence on the relationship between social capital which is an independent variable and entrepreneurial performance.

4 CHAPTER FOUR: METHODS AND DESIGN

4.1 Introduction

This section discusses the research methods adopted in this study. Research methodology can be described as a systematic attempt to solve a problem. It helps to establish a blueprint of how the research is carried out, detailing exactly the processes and procedures adopted. Thus, the purpose of this section is to discuss the operational plan adopted by this study (Rajasekar, Philominathan & Chinnathambi 2013).

4.2 Research Philosophy

As introduced above, research methodology is about detailing a plan on how the research is carried out (Thomas, 2004). Furthermore, the research philosophy adopted contains critical assumptions about the way a researcher views the world; this simply suggests that researchers may have different assumptions about certain subjects, some researchers are concerned about the facts of things while others are concerned about understanding why things are the way they are. Therefore, this section unpacks inherent thoughts associated with the dominant perspective, namely, epistemology and ontology.

Ontology studies actuality; it is concerned with assessing the nature of being and what makes up reality (Gray, 2013). From an ontological perspective, the researcher ponders issues relating to world existence. He assesses whether the world exists in isolation to how we perceive it (Jackson, 2013). Viljoen (2015) notes that many researchers conceive that ontology is a departure point for all research, after which epistemological and methodological positions logically flow. While ontology gives perspective about the reality, epistemology is largely concerned with understanding what it means to know. It is based on the grounds upon which we believe something to be true (Jackson, 2013).

This study deemed the classification philosophical stand points necessary because it helped the researcher better choose methodologies herein. Post the discussion above, a deduction was made that this study further explicates the epistemological perspective as it was relevant to the study.

4.2.1 Epistemological perspective

As asserted before, epistemological research is concerned with understanding and explaining what we know. Furthermore, it intends to provide a philosophical standpoint underpinning the type of knowledge possible and how we can ensure such knowledge is valid (Ahmed, 2008). According to Gray (2016), epistemological research helps better explain issues related to design and the overarching structure which embodies the kind of evidence being gathered; it also helps the researcher understand which designs will work and which ones will not.

Tuli (2010) notes that epistemology asks questions intended to understand the relationship between a researcher and information known? What are the methods that help us know what we know? And what really amounts to knowledge? This study uses epistemological undertakings to ascertain the research paradigm appropriate for this study, theoretical perspectives and research methodologies. It also uses epistemological undertakings to identify the research sample, research instruments and type of data collected and analysed. Gray (2013) proposed the different notions surrounding epistemological research and below is a brief diagram reflecting the interconnection between epistemological variables associated with the philosophical undertakings upon which this research is based.

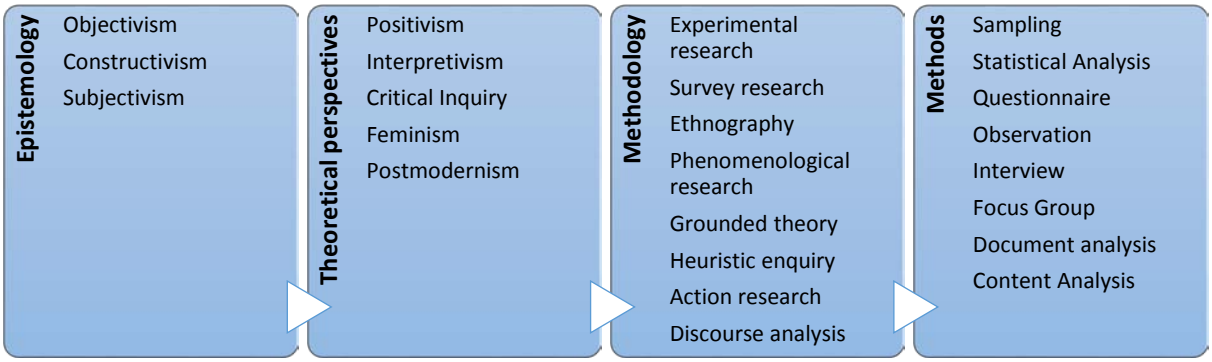


Figure 4.1: Relationship between epistemology, theoretical perspectives, methodology and research methods

Source: Adapted from Gray (2016)

As depicted in the diagram above, there are various theoretical perspectives associated with epistemological research; this study only discusses the one relevant to this study.

4.2.1.1 Positivist epistemology

Buddharraska (2010) argues that positivism is an approach which studies human activity using scientific enquiry. It is based on a notion that scientific knowledge can be verifiable and is usually based on understanding general laws. Thus, positivism perceives social science as a method that combines deductive logic based on empirical observations (Tuli, 2010). Dogan (2013) further notes that positivism contends that the main purpose of science is based on obtaining predictive and descriptive information related to social reality. It seeks to champion the deliberate construction of theories of general propositions representing relationships. In a nutshell, positivism argues that:

- Reality is made up of what senses can easily interpret - that is what all the senses can engage with through smelling, touching, etc.
- Scientific enquiry is based on observations and is usually empirical

- It is based on dealing with facts and not values as natural and human sciences shared logical and methodological principles.

Thus, in positivism, scientific analysis emanates from critical observations, not theory.

Positivism as a scientific method of understanding phenomena uses observation and collecting data, looking at patterns and developing theory, forming an hypothesis to test theory, and lastly, conducting research to test theory. This research has put forward five hypothetical views to be tested around the relationship of social capital and entrepreneurial performance.

4.2.2 Research paradigm

As alluded to above, research methodology can be likened to a strategy that translates philosophical undertakings into actionable steps. This study used the discussion above to formulate a concise plan on how this research would be conducted, (Saunders, 2011). A research paradigm is a scientific standpoint usually underpinned by scientific assumptions and practices (Johnson & Christensen, 2012). Johnson et al. (2012) alludes that there are three prominent educational research paradigms. This study uses the positivism paradigm. Buddharraska (2010) argues that positivism can be described as a method which applies scientific methods to study human engagements using objective enquiry. It further entails a view that scientific knowledge is reliable through verification. Positivist paradigm is underscored by an epistemological approach which scientifically seeks to understand human activity using objective enquiry.

4.3 Research design

Arora and Rowland (2011) present research design as a plan, structure and strategy used to investigate conceived hypotheses and to obtain answers to research questions. It acts as a blue print intending to operationalise research and ensure that variables are measurable. There are many ways to classify research designs; these differ from the type of research being conducted; this study focuses on cross-sectional research.



Figure 4.2: 12 Major Types of Research Designs

Source: University of Southern California Libraries (2016)

4.3.1 Cross-Sectional Research Design

One of the universally accepted study designs is the cross-sectional design. This type of design identifies a sample from a population and thus helps answer research questions (Olsen & George, 2004). Cross-sectional design is based on observations made at one point in time, eg., survey research. In particular, when the data collection

strategy is broader in scope (involves considerably more than one case or a small group) and involves systematic data collection, we use the term cross-sectional instead of case study to describe it. According to the University of Southern California Libraries (2016) research notes, cross-sectional research tells the researcher the following:

- Gives a high level view of the outcomes and underlying concepts associated with it
- It focuses on learning and drawing influences of differences between subjects under study
- Collects data at a particular point in time. It focuses more on understanding relationships between variables at a particular moment
- Subjects under study are carefully selected, based on predetermined criteria
- They have a capability of using data from large samples, regardless of geographic spread
- Can estimate the overall impact of an outcome on the whole population thus achieving validity
- They ordinarily apply survey techniques to gather data which are generally not too expensive and are time efficient

This study used a cross-sectional study design to assess the influence of Cultural Intelligence on the relationship between Social Capital and Entrepreneurial Performance. Owing to the nature of the study used, the researcher collected information on the subjects identified without manipulating the environment.

4.3.2 Research Methods

Positivism applies scientific procedures to research which generally leads to quantitative methods (Willlam, 2011). Mukherji and Albon (2009) point out that quantitative methods are generally confirmatory in nature and are useful for collecting numerical data and testing hypotheses. Thus, quantitative methods are adequate to

measure and quantify impacts of controlled variables on other variables. This study applied quantitative methods to measure the influence of a mediator variable on the relationship between Social Capital and Entrepreneurial Performance. A discussion on the advantages and disadvantages of quantitative methods is shown in Table 4.1.

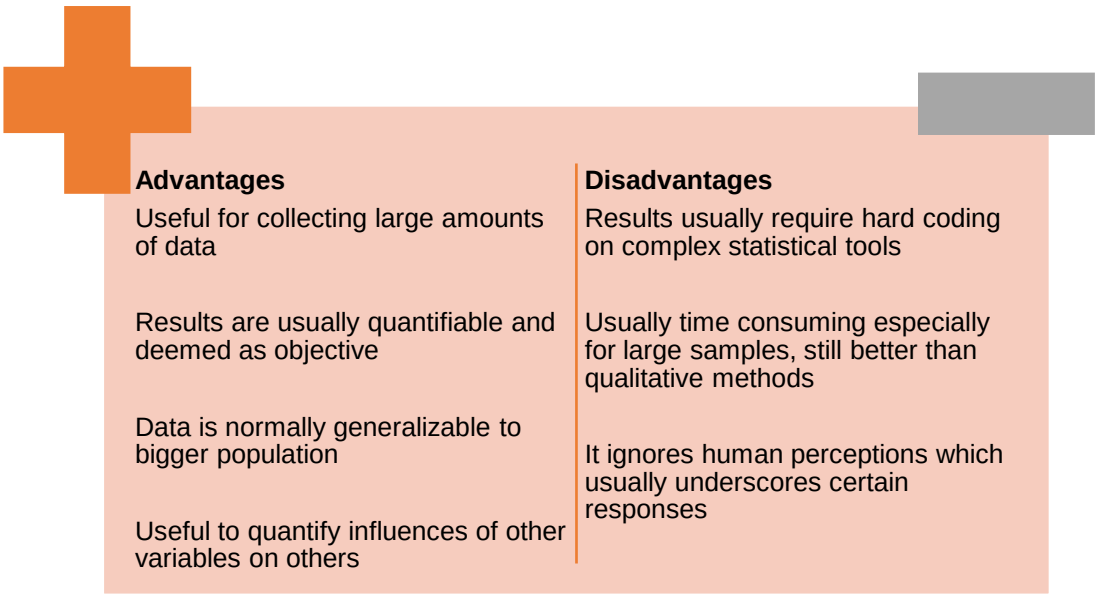


Figure 4.3: Advantages and Disadvantages of Quantitative research

Source: Search for Common Ground (2015)

4.3.3 Sampling

Sampling is a deliberate act of selecting subjects who meet a particular criterion to participate in a study; it involves selecting subjects reflective of a bigger sample. The purpose of a sample is to help draw conclusions about a bigger sample. Researchers usually use inferential statistics to draw conclusions about dominant characteristics of a sample (Fridayh, 2002). This section discusses the population targeted by this study. It also discusses the sample and sample frame used.

4.3.3.1 Target Population

According to Yount (2006), a population is a representation of all the subjects the researcher wants to study. The target population of this study was foreign entrepreneurs of all races, age groups, educational status, socio-economic status and all industries in Johannesburg's informal economy. According to Meyer, (2015) for the Helen Suzman Foundation, StatsSA found that there were 1 517 000 businesses in the South African economy, of which 30% (455 100) are in Gauteng. There are limitations with impeccably quantifying the size of foreign traders in the informal economy. As such, Perbery et al. (2004), of the GCRO, estimates that about 20% of informal traders in the Gauteng's informal economy are foreigners. Therefore, we can estimate that about a population size of 100 000 is made up of foreign entrepreneurs in Johannesburg. Only participants with the following characteristics were eligible to participate on the study:

- Non-South Africans according to the constitutional definition
- Owner of a business
- Business not registered for tax

4.3.3.2 Sample, Sample Frame and Sampling unit

A sample is a subset of people, items, or events from a larger population that you collect and analyse to make inferences (Minitab, 2016). Latham (2007) notes that the sample should be representative in the sense that each sampled unit will represent the characteristics of a known number of units in the population. Therefore, the sample for this study was a subset of foreign entrepreneurs in the informal economy. The sample size was determined using the Roasoft sample size calculator; the study had a total of 252 subjects. The Roasoft calculator considers four things, namely; margin error, confidence interval, and population size and response distribution. This study applied the sample frame used by the Gauteng City-Region Observatory in the International Migrants in Johannesburg's informal economy publication. The distribution and location of respondents who were interviewed is tabulated in table 4.4,

as used by the GCRO. This study focused on foreign entrepreneurs in the Informal economy of Johannesburg as a sampling unit.

Table 4.1: Distribution of Respondents in Johannesburg

Location of Interviews		
Location No	**Number of Interviews**	**%**
Alexandra	31	12.3%
Johannesburg CBD	26	10.2%
Baragwanath Hospital	20	8.1%
Westbury	19	7.6%
Bellevue	17	6.8%
Bruma	15	6.0%
Yeoville	13	5.2%
Rosettenville	13	5.0%
Chiawelo	10	3.9%
Berea	9	3.7%
Hillbrow	9	3.7%
Maponya Mall	9	3.6%
Lenasia	9	3.4%
Ebony Park	9	3.4%
Diepkloof	7	2.9%
Mayfair	7	2.8%
Brixton	5	2.1%
Orange Farm	5	1.9%
Windsor West	5	1.9%
Wynberg	5	1.8%
Tembisa	3	1.3%
Dobsonville	3	1.1%
Kliptown	3	1.0%
Protea Glen	1	0.3%
Dube	1	0.2%
Emdeni	1	0.2%
	252	**100%**

Source: Gauteng City Region Observatory

4.3.3.3 Sampling Technique

According to Barriero and Albandoz (2001), probability and non-probability sampling techniques are the most commonly used is research. Probability sampling gives all subjects an equal chance to be chosen for the sample, whilst non-probability sampling does not guarantee that all subjects can form part of the sample. Non-probability sampling is less complicated and less expensive. It can usually be done quickly using available subjects. Therefore, this research used non-probability sampling for the reasons cited above.

Battaglia (2008) notes that non-probability sampling uses subjective methods to identify a sample; there are various non-probability sampling methods. Figure 4.5 is an illustration of the different types of non-probability sampling

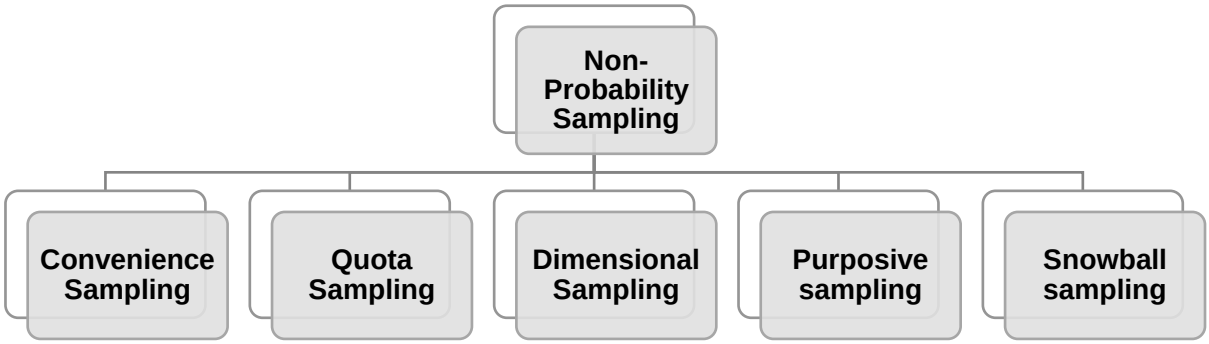


Figure 4.4: Type of Non- Probability sampling

Source: Battaglia (2008)

Under non-probability sampling methods, this study used the snowball technique to identify suitable subjects; Katz (2006) notes that the snowball technique has enjoyed usage in recent years, the snowball technique is about building a chain of respondents through referrals. The first stage is concerned with identifying a sample with particular characteristics; this technique relies on using respondents who have already participated in the study to refer the researcher to other subjects with similar characteristics. Snowball sampling is also called chain sampling. This study relied on

respondents to refer the researcher to other foreign entrepreneurs with similar characteristics.

4.3.4 Data Collection

Chaleuvong (2009) argues that research is a function of converting raw data into meaningful information. Thus, data has to be collected somewhere using different techniques before it is analysed and converted to meaningful information. Data collection procedures allow researchers to engage in ordered steps to collect information and objectively analyse conditions within which research is conducted. There are three popular techniques used to collect data, namely, Direct Observation, Experiments, and Surveys. This study used surveys to collect data and this is further expanded.

4.3.4.1 Survey technique

A survey solicits information from people. Surveys are an old tried and tested way of doing research. They are most useful for non-experimental research aiming to understand reality. Surveys are normally used to collect information on attitudes and behaviours (Mathers, Fox & Hunn, 2009). Mathers et al. (2009) further note that most surveys can either be cross-sectional or longitudinal in nature, thus surveys are conducted at a particular point in time, and these surveys are called cross-sectional in nature. It gives a particular indication of what is happening with that sample at a certain point in time. Surveys are cheap, easy to understand, and are able to cover a wide range of subjects in a short time. There is unanimous agreement amongst writers that surveys have multiple benefits, such as cost effectiveness, large scale accessibility and wide reach in real time. The most common methods of collecting data include face-to-face interviews, telephonic interviews and questionnaires. This study used survey questionnaires to collect data.

4.3.4.2 Questionnaire design

Questionnaires are a widely used method in research; they are normally used to acquire information related to the research questions under investigation (Bird, 2009). Therefore, questionnaire design is an important step. The questionnaire format, sequence and messaging is critical. Chaleunvong (2009) present different guidelines on questionnaire design:

- Questions must be short
- Questions must be simple and properly worded
- The questionnaire must always start with demographic information
- Must accept yes/no answer or be in multiple case format
- Avoid open ended questions
- Keep questions short and simple
- Conduct a pilot study to test validity

This study used a questionnaire that was designed under these guidelines

- **Questionnaire layout**

The questionnaire for the study comprised two sections. Section A comprised all the demographic information, made up of close ended questions requiring typically yes or no, or tick box responses. Section B consisted of all the study constructs and their scales and used a five point Likert Scale with responses ranging from Strongly Agree to Strongly Disagree.

- **Measurements instruments**

Data were collected using survey questionnaires to gather information regarding Social Capital, Cultural Intelligence and Entrepreneurial Performance. The questionnaires were self-administered by the researcher. Surveys are a very popular form of data collection, especially when gathering information from large groups, where standardisation is important. Operationalisation of research scales were

obtained from various previous studies. The variables of interest are Social Capital (Independent), Cultural Intelligence (Mediating variable) and Entrepreneurial Performance (dependent variable).

- Social Capital scales were extracted from two sources; firstly the work by Vanneman, Noon and Desai (2006) which had previously obtained a Cronbach alpha coefficient of 0.72 when used to measure individuals' sources of Social Capital. Secondly, an intergraded questionnaire for measuring social capital developed by Groontaert, Narayan, Jones and Woolcock (2004) and published under the World Bank working paper number 18.
- Cultural Intelligence was also measured using scales from two sources; firstly, the study used the work by Teimouri, Hoojaghan, Jenab and Houry (2015) which had previously obtained a Cronbach alpha coefficient of 0.89 while testing the entire dimensions of cultural intelligence. Secondly, the study used the Cultural Intelligence Scale developed by the Cultural Intelligence Centre (2005).
- Entrepreneurial measurement scales were sourced from Mothi (2015) which previously obtained a Cronbach alpha efficient of 0.84 when she assessed effects of entrepreneurial characteristics of performance.
- This study used the scales from a PhD research conducted by Dr Robert Venter which explored how values shape the entrepreneurial propensity of youths: a study of the young, black South African entrepreneur.

- **Pilot /Pre-Test study**

A pilot study aims at testing the validity of the research instrument – it is usually carried out with a smaller sample (Arian, Campbell, Cooper & Lancaster, 2010). This study conducted a pilot study to test the research instrument, hypotheses and main research question. The pilot study sample size was 20 foreign entrepreneurs in Ekurhuleni region of Gauteng.

4.3.5 Ethical Considerations

As we develop our data collection techniques, we need to consider whether our research procedures are likely to cause any physical or emotional harm. According to Chaleunvong (2009) harm may be caused, for example, by:

- Asking sensitive questions as they are deemed as a violation of privacy
- When observing behaviour, not making sure the responded is aware of your intentions
- Publishing personal information without the respondents written consent and
- Failing to respect or observe cultural issues which are close to the respondent's heart

Several methods for dealing with these issues may be recommended:

- Ensure that consent is obtained before the interview
- Avoid asking sensitive questions until the relationship is strong enough
- Guarantee respondents their confidentiality and
- Make sure you learn enough about cultural issues before the interview or survey is distributed

Permission to conduct the study was given by the University Central Ethics Committee. Hence, no data were collected before the ethical clearance certificate from the school concerned was issued. This study followed strict ethical guidelines as proposed by the University. Respondents were guaranteed confidentiality.

4.4 Data Processing and Analysis

Figure 4.6 was developed to demonstrate how data were treating immediately after collection.

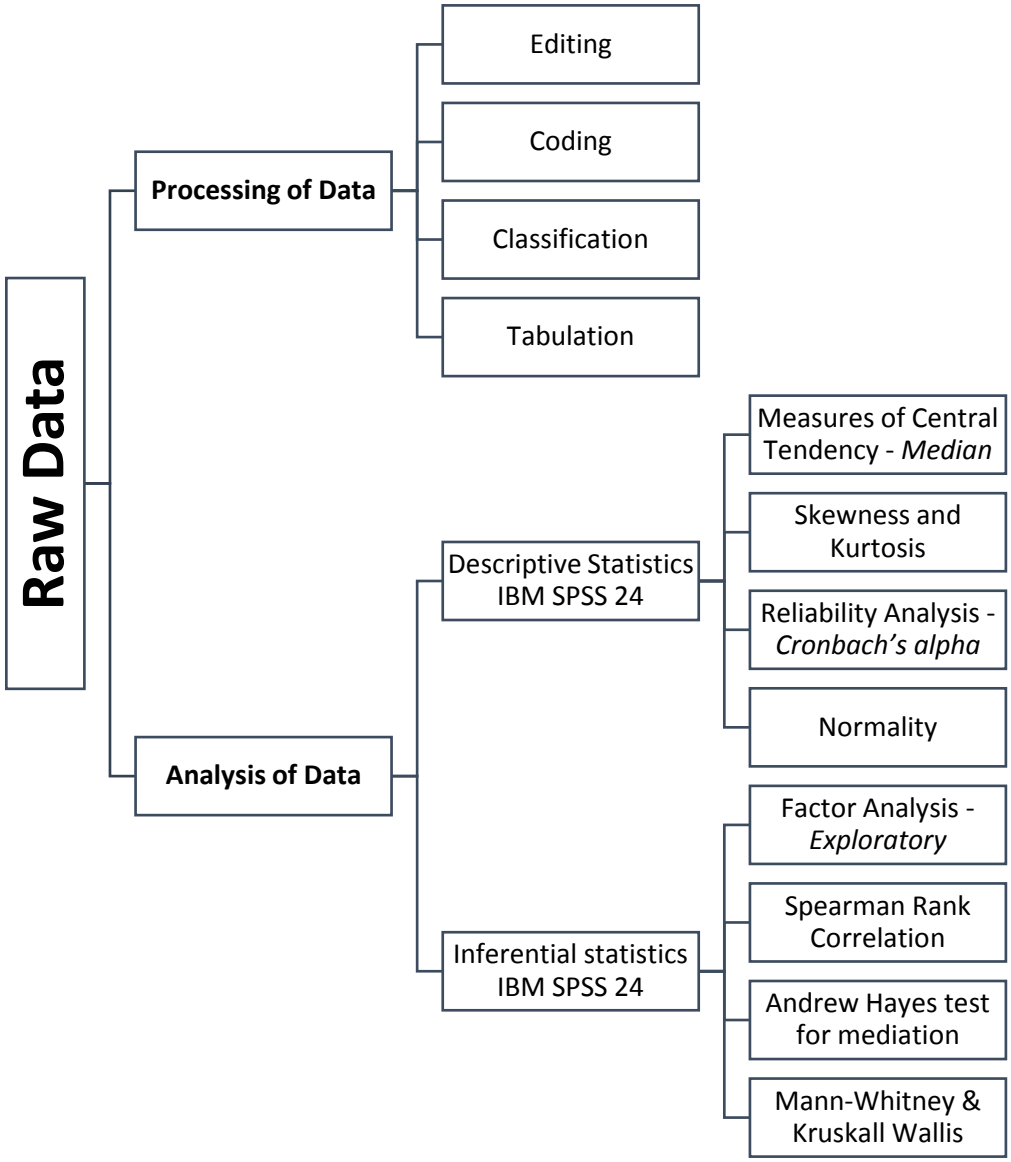


Figure 4.5: A Summary Chart regarding data processing and analysis

Source: Author's own

The above figure demonstrate how data were treated immediately after collection. As indicated above, raw data were collected using a questionnaire, therefore, it was necessary for data to go through a processing stage before analysis. Collected data were transposed to MS Excel 2013 for further editing and cleaning, edited data were coded on SAS and it was further classified and tabulated in order to reflect logical orders. Furthermore, statistical analysis tools were applied to show all descriptive statistics regarding the sample identified. Data were also analysed using inferential statistics to apply statistical principles and to make valid statistical conclusions. The following section discusses each aspect as portrayed in figure 4.5.

4.4.1 Data Processing

According to Kothari (2004), data is usually collected and received in a format that is not ready for analysis. Thus, data require processing and cleaning to ensure it is in accordance to the research plan. This is a necessary step for scientific studies as it ensures that all data is relevant and suitable for analysis. Processing data involves editing, coding, classifications and tabulation of collected data to ensure suitability for analysis.

4.4.1.1 Data Editing

Editing data is usually considered a first step to data processing; it is a deliberate act of exploring data collected through various instruments to identify errors, omissions and completeness of responses (Francis, 2016). Data editing also affords a researcher an opportunity to assess whether the respondents understood the questions and the level of seriousness adopted when answering questions; this give a clear indication of data quality and implications on results (Kumar,2011). The researcher went through each question to ensure that all questions were answered in full and the data were of good quality.

4.4.1.2 Data Coding

Kothari (2004) notes that coding is an act of applying figures or other mathematical symbols to answers so that they are easy to categorise or classify. By extension, coding can be described as the process of assigning heterogeneous characteristics to data in order to infer meanings during data analysis. All responses were assigned numerical values for ease of classification. Values ranges from 1 – 5 based on the Likert scale assigned.

4.4.1.3 Data Classification

According to Francis (2016), classification is a statistical process of categorising data using numerical symbols; classification usually involves grouping data into groups based on homogenous characteristics for ease of interpretation. Good data classification should be able to articulate homogenous characteristics, indicate quality of each scale, and test for validity and accuracy. This study used the codes discussed in the previous section to classify data based on similarities.

4.4.1.4 Data Tabulation

According to Kothari (2004), tabulation usually applies for mass data that has already been classified; it provides a concise and logical flow. Tables usually include frequencies, response rates, time series, etc. This study used frequency tables to measure how often a response surfaced for a particular question – this was calculated in a percentage form.

4.4.2 Data Analysis

Kruglak (1998) notes that data analysis in quantitative research includes descriptive and inferential statistics; descriptive statistics help summarise data and help find key findings while inferential statistics help draw conclusions on results. This section discusses descriptive and inferential statistics used in this analysis.

4.4.2.1 Descriptive Statistics

Descriptive statistics are concerned with simplifying large amounts of data into smaller units that are consumable and in an easy to understand fashion Jaggi (2012). There are three common characteristics of descriptive statistics which are discussed below.

- Distribution
- Central tendency
- Dispersion

The following is a discussion of each characteristic

4.4.2.2 Distribution

The distribution is a summary of the frequency of individual values or ranges of value for a variable. The simplest distribution would list every value of a variable and the number of time it occurs. Frequency distribution organises raw data that have been collected into ungrouped data and grouped data. The shape of the distribution is important as it tells the difference in ranges for the same variable. *Skewness* which refers to the deviation of the distribution from symmetry is different from 0, if so, then the distribution is asymmetrical. The *kurtosis* which refers to the peakedness of the distribution is also different from 0, then the distribution is either flatter or more peaked than normal (Jaggi, 2012).

4.4.2.3 Central Tendency

Central tendency can be described as a single value that explains a set of data through identifying a central position (Nicholas, 2006). The following section discusses the relevant one for this study.

Median

Median is a widely used alternate measure to the mean; the median calculates the “middle” score. Unlike the mean, the median is less affected by outliers and skewed

data (Nicholas, 2016). This study uses the median because the data collected was ordinal in nature.

4.4.2.4 Measures of Dispersion

Mean is a statistical measure that indicates the middle point of a distribution. Therefore, dispersion gives a sense of how far the observed variables spread from the average. Dispersion usually applies range, mean deviation and standard deviation to measure this spread (Kothari, 2004).

Standard Deviation

As mention above, dispersion tests the extent of deviation from the average. The standard deviation is a mathematical calculation that uses a squared root of the mean of the squared deviations Nicholas (2006). Standard deviation is usually denoted by the formula below

$$\text{Standard deviation}^{*}\left(\sigma\right) = \sqrt{\frac{\Sigma\left(X_i - \bar{X}\right)^2}{n}}$$

It is a universally applied measure in research and is highly regarded as the best measure of dispersion.

4.4.2.5 Test for reliability – Cronbach's Alpha

Reliability tests the consistency and stability of results. It is an important test to help researchers understand the reliability of results as this has impact on how results are interpreted (Adifioye, 2011). The most used test for reliability is the Cronbach's alpha test; it is denoted as a numerical value ranging from 0 – 1 (Ritter, 2010). It is also widely publicised that there is no lower limit to the coefficient; it is usually interpreted by assessing the score, scales with lower reliability normally range from 0 to 0.05, while scales with good reliability will range from 0.6 to 1.00 (Gliem, 2003).

Validity

Validity is a measure of the significance of each research component; it is intended to test whether the research actually measures what it is supposed to measure (Drost, 2011). There are different types of validity tests, this study examines content and construct validity.

Content Validity

Content validity assesses the research objectives juxtaposed with measurement scales, the intention is usually to test if the scales are adequate to test the domain of the study (Drost, 2011). The researcher can conduct face validity using peers and respondents to check if the scales meet objectives, more rigorous assessments involve usage of experts to give opinion on the research instruments (Twycross, 2004). This study used the pilot study conducted to test if the tool was adequate for the research.

4.4.2.6 Inferential Statistics

Unlike descriptive statistics, inferential statistics are concerned with building mathematical logic for generalisation of results. They assess the extent to which we can infer certain results about a sample to the broader population (Gabrenya, 2003). Inferential statistics apply multivariate methods to test relationships between variables, such as conducted using different forms of regression analysis normally applicable for parametric studies (Park, 2003). The data for this study is non-parametric thus non-parametric tests are required. These include tests for normality, factor analysis, skewness and kurtosis, Spearman rank correlation, Andrew Hayes test for mediation and Mann-Witney and Kruskal-Wallis tests.

4.4.2.7 Tests for normality

Assessing the normality of data is a critical step for any analysis. Normality tests act as instruments to ascertain if a data set is well modelled and exhibits a normal distribution. There are two common methods for assessing normality, graphically and

numerically. The best known tests for normality are the Kolmogorov-Smirnov Test and the Shapiro-Wilk Test (Gelman, Carlin, Stern & Rubin, 2014). The Shapiro-Wilk Test is more appropriate for small sample sizes (< 50 samples) but can also handle sample sizes as large as 2000.

4.4.2.8 Factor Analysis

Factor analysis is concerned with getting to the bottom of complex patterns by examining a dataset and testing predictions; it applies mathematical procedures suitable to explain interconnected measures to determine patterns in variables (Yong & Pearce, 2013). The underlying principle is that it is far simpler to focus on key factors instead of too many variables that may be complicated. Thus, factor analysis plays a major role in identifying important variables and categorising those (Yong et al., 2013).

4.4.2.9 Skewness and Kurtosis

Skewness tests the symmetry of data, or lack thereof. For normal skewness, the data set must have a symmetrical value of 0, this implies that the mean and median are equal. Skewness greater than 0 indicate a rightward skew, simply suggesting that most values are concentrated on the left of the mean. Skewness less than 0 indicates a left skew, which means most values are on the right of the mean (Rose, 2015).

Kurtosis is the degree of peakedness of a distribution; a positive kurtosis value indicates positive kurtosis; a negative one indicates negative kurtosis. The higher the absolute value, the greater the kurtosis. If a kurtosis value is greater than three, it means it is sharper than a normal distribution, with values concentrated around the mean and thicker tails. This means high probability for extreme values. If the kurtosis is less than three, it means it is flatter than a normal distribution with a wider peak. The probability for extreme values is less than for a normal distribution, and the values are wider spread around the mean. Further, a kurtosis equal to three means normal distribution (Rose, 2015).

4.4.2.10 Spearman Rank Correlation

Spearman Rank Correlation is a nonparametric test designed to examine the relationship between two variables; it reflects the extent and the direction of the relationship between two variables that are on ratio scales. It is normally used as a statistical method to test hypotheses (Pirie, 2016). The Spearman rank correlation is denoted by a coefficient which is between $1 \geq \rho \geq -1$. The following is a summary of how results are interpreted

- Rs = + 1: Means that the rankings have perfect positive association. Their rankings are exactly alike.
- Rs = 0: Means that the rankings have no correlation or association.
- Rs = -1: Means that the rankings have perfect negative association. They have exact reverse ranking to each other.

4.4.2.11 Andrew Hayes Add-on for mediation - Bootstrapping

The nature of research is about pondering complex relationships between variables. Some research projects ponder straightforward relationships between independent and dependent variables while other apply a mediation variable. Mediation denotes sequences of casual relationships (Hayes, 2009). Mediation, or an indirect effect, is said to occur when the causal effect of an independent variable (X) on a dependent variable (Y) is transmitted by a mediator (M), (Preacher, Rucker & Hayes, 2007). Traditionally, researchers have followed Barron and Kenny's test for mediation as proposed in 1986. According to Barron and Kenny (1986) an analysis of variance provides a limited test of a mediational Hypothesis. Rather, a series of regression models should be estimated. To test for mediation, one should estimate the three following regression equations: first, regressing the mediator on the independent variable; second, regressing the dependent variable on the independent variable; and third, regressing the dependent variable on both the independent variable and on the mediator. Separate coefficients for each equation should be estimated and tested. An

alternative inferential technique used to quantify indirect effects is known as the Sobel test. The Sobel test uses coefficients to ascertain mediation through requiring standard error. Although the Sobel test enjoys wide usage, it is regarded as a supplement test to Barron and Kenny's approach. The Sobel test has a major flaw. It requires the supposition that the sampling spreading of the indirect effect is normal, but the sampling distribution of ab tends to be asymmetric, with non-zero skewness and kurtosis (Hayes, 2009).

Bootstrapping has enjoyed wide usage in recent times as it has' been dubbed as the better option between the two options discussed above. Bootstrapping generates an empirical representation of the sampling distribution of the indirect effect by treating the obtained sample of size n as a representation of the population in miniature, one that is repeatedly resampled during analysis as a means of mimicking the original sampling process. Thus bootstrapping applies resampling strategies for estimation and hypothesis testing. Using bootstrapping, no assumptions about the shape of the sampling distribution of the statistic are necessary when conducting inferential tests. The sampling distribution of an indirect effect is estimated through bootstrapping by sampling N units with replacement from the original sample of N units. Only minor drawbacks are associated with bootstrapping. First, computation of the confidence limits is more time-consuming than in single-sample methods, but with the increasing speed of computer processors, speed is no longer a serious limitation, and some statistical analysis programs have implemented bootstrapping methodologies. Thus, bootstrapping is more feasible now than in the past (Preacher, 2007).

The Hayes bootstrapping method is a non-parametric test. As such, the bootstrap method does not violate assumptions of normality and is therefore recommended for small sample sizes. Bootstrapping involves repeatedly randomly sampling observations with replacement from the data set to compute the desired statistic in each resample. Over hundreds, or thousands, of bootstrap resamples provide an approximation of the sampling distribution of the statistic of interest (Preacher & Hayes, 2004).

4.4.2.12 Statistics for further interest: Difference between groups – Mann Whitney and Kruskal Wallis

According to DeCoster (2006), one of the simplest ways to test a hypothesis is to compare averages to constant values in different groups, the most common non-parametric tests are called Mann-Whitney and Kruskal-Wallis. The Mann-Whitney U test and the Kruskal-Wallis tests are non-parametric methods designed to detect whether two or more samples come from the same distribution or to test whether medians between comparison groups are different, under the assumption that the shapes of the underlying distributions are the same. Thus, these nonparametric tests are commonly used to determine whether medians, not means, are different between comparison groups. Although these tests are often used to compare means when normality assumption is not violated, strictly speaking, interpreting the results of non-parametric tests for mean comparison is inaccurate (DeCoster, 2006).

4.5 Conclusion of Chapter

This chapter provides a framework, strategy and methodology by which the research analysis was conducted. This chapter also highlights reasons and literature behind some of the choices. This is a quantitative study and information as collected using a questionnaire. This study targeted foreign entrepreneurs in the informal economy of Johannesburg. The presented model was tested using the Spearman Rank Correlation and also applied Andrew Hayes add-on for mediation.

5 CHAPTER FOUR: DATA ANALYSIS AND PRESENTATION OF RESULTS

5.1 Introduction

The aim of this chapter to analyse the data collected in order to test the hypotheses with the purpose of answering the research question. This chapter focuses on the data analysis, presentation and interpretation of the findings resulting from this study. The results are presented by means of tables, graphs and charts. The presentation of the results begins with the demographic characteristics of the respondents and their entrepreneurial performance, followed by social capital factors.

5.2 Response rate

Data were collected through a self-administered questionnaire. The sample size was a predetermined 252 respondents hailing from different informal economies in Johannesburg. The sample frame was derived from the work done by the GCRO. All the questions were answered in full by all respondents; this can be attributed to the fact that this was a self-administered questionnaire with the researcher being able to clarify any unclear questions, significantly contributing to response rate.

5.3 Research instrument

This study used a survey questionnaire to collect data. The survey questionnaire comprised 52 questions from different sections according to the research questions posed.

5.3.1 Pilot Study

A pilot study aimed at testing the validity of the research instrument – it is usually carried out with a smaller sample, (Arian, Campbell, Cooper & Lancaster, 2010). This study conducted a pilot study to test the research instrument, hypothesis and main

research question. The pilot study sample size was 20 foreign entrepreneurs in Ekurhuleni region of Gauteng. The results of the pilot were analysed and determined the Cronbach's alpha which was extremely high (0.8). according to Gliem (2003) scales with good reliability will range from 0.6 to 1.00.Certain questions were rephrased following the pilot study in order to improve the validity and reliability of this study.

5.3.2 Tests for normality

Assessing the normality of data is a critical step for any analysis. Normality tests act as instruments to ascertain if a data set is well modelled and exhibits a normal distribution. There are two common methods for assessing normality, graphically and numerically. The best known tests for normality are Kolmogorov-Smirnov Test and the Shapiro-Wilk Test (Gelman, Carlin, Stern & Rubin, 2014). The Shapiro-Wilk Test is more appropriate for small sample sizes (< 50 samples) but can also handle sample sizes as large as 2000. Table 5.1 indicates that both the Kolmogorov-Smirnov and Shapiro-Wilk are significant – data is not normally distributed therefore, non-parametric tests were adopted.

Table 5.1: Tests for normality

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	**df**	**Sig.**	**Statistic**	**df**	**Sig.**
CI1 I am confident that I can deal with cultural situations that are unfamiliar	0.347	249	0.000	0.754	249	0.000
CI2 I have confidence that I can build quick rapport with people from different cultures	0.358	249	0.000	0.731	249	0.000
CI3 I am sure I can deal with the stresses of adjusting to a new culture	0.395	249	0.000	0.679	249	0.000
CI4 I know the cultural values and religious beliefs of other cultures	0.339	249	0.000	0.811	249	0.000
CI5 I know the rules for expressing non-verbal behaviours in other cultures	0.266	249	0.000	0.860	249	0.000
CI6 I easily change the way I act when a cross-cultural encounter seems to require it	0.317	249	0.000	0.810	249	0.000

CI7 I know the legal and economic systems of other cultures	0.292	249	0.000	0.842	249	0.000
BoSC1 I maintain frequent & quality contact with my friends/family/relatives/neighbours	0.325	249	0.000	0.738	249	0.000
BoSC2 I have deep relationships with my friends/family/relatives/neighbours specifically on business related issues	0.324	249	0.000	0.761	249	0.000
BoSC3 I have a clear understanding of norms between friends/family/relatives/neighbours that help facilitate social & business support	0.339	249	0.000	0.740	249	0.000
BoSC4 Social relations with my friends/family/relatives/neighbours are a huge source of my entrepreneurial support	0.347	249	0.000	0.740	249	0.000
BoSC5 I am satisfied with my level of information about business that we share with friends/family/relatives/neighbours	0.350	249	0.000	0.743	249	0.000
BoSC6 I have deep trust for my friends/family/relatives/neighbours regarding business related matters	0.340	249	0.000	0.755	249	0.000
BoSC7 We have shared values & reliability with my friends/family/relatives/neighbours which facilitates better entrepreneurial interactions	0.350	249	0.000	0.737	249	0.000
BoSC8 I have received practical help/advice for starting and growing my entrepreneurial ventures from friends/family/relatives/neighbours	0.345	249	0.000	0.741	249	0.000
BoSC9 If I suddenly run in trouble with my business, my friends/family/relatives/neighbours are usually my first point of contact	0.355	249	0.000	0.744	249	0.000
BoSC10 I can rely on my friends/family/relatives/neighbours to continue with my business if I am unable to do so temporarily	0.351	249	0.000	0.753	249	0.000
BoSC11 Regarding the process of business growth and expansion, do your friends/family/relatives/neighbours provide help?	0.358	249	0.000	0.751	249	0.000
BrSC1 Despite strong reliance on friends/family/relatives/neighbours, I have a large number of acquaintances (these refer to people your hardly speak with)	0.401	249	0.000	0.720	249	0.000
BrSC2 It is mostly correct to say my friends/family/relatives/neighbours introduced my acquaintance network	0.353	249	0.000	0.793	249	0.000

BrSC3 I manage successful functional business relations with my acquaintance	0.363	249	0.000	0.782	249	0.000
BrSC4 I have reached out for help for my business to my acquaintances	0.368	249	0.000	0.773	249	0.000
BrSC5 I hold my business relations with my acquaintances very closely as they matter to me	0.407	249	0.000	0.712	249	0.000
BrSC6 I have received more business help from my acquaintances compared to my friends/family/relatives/neighbours	0.326	249	0.000	0.816	249	0.000
BrSC7 My acquaintances and I enjoy mutual business benefit, to say we both derive the same value when it comes to business related matters	0.353	249	0.000	0.795	249	0.000
BrSC8 Depending on the situation, I can leave my business with people in my acquaintance network	0.349	249	0.000	0.783	249	0.000
BrSC9 My networks with people of different age groups that helps me with my business	0.435	249	0.000	0.636	249	0.000
BrSC10 I have networks with people of opposite gender that helps with my business	0.457	249	0.000	0.574	249	0.000
BrSC11 I have networks with people of different ethnic groupings which help me with my business	0.438	249	0.000	0.631	249	0.000
BrSC12 My networks with people from different races, countries, and tribes help me with my business	0.429	249	0.000	0.655	249	0.000
BrSC13 I have networks with people from different religions and culture which help me with my business	0.427	249	0.000	0.666	249	0.000
BrSC14 I am able to maintain networks with people who are in different geographic locations	0.407	249	0.000	0.711	249	0.000
LSC1 I have networks with people who have more experience & income compared to me which help me with my business	0.416	249	0.000	0.688	249	0.000
LSC2 Networks with people with different academic backgrounds and levels help me with my business	0.425	249	0.000	0.674	249	0.000
LSC3 My business has benefitted from networks with people who hold significant & senior positions in society	0.332	249	0.000	0.760	249	0.000
LSC4 I have business networks with people from different political ideologies	0.300	249	0.000	0.771	249	0.000
LSC5 I have business networks with people whom I believe are far better off in business compared to me	0.443	249	0.000	0.633	249	0.000

LSC6 Some of my business networks are with people who have businesses in different industries compared to me	0.436	249	0.000	0.649	249	0.000
Gen1 I am a member of an organisation/association/Stokvel/Society that helps me with my entrepreneurial endeavours	0.336	249	0.000	0.748	249	0.000
Gen2 I am engaged with different civic organisations in my community in pursuit of one common course	0.353	249	0.000	0.733	249	0.000
CI_MEAN	0.144	249	0.000	0.961	249	0.000
BoSC_MEAN	0.265	249	0.000	0.803	249	0.000
BrSC_MEAN	0.229	249	0.000	0.836	249	0.000
LSC_MEAN	0.191	249	0.000	0.882	249	0.000
GEN_MEAN	0.289	249	0.000	0.806	249	0.000
SOC_CAP_MEAN	0.182	251	0.000	0.873	251	0.000

5.3.3 Tests for Reliability – Cronbach's alpha

Reliability tests the consistency and stability of results. It is an important test to help researchers understand the reliability of results as this has impact on how results are interpreted (Adifioye, 2011). The most used test for reliability is the Cronbach's alpha test; it is denoted as a numerical value ranging from 0 – 1, (Ritter, 2010). It is also widely publicised that there is no lower limit to the coefficient; it is usually interpreted by assessing the score, scales with lower reliability normally ranges from 0 to 0.05, while scales with good reliability will range from 0.6 to 1.00 (Gliem, 2003).

Table 5.2 is an illustration of all the Cronbach alpha scores for the tested scales

Table 5.2: Tests for reliability

Cultural Intelligence	
Cronbach's Alpha	N of Items
0.854	7

This Section is reliable. Cronbach's Alpha is > 0.7 (α = 0.854, N = 7)

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
CI1 I am confident that I can deal with cultural situations that are unfamiliar	12.75	13.127	-0.087	0.918
CI2 I have confidence that I can build quick rapport with people from different cultures	12.75	9.837	0.726	0.820
CI3 I am sure I can deal with the stresses of adjusting to a new culture	12.69	10.425	0.681	0.829
CI4 I know the cultural values and religious beliefs of other cultures	12.45	9.057	0.767	0.810
CI5 I know the rules for expressing non-verbal behaviours in other cultures	12.41	8.714	0.791	0.805
CI6 I easily change the way I act when a cross-cultural encounter seems to require it	12.69	9.137	0.786	0.808
CI7 I know the legal and economic systems of other cultures	12.58	8.965	0.765	0.810

All the scales for cultural intelligence are reliable as reflected in the Cronbach's alphas above

Bonding Social Capital	
Cronbach's Alpha	N of Items
0.989	11

Section is reliable. Cronbach's Alpha is > 0.7 (α = 0.989, N = 11)

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
BoSC1 I maintain frequent & quality contact with my friends/family/relatives/neighbours	19.70	66.492	0.875	0.989
BoSC2 I have deep relationships with my friends/family/relatives/neighbours specifically on business related issues	19.64	64.824	0.951	0.987
BoSC3 I have a clear understanding of norms between friends/family/relatives/neighbours that help facilitate social & business support	19.65	65.350	0.945	0.988

BoSC4 Social relations with my friends/family/relatives/neighbours are a huge source of my entrepreneurial support	19.61	64.894	0.967	0.987
BoSC5 I am satisfied with my level of information about business that we share with friends/family/relatives/neighbours	19.58	65.324	0.893	0.989
BoSC6 I have deep trust for my friends/family/relatives/neighbours regarding business related matters	19.60	64.913	0.967	0.987
BoSC7 We have shared values & reliability with my friends/family/relatives/neighbours which facilitates better entrepreneurial interactions	19.61	65.206	0.972	0.987
BoSC8 I have received practical help/advice for starting and growing my entrepreneurial ventures from friends/family/relatives/neighbours	19.63	65.291	0.956	0.987
BoSC9 If I suddenly run in trouble with my business, my friends/family/relatives/neighbours are usually my first point of contact	19.57	65.263	0.941	0.988
BoSC10 I can rely on my friends/family/relatives/neighbours to continue with my business if I am unable to do so temporarily	19.55	64.961	0.937	0.988
BoSC11 Regarding the process of business growth and expansion, do your friends/family/relatives/neighbours provide help?	19.53	65.434	0.912	0.988

All the scales for Bonding Social Capital are reliable as reflected in the Cronbach's alphas above

Bridging Social Capital	
Cronbach's Alpha	N of Items
0.968	14

Section is reliable. Cronbach's Alpha is > 0.7 (α = 0.968, N = 14)

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
BrSC1 Despite strong reliance on friends/family/relatives/neighbours, I have a large number of acquaintances (these refer to people your hardly speak with)	29.69	76.505	0.723	0.967
BrSC2 It is mostly correct to say my friends/family/relatives/neighbours introduced my acquaintance network	29.64	73.727	0.801	0.966
BrSC3 I manage successful functional business relations with my acquaintance	29.68	73.386	0.899	0.963
BrSC4 I have reached out for help for my business to my acquaintances	29.64	73.367	0.868	0.964
BrSC5 I hold my business relations with my acquaintances very closely as they matter to me	29.73	73.382	0.902	0.963
BrSC6 I have received more business help from my acquaintances compared to my friends/family/relatives/neighbours	29.52	73.363	0.793	0.966
BrSC7 My acquaintances and I enjoy mutual business benefit, to say we both derive the same value when it comes to business related matters	29.65	73.403	0.879	0.964
BrSC8 Depending on the situation, I can leave my business with people in my acquaintance network	29.51	73.979	0.718	0.968
BrSC9 My networks with people of different age groups that helps me with my business	29.86	75.990	0.780	0.966
BrSC10 I have networks with people of opposite gender that helps with my business	29.87	76.760	0.812	0.966
BrSC11 I have networks with people of different ethnic groupings which help me with my business	29.84	76.511	0.804	0.966
BrSC12 My networks with people from different races, countries, and tribes help me with my business	29.84	76.569	0.761	0.966
BrSC13 I have networks with people from different religions and culture which help me with my business	29.79	74.885	0.880	0.964
BrSC14 I am able to maintain networks with people who are in different geographic locations	29.74	75.387	0.813	0.965

All the scales for Bridging Social Capital are reliable as reflected in the Cronbach's alphas above

Linking Social Capital	
Cronbach's Alpha	N of Items
0.869	6

Section is reliable. Cronbach's Alpha is > 0.7 (α = 0.869, N = 6)

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
LSC1 I have networks with people who have more experience & income compared to me which help me with my business	12.49	11.259	0.739	0.837
LSC2 Networks with people with different academic backgrounds and levels help me with my business	12.45	11.225	0.748	0.836
LSC3 My business has benefitted from networks with people who hold significant & senior positions in society	11.91	10.363	0.632	0.858
LSC4 I have business networks with people from different political ideologies	11.69	10.700	0.549	0.877
LSC5 I have business networks with people whom I believe are far better off in business compared to me	12.46	11.201	0.756	0.835
LSC6 Some of my business networks are with people who have businesses in different industries compared to me	12.41	11.452	0.704	0.843

All the scales for Linking Social Capital are reliable as reflected in the Cronbach's alphas above

Reliability Statistics	
Cronbach's Alpha	N of Items
0.853	2

Section is reliable. Cronbach's Alpha is > 0.7 (α = 0.853, N = 2)

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Gen1 I am a member of an organisation/association/Stokvel/Society that helps me with my entrepreneurial endeavours	3.14	1.059	0.744	
Gen2 I am engaged with different civic organisations in my community in pursuit of one common course	3.08	1.082	0.744	

All the scales for Civil Engagement are reliable as reflected in the Cronbach's alphas above

5.3.4 Factor Analysis

Factor analysis is concerned with getting to the bottom of complex patterns by examining a dataset and testing predictions; it applies mathematical procedures suitable to explain interconnected measures to determine patterns in variables (Yong & Pearce, 2013). The underlying principle is that it is far simpler to focus on key factors instead of too many variables that may be complicated. The following is a discussion on the factor analysis conducted for this study.

When forced into four factors:

74.446% of the overall variance is explained by the first four factors.

Factor 1 – Social Capital

- BoSC3 I have a clear understanding of norms between friends/family/relatives/neighbours that help facilitate social and business support
- BoSC7 We have shared values and reliability with my friends/family/relatives/neighbours which facilitates better entrepreneurial interactions
- BoSC4 Social relations with my friends/family/relatives/neighbours are a huge source of my entrepreneurial support

- BoSC8 I have received practical help/advice for starting and growing my entrepreneurial ventures from friends/family/relatives/neighbours
- BoSC10 I can rely on my friends/family/relatives/neighbours to continue with my business if I am unable to do so temporarily
- BoSC9 If I suddenly run in trouble with my business, my friends/family/relatives/neighbours are usually my first point of contact
- BrSC10 I have networks with people of the opposite gender that help with my business
- BrSC13 I have networks with people from different religions and culture which help me with my business
- BrSC5 I hold my business relations with my acquaintances very closely as they matter to me
- BoSC2 I have deep relationships with my friends/family/relatives/neighbours specifically on business related issues
- BoSC6 I have deep trust for my friends/family/relatives/neighbours regarding business related matters
- BrSC11 I have networks with people of different ethnic groupings which help me with my business
- BrSC3 I manage successful functional business relations with my acquaintance
- BrSC2 It is mostly correct to say my friends/family/relatives/neighbours introduced my acquaintance network
- BoSC11 Regarding the process of business growth and expansion, do your friends/family/relatives/neighbours provide help?
- BrSC14 I am able to maintain networks with people who are in different geographic locations
- BrSC12 My networks with people from different races, countries, and tribes help me with my business
- BoSC5 I am satisfied with my level of information about business that we share with friends/family/relatives/neighbours
- BrSC9 My networks with people of different age groups that helps me with my business

- BrSC7 My acquaintances and I enjoy mutual business benefit, to say we both derive the same value when it comes to business related matters
- BrSC4 I have reached out for help for my business to my acquaintances
- BoSC1 I maintain frequent and quality contact with my friends/family/relatives/neighbours
- BrSC1 Despite strong reliance on friends/family/relatives/neighbours, I have a large number of acquaintances (these refer to people you hardly speak with)
- BrSC6 I have received more business help from my acquaintances compared to my friends/family/relatives/neighbours
- LSC2 Networks with people with different academic backgrounds and levels help me with my business
- BrSC8 Depending on the situation, I can leave my business with people in my acquaintance network
- LSC1 I have networks with people who have more experience and income compared to me which help me with my business
- LSC5 I have business networks with people who I believe are far better off in business compared to me
- LSC6 Some of my business networks are with people who have businesses in different industries compared to me
- LSC4 I have business networks with people from different political ideologies

Factor 2 – Cultural Intelligence

- CI5 I know the rules for expressing non-verbal behaviours in other cultures
- CI6 I easily change the way I act when a cross-cultural encounter seems to require it
- CI2 I have confidence that I can build quick rapport with people from different cultures
- CI4 I know the cultural values and religious beliefs of other cultures
- CI7 I know the legal and economic systems of other cultures
- CI3 I am sure I can deal with the stresses of adjusting to a new culture

Factor 3 - General

- Gen2 I am engaged with different civic organisations in my community in pursuit of one common course
- Gen1 I am a member of an organisation/association/Stokvel/Society that helps me with my entrepreneurial endeavours
- LSC3 my business has benefitted from networks with people who hold significant and senior positions in society.

5.4 Sample Characteristics

5.4.1 Demographic Information

There were 251 participants who took part in this study. All the questions were answered in full by all respondents; this can be attributed to the fact that this was a self-administered questionnaire with the researcher being able to clarify any unclear questions significantly contributing to response rate.

5.4.1.1 Age of respondents

As proposed in the research proposal, all respondents who participated in this study were above 18 years of age and all of them ran business that were not formally registered with CIPC, thus not eligible to pay tax. The above qualification criterion was met by 100% of the respondents as required.

5.4.1.2 Country of Origin

The majority of the respondents were from Nigeria which accounted for 23% followed by Somalia and Ghana which accounted for 15% and 14% respectively. A few respondents were from Botswana, Cameroon, Malawi, and Palestine & Gabon with each accounting for 0.4% of the respondents. A full breakdown of the countries is reflected in graph 5.1

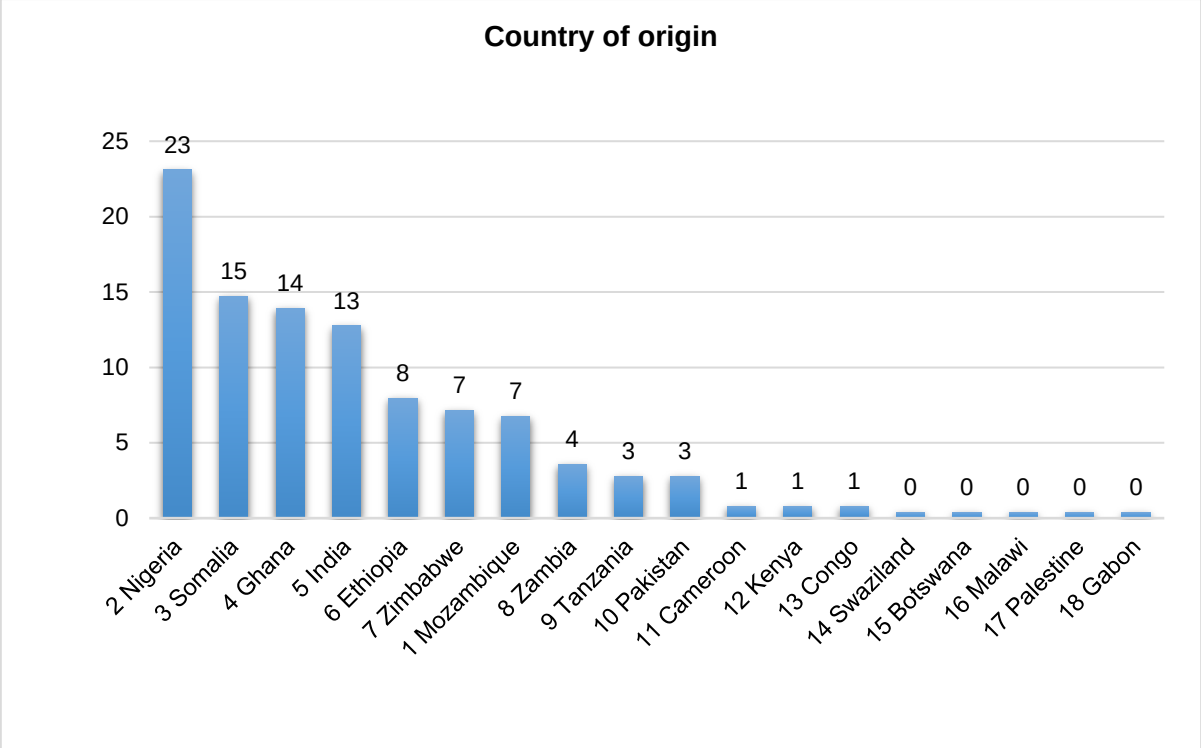


Figure 5.1: Country of Origin

5.4.1.3 Gender

The majority of the respondents were male entrepreneurs which accounted for 66% while female respondents were 32% with the remaining 2% opting not to disclose their gender. Below is a depiction of the gender profile of respondents

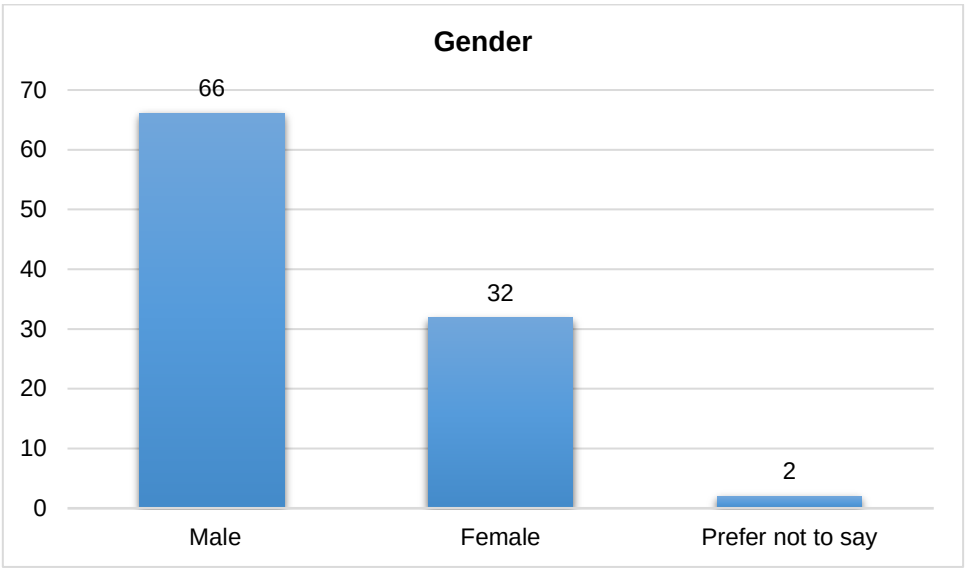


Figure 5.2: Gender

5.4.1.4 How many years have you been in South Africa?

57% of the respondents have been to South Africa between five to 10 years while 24.6% had been in South Africa for fewer than five years with the rest agreeing to have been residing in South Africa. Below is a depiction of the spread

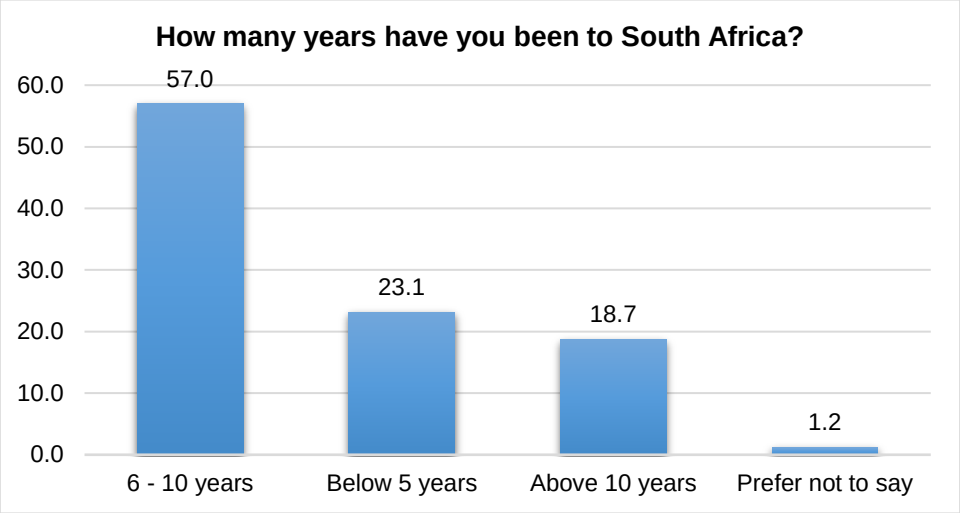


Figure 5.3: Years in South Africa

5.4.1.5 Highest Education

43.8% had a post-matric qualification while 40.6% of the respondents had studied up until matric/equivalent to school leaving certificate. A small portion did not reach matric while the remainder had other qualifications not reflected in the survey. Below is a depiction of the results:

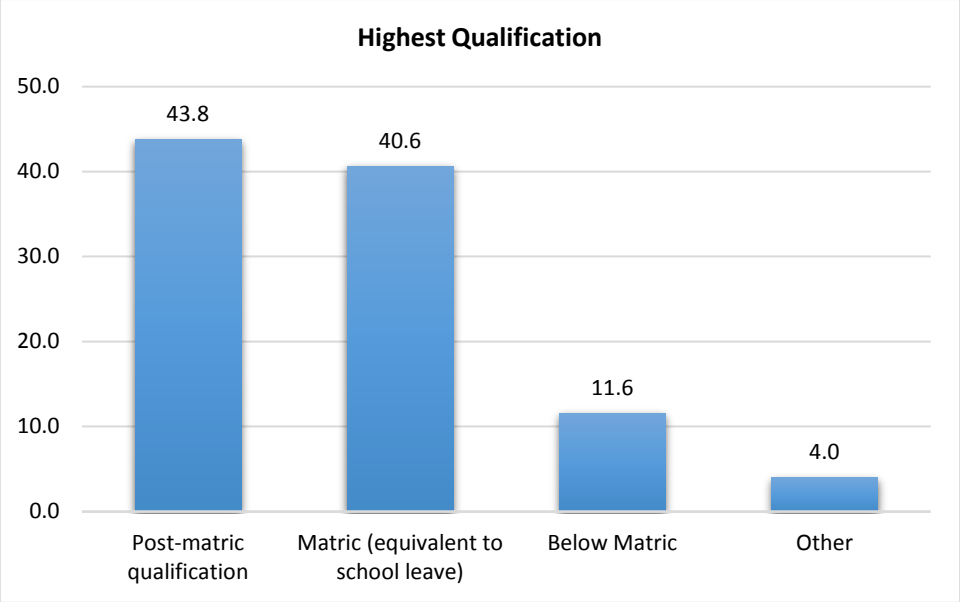


Figure 5.4: Highest Qualification

5.4.1.6 Previous Experience

49.8% of the respondents had previously been employed while 27.5% had an entrepreneurial background and 17.1% had other types of experience while a small percentage had trade experience. Below is a depiction of the results

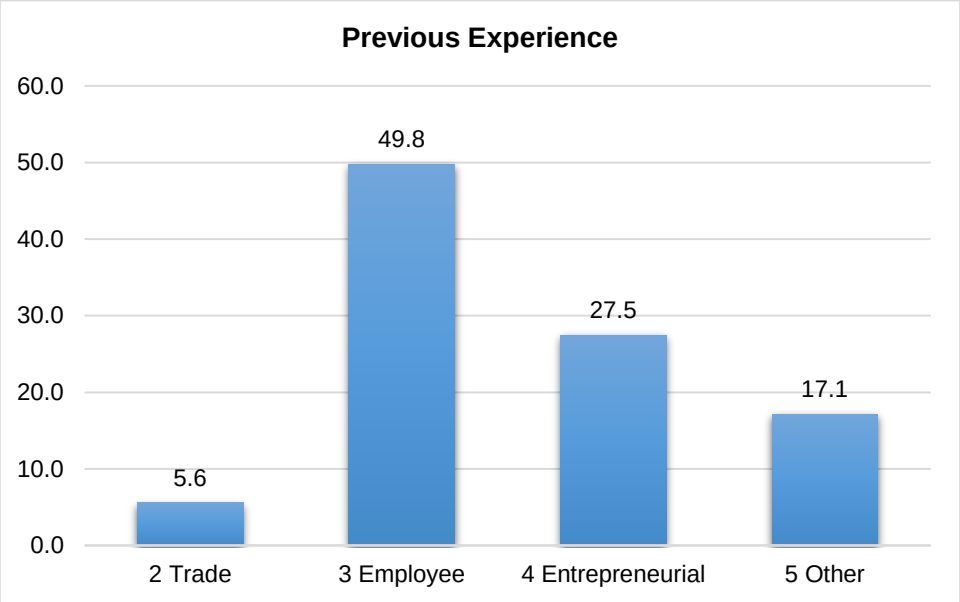


Figure 5.5: Previous Experience

5.4.2 Business Performance

This section sought to collect information relating to the business performance of foreign entrepreneurs in the informal economy. This section assessed specific information from business survival rates, growth and employment. Below is a detailed profile of the responses.

5.4.2.1 Business tenure

This specific scale assessed the survival rate of the business. 44% of the entrepreneurs have had their business for between 4 – 5 years while 30% have had their business for more than five years. About 25% of the entrepreneurs have had their business less than three years. Results are shown below:

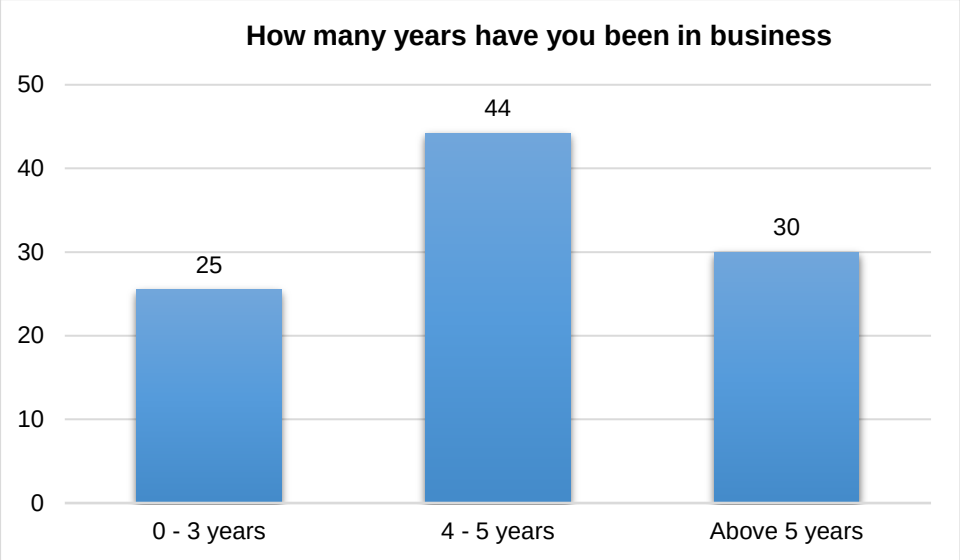


Figure 5.6: Business Tenure

5.4.2.2 Employment

On the question relating to employment, the majority of entrepreneurs had managed to reach employment stages with their businesses. 59% answered yes while 41% answered no to this question.

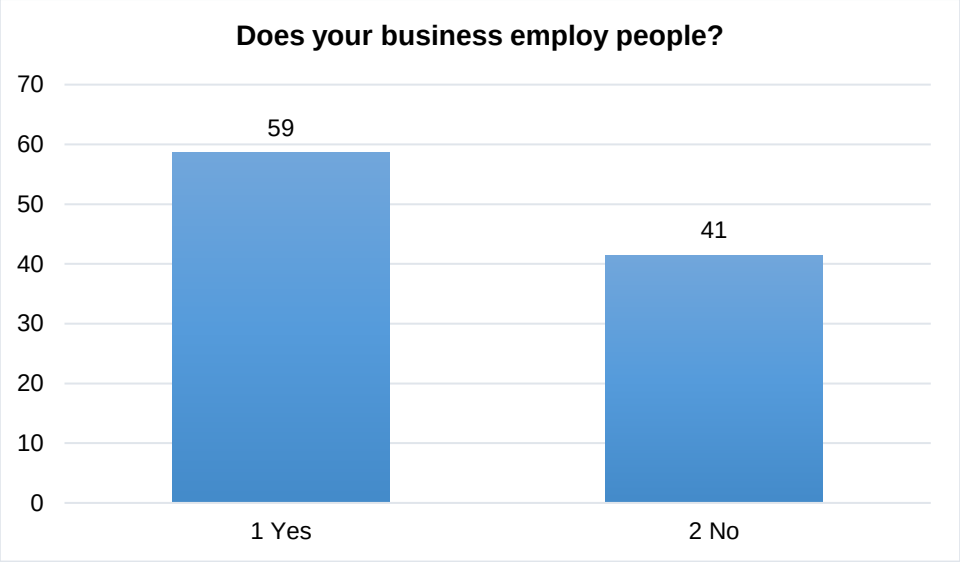


Figure 5.7: Employment

5.4.2.3 Business Growth

This scale specifically looked at the business's growth with an intention of understanding growth rates of businesses in the informal economy. 69% of the respondents felt that their businesses had growth over the years while 25% answered no to the question with a small percentage indicating that their businesses have stayed relatively stable

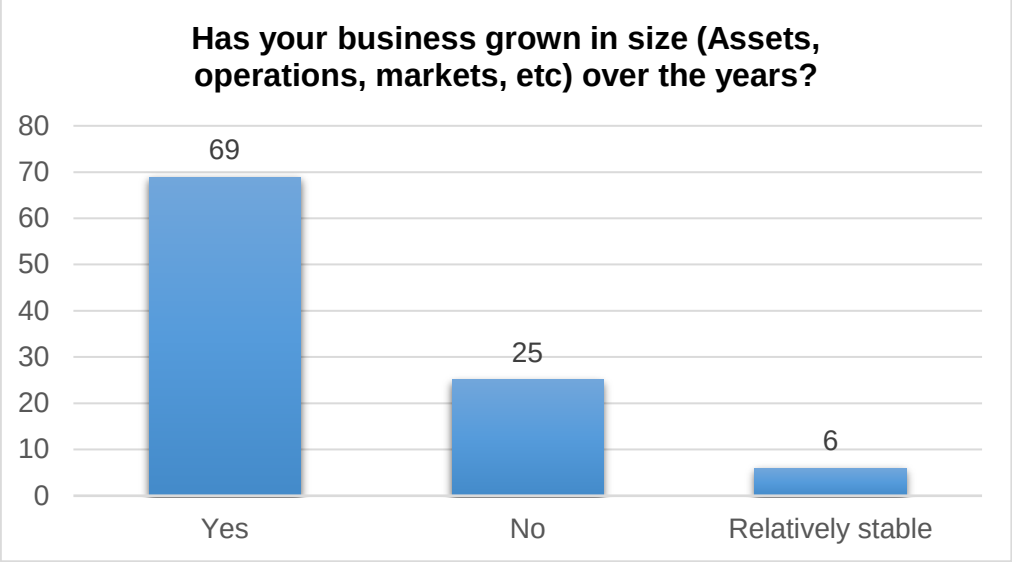


Figure 5.8: Business Growth

5.4.2.4 Revenue Generation

This scale intended to check revenue growth patterns. 35.5% of the respondents chose not to disclose their income while 22.3% indicated that they made a monthly average revenue of above R5000

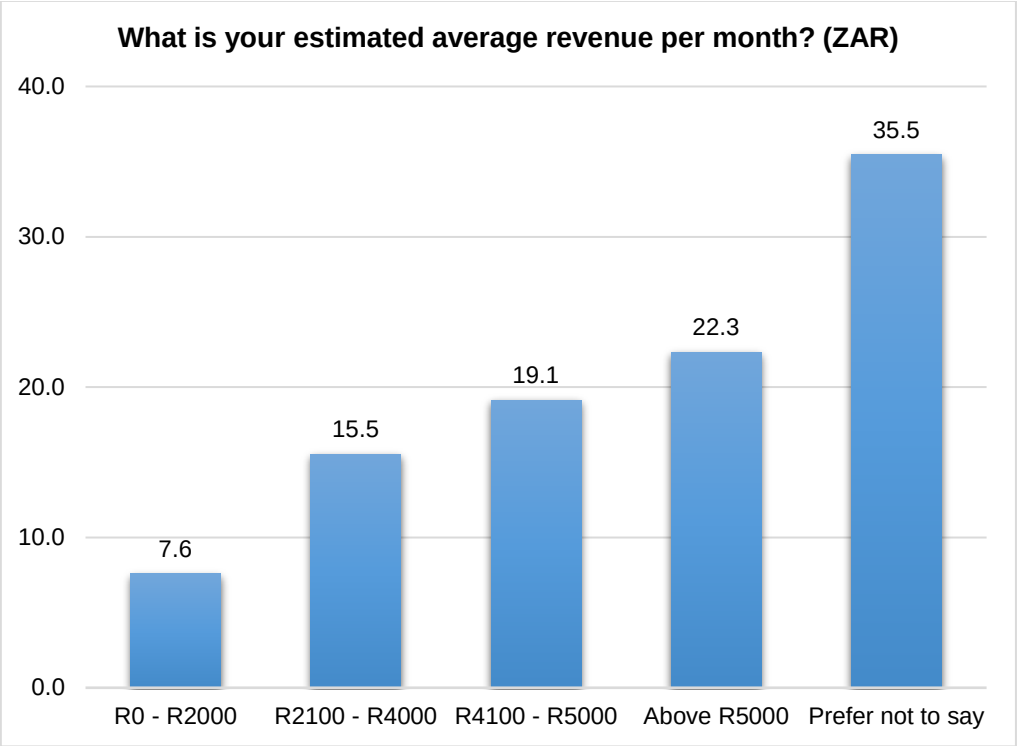


Figure 5.9: Monthly income

Consequently, 53% of the respondents indicated that their income had increased over the years while 33.9% chose not to disclose.

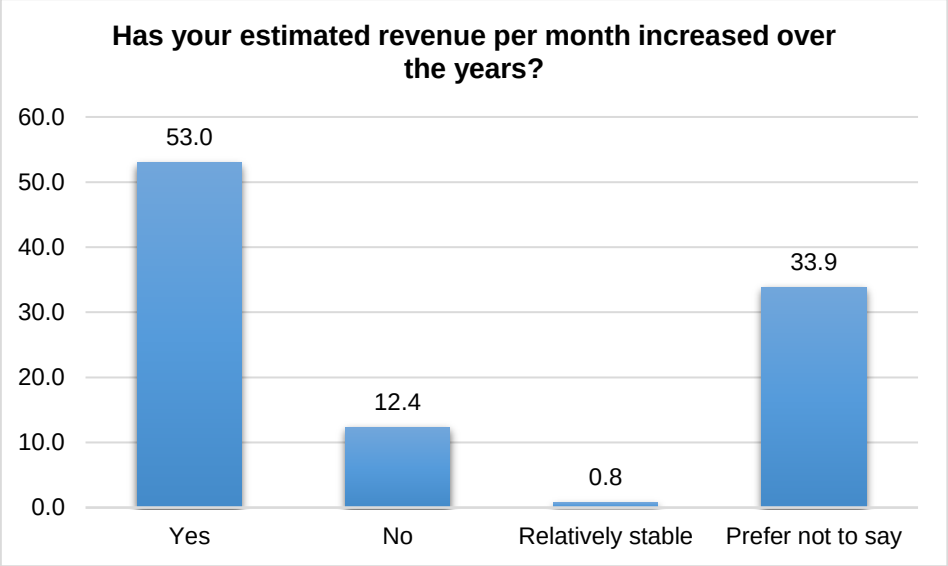


Figure 5.10: Monthly income growth

5.4.2.5 Overall Binned Ranks for Entrepreneurial Performance

This test aimed to group large numeric values to categories indicating low performance, moderate performance and high performance. 61% of the respondents demonstrated moderate entrepreneurial performance while 37% showed high entrepreneurial performance with only 2% showing low performance.

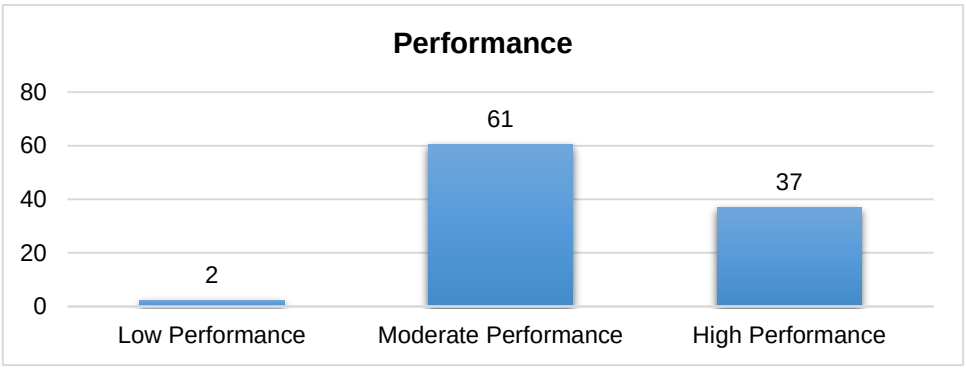


Figure 5.11: Entrepreneurial Performance

5.5 Descriptive Statistics

The following section provides description of the sub-dimensions in terms of summary statistics.

This section discusses the descriptive statistics for all the sections which include the median, skewness, kurtosis and the frequency charts. The definitions of the above were explained in detail in the methods chapter.

5.5.1 Cultural Intelligence

Tabarsa, et al. (2004) argue that Cultural Intelligence is embedded in the unique understanding of cultural foundations and cross-cultural interactions. People's ability to have constructive social interaction with people of different cultures forms the main core of Cultural Intelligence. Experimental findings in the area of Cultural Intelligence and people performance show that cultural intelligence positively influences the performance of managers and employees (Jafari, 2013). Cultural Intelligence was also measured using scales from two sources; firstly, the study used the work by Teimouri, Hoojaghan, Jenab and Houry (2015) which had previously obtained a Cronbach alpha coefficient of 0.89.

Below is a detailed discussion of the characteristics and descriptive data regarding cultural intelligence

Table 5.3: Cultural Intelligence

	Median	Skewness	Kurtosis
CI1 I am confident that I can deal with cultural situations that are unfamiliar	2.00	0.704	1.508
CI2 I have confidence that I can build quick rapport with people from different cultures	2.00	0.772	2.003
CI3 I am sure I can deal with the stresses of adjusting to a new culture	2.00	0.743	2.838

CI4 I know the cultural values and religious beliefs of other cultures	2.00	0.617	0.268
CI5 I know the rules for expressing non-verbal behaviours in other cultures	2.00	0.196	-0.413
CI6 I easily change the way I act when a cross-cultural encounter seems to require it	2.00	0.569	0.487
CI7 I know the legal and economic systems of other cultures	2.00	0.414	-0.071

The table below indicates that 66.1% (n=166) of the respondents agreed that they could deal with cultural situations that are unfamiliar while 3.2% (n=8) showed disagreement. The descriptive statistics for this scale are a median = 2.00, skewness = 0.704 and the kurtosis = 1.508.

Table 5.4: I am confident that I can deal with cultural situations that are unfamiliar

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	50	19.9	19.9	19.9
	2 Agree	166	66.1	66.1	86.1
	3 Not sure	27	10.8	10.8	96.8
	4 Disagree	8	3.2	3.2	100.0
	Total	251	100.0	100.0	

The table below that 68.9% (n=173) showed agreement to their ability to build quick rapport with people of different cultures; a small percentage i.e. 3.2% (n=8) disagreed. Descriptive statistics for this scale are a median = 2.00, skewness = 0.772 and the kurtosis = 2.003.

Table 5.5: I have confidence that I can build quick rapport with people from different cultures

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	47	18.7	18.7	18.7
	2 Agree	173	68.9	68.9	87.6
	3 Not sure	23	9.2	9.2	96.8
	4 Disagree	8	3.2	3.2	100.0
	Total	251	100.0	100.0	

The table below indicates that 75.7% (n=190) agreed that they could deal with the stresses of adjusting to new cultures while a small percentage i.e. 2.0% (n=5) said they could not. Descriptive statistics for this scale are a median = 2.00, skewness = 0.743 and the kurtosis = 2.838.

Table 5.6: I am sure I can deal with the stresses of adjusting to a new culture

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	29	11.6	11.6	11.6
	2 Agree	190	75.7	75.7	87.3
	3 Not sure	27	10.8	10.8	98.0
	4 Disagree	5	2.0	2.0	100.0
	Total	251	100.0	100.0	

The table below indicates that 59.4% (n=149) agreed that they understood the cultural values and religious beliefs cultures while 8.0% (n=20) said they did not know. Descriptive statistics for this scale are a median = 2.00, skewness = 0.617 and the kurtosis = 0.268.

Table 5.7: I know the cultural values and religious beliefs of other cultures

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	28	11.2	11.2	11.2
	2 Agree	149	59.4	59.4	70.5
	3 Not sure	54	21.5	21.5	92.0
	4 Disagree	20	8.0	8.0	100.0
	Total	251	100.0	100.0	

The table below indicates that 46.6% (n=117) agreed that they knew the rules for expressing non-verbal behaviours of other cultures while 31.5% (n=79) were not sure and 7.2% (n=18) disagreed. Descriptive statistics for this scale are a median = 2.00, skewness = 0.196 and the kurtosis = -0.413.

Table 5.8: I know the rules for expressing non-verbal behaviours in other cultures

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	37	14.7	14.7	14.7
	2 Agree	117	46.6	46.6	61.4
	3 Not sure	79	31.5	31.5	92.8
	4 Disagree	18	7.2	7.2	100.0
	Total	251	100.0	100.0	

The table below indicates that 58.6% (n=147) agreed that they changed the way they acted when cross-cultural encounters required such. 4.0% (n=10) disagreed to this scale, Descriptive statistics for this scale are a median = 2.00, skewness = 0.569 and the kurtosis = 0.487.

Table 5.9: I easily change the way I act when a cross-cultural encounter seems to require it

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	53	21.1	21.1	21.1
	2 Agree	147	58.6	58.6	79.7
	3 Not sure	41	16.3	16.3	96.0
	4 Disagree	10	4.0	4.0	100.0
	Total	251	100.0	100.0	

The table below indicates that 53.0% (n=133) agreed that they understood legal and economic systems of other cultures while 22.7% (n=57) were not sure. Descriptive statistics for this scale are a median = 2.00, skewness = 0.414 and the kurtosis = -0.071.

Table 5.10: I know the legal and economic systems of other cultures

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	48	19.1	19.1	19.1
	2 Agree	133	53.0	53.0	72.1
	3 Not sure	57	22.7	22.7	94.8
	4 Disagree	13	5.2	5.2	100.0
	Total	251	100.0	100.0	

5.5.2 Social Capital

Social networks are important to the overall success of entrepreneurship as they afford individuals with access to resources, access to information and opportunities. Other studies argue that social capital also improves entrepreneur's business status and image in society. Therefore, networks are not only a source of access to information but they also act as a catalyst for advertisement as entrepreneurs talk freely about each other (Fornoni et al., 2012).

5.5.2.1 Bonding Social Capital

Bonding Social Capital refers to close ties that individuals require on a day-to-day basis; these ties are usually those that someone is usually born into. These connections are usually with family, friends and neighbours. The Australian Bureau of Statistics (ABOU) notes that "Bonding capital usually refers to relationships people have with family members and ethnic groups (Edwards, 2004). The above definitions presumably imply that individuals are born as part of a network structure; they are born into families, race, and religion. Social Capital scales are extracted the work by Vanneman, Noon and Desai (2006) which had previously obtained a Cronbach alpha coefficient of 0.72 when used to measure individuals sources of Social Capital.

Table 5.11: Bonding Social Capital

	Median	Skewness	Kurtosis
BoSC1 I maintain frequent & quality contact with my friends/family/relatives/neighbours	2.00	1.165	1.389
BoSC2 I have deep relationships with my friends/family/relatives/neighbours specifically on business related issues	2.00	1.062	0.801
BoSC3 I have a clear understanding of norms between friends/family/relatives/neighbours that help facilitate social & business support	2.00	1.131	1.179
BoSC4 Social relations with my friends/family/relatives/neighbours are a huge source of my entrepreneurial support	2.00	1.109	1.040
BoSC5 I am satisfied with my level of information about business that we share with friends/family/relatives/neighbours	2.00	1.077	0.749
BoSC6 I have deep trust for my friends/family/relatives/neighbours regarding business related matters	2.00	1.053	0.906
BoSC7 We have shared values & reliability with my friends/family/relatives/neighbours which facilitates better entrepreneurial interactions	2.00	1.112	1.212
BoSC8 I have received practical help/advice for starting and growing my entrepreneurial ventures from friends/family/relatives/neighbours	2.00	1.112	1.167
BoSC9 If I suddenly run in trouble with my business, my friends/family/relatives/neighbours are usually my first point of contact	2.00	1.069	0.947
BoSC10 I can rely on my friends/family/relatives/neighbours to continue with my business if I am unable to do so temporarily	2.00	1.029	0.704
BoSC11 Regarding the process of business growth and expansion, do your friends/family/relatives/neighbours provide help?	2.00	1.020	0.728

The table below indicates that 56.2% (n=141) agreed that they maintain frequent and quality contact with my friends/family/relatives/neighbours. 32.7% (n=82) of the respondents strongly agreed to this while 8.4% (n=21) of the respondents disagreed. Descriptive statistics for this scale are a median = 2.00, skewness = 1.165 and the kurtosis = 1.389.

Table 5.12: I maintain frequent and quality contact with my friends/family/relatives/neighbours

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	82	32.7	32.7	32.7
	2 Agree	141	56.2	56.2	88.8
	3 Not sure	7	2.8	2.8	91.6
	4 Disagree	21	8.4	8.4	100.0
	Total	251	100.0	100.0	

The table below indicates that 31.5% (n=79) of the respondents strongly agreed that they had deep relationships with close networks which helped on business related issues. There was also mild agreement from 54.2% (n=136) while 10% disagreed. Descriptive statistics for this scale are a median = 2.00, skewness = 1.062 and the kurtosis = 0.801.

Table 5.13: I have deep relationships with my friends/family/relatives/neighbours specifically on business related issues

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	79	31.5	31.5	31.5
	2 Agree	136	54.2	54.2	85.7
	3 Not sure	11	4.4	4.4	90.0
	4 Disagree	25	10.0	10.0	100.0
	Total	251	100.0	100.0	

The table below indicates that 29.9% (n=75) of the respondents strongly agreed that they have a clear understanding of norms with close networks which helped on business related issues. There was also mild agreement from 57.8% (n=145) while 9.6% disagreed. Descriptive statistics for this scale are a median = 2.00, skewness = 1.131 and the kurtosis = 1.179.

Table 5.14: I have a clear understanding of norms between friends/family/relatives/neighbours that help facilitate social and& business support

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	75	29.9	29.9	29.9
	2 Agree	145	57.8	57.8	87.6
	3 Not sure	7	2.8	2.8	90.4
	4 Disagree	24	9.6	9.6	100.0
	Total	251	100.0	100.0	

The table below indicates that 28.3% (n=71) of the respondents strongly agreed that they had Social relations with their close networks which helped on business related issues. There was also mild agreement from 58.6% (n=147) while 10.4% disagreed. Descriptive statistics for this scale are a median = 2.00, skewness = 1.109 and the kurtosis = 1.040.

Table 5.15: Social relations with my friends/family/relatives/neighbours are a huge source of my entrepreneurial support

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	71	28.3	28.3	28.3
	2 Agree	147	58.6	58.6	86.9
	3 Not sure	7	2.8	2.8	89.6
	4 Disagree	26	10.4	10.4	100.0
	Total	251	100.0	100.0	

The table below indicates that 27.9% (n=70) of the respondents strongly agreed that they were satisfied with the level of information about business shared with their close networks which helped on business related issues. There was also mild agreement from 57.8% (n=145) while 12.0% disagreed. Descriptive statistics for this scale are a median = 2.00, skewness = 1.077 and the kurtosis = 1.749.

Table 5.16: I am satisfied with my level of information about business that we share with friends/family/relatives/neighbours

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	70	27.9	27.9	27.9
	2 Agree	145	57.8	57.8	85.7
	3 Not sure	6	2.4	2.4	88.0
	4 Disagree	30	12.0	12.0	100.0
	Total	251	100.0	100.0	

The table below indicates that 27.9% (n=70) of the respondents strongly agreed that they had deep trust for their close networks which helped on business related issues. There was also mild agreement from 57.8% (n=145) while 10.0% disagreed. Descriptive statistics for this scale are a median = 2.00, skewness = 1.053 and the kurtosis = 0.906.

Table 5.17: I have deep trust for my friends/family/relatives/neighbours regarding business related matters

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	70	27.9	27.9	27.9
	2 Agree	145	57.8	57.8	85.7
	3 Not sure	11	4.4	4.4	90.0
	4 Disagree	25	10.0	10.0	100.0
	Total	251	100.0	100.0	

The table below indicates that 27.1% (n=68) of the respondents strongly agreed that they had shared values and reliability with their close networks which helped on business related issues. There was also mild agreement from 60.2% (n=151) while 9.6% disagreed. Descriptive statistics for this scale are a median = 2.00, skewness = 1.112 and the kurtosis = 1.212.

Table 5.18: We have shared values and& reliability with my friends/family/relatives/neighbours which facilitates better entrepreneurial interactions

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	68	27.1	27.1	27.1
	2 Agree	151	60.2	60.2	87.3
	3 Not sure	8	3.2	3.2	90.4
	4 Disagree	24	9.6	9.6	100.0
	Total	251	100.0	100.0	

The table below indicates that 28.3% (n=71) of the respondents strongly agreed that they had received practical help/advice for starting and growing their entrepreneurial ventures from their close networks which helped on business related issues. There was also mild agreement from 59.0% (n=148) while 9.6% (n=24) disagreed. Descriptive statistics for this scale are a median = 2.00, skewness = 1.112 and the kurtosis = 1.167.

Table 5.19: I have received practical help/advice for starting and growing my entrepreneurial ventures from friends/family/relatives/neighbours

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	71	28.3	28.3	28.3
	2 Agree	148	59.0	59.0	87.3
	3 Not sure	8	3.2	3.2	90.4
	4 Disagree	24	9.6	9.6	100.0
	Total	251	100.0	100.0	

The table below indicates that 25.1% (n=63) of the respondents strongly agreed that if they suddenly ran into trouble with their business, their close networks would be their first point of contact. There was also mild agreement from 60.6% (n=152) while 10.8% (n=27) disagreed. Descriptive statistics for this scale are a median = 2.00, skewness = 1.069 and the kurtosis = 0.947.

Table 5.20: If I suddenly run into trouble with my business, my friends/family/relatives/neighbours are usually my first point of contact

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	63	25.1	25.1	25.1
	2 Agree	152	60.6	60.6	85.7
	3 Not sure	9	3.6	3.6	89.2
	4 Disagree	27	10.8	10.8	100.0
	Total	251	100.0	100.0	

The table below indicates that 25.5% (n=64) of the respondents strongly agreed that they on their close networks in an event where they are unable to continue with their business temporarily. There was also mild agreement from 59.0% (n=148) while 11.6% (n=29) disagreed. Descriptive statistics for this scale are a median = 2.00, skewness = 1.029 and the kurtosis = 0.704.

Table 5.21: I can rely on my friends/family/relatives/neighbours to continue with my business if I am unable to do so temporarily

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	64	25.5	25.5	25.5
	2 Agree	148	59.0	59.0	84.5
	3 Not sure	10	4.0	4.0	88.4
	4 Disagree	29	11.6	11.6	100.0
	Total	251	100.0	100.0	

The table below indicates that 23.5% (n=59) of the respondents strongly agreed that they relied on their close networks during the process of expansion. There was also mild agreement from 60.6% (n=152) while 11.6% (n=29) disagreed. Descriptive statistics for this scale are a median = 2.00, skewness = 1.020 and the kurtosis = 0.728.

Table 5.22: Regarding the process of business growth and expansion, do your friends/family/relatives/neighbours provide help?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	59	23.5	23.5	23.5
	2 Agree	152	60.6	60.6	84.1
	3 Not sure	11	4.4	4.4	88.4
	4 Disagree	29	11.6	11.6	100.0
	Total	251	100.0	100.0	

5.5.2.2 Bridging Social Capital

This refers to networks that that are not as strong which affords individual more opportunities. These networks are usually with people different from us; who are members of organisations, occupations or associations that we do not usually engage (Lollo, 2013). Hamayan (2015) notes that diversity becomes a critical asset to facilitate access to different forms of information and add to one's networks. These may be people who are from a different socio-economic status, from a different generation or a different ethnicity. This reflects an advanced degree of social capital, reflecting one's desire to expand his/her circle with people who have different social and economic orientation to them.

Table 5.23: Bridging Social Capital

	Median	Skewness	Kurtosis
BrSC1 Despite strong reliance on friends/family/relatives/neighbours, I have a large number of acquaintances (these refer to people your hardly speak with)	2.00	1.027	0.624
BrSC2 It is mostly correct to say my friends/family/relatives/neighbours introduced my acquaintance network	2.00	0.674	-0.312
BrSC3 I manage successful functional business relations with my acquaintance	2.00	0.760	0.095
BrSC4 I have reached out for help for my business to my acquaintances	2.00	0.762	-0.113

BrSC5 I hold my business relations with my acquaintances very closely as they matter to me	2.00	1.021	0.517
BrSC6 I have received more business help from my acquaintances compared to my friends/family/relatives/neighbours	2.00	0.472	-0.749
BrSC7 My acquaintances and I enjoy mutual business benefit, to say we both derive the same value when it comes to business related matters	2.00	0.692	-0.090
BrSC8 Depending on the situation, I can leave my business with people in my acquaintance network	2.00	0.535	-0.877
BrSC9 My networks with people of different age groups that helps me with my business	2.00	1.359	2.051
BrSC10 I have networks with people of opposite gender that helps with my business	2.00	1.652	3.431
BrSC11 I have networks with people of different ethnic groupings which help me with my business	2.00	1.406	2.447
BrSC12 My networks with people from different races, countries, and tribes help me with my business	2.00	1.303	1.985
BrSC13 I have networks with people from different religions and culture which help me with my business	2.00	1.274	1.571
BrSC14 I am able to maintain networks with people who are in different geographic locations	2.00	1.075	0.901

The table below indicates that 67.7% (n=170) agreed that they had a large number of acquaintances despite their reliance close relationships. 15.1% (n=38) were not sure while 11.2% (n=28) disagreed. Descriptive statistics for this scale are a median = 2.00, skewness = 0.1.027 and the kurtosis = 0.624.

Table 5.24: Despite strong reliance on friends/family/relatives/neighbours, I have a large number of acquaintances (these refer to people your hardly speak with)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	15	6.0	6.0	6.0
	2 Agree	170	67.7	67.7	73.7
	3 Not sure	38	15.1	15.1	88.8
	4 Disagree	28	11.2	11.2	100.0
	Total	251	100.0	100.0	

The table below indicates that 58.6% (n=147) agreed that they accessed their relationships with acquaintances through close links. 15.9% (n=40) were not sure while 15.9% (n=40) disagreed. Descriptive statistics for this scale are a median = 2.00, skewness = 0.674 and the kurtosis = -0.312.

Table 5.25: It is mostly correct to say my friends/family/relatives/neighbours introduced my acquaintance network

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	27	10.8	10.8	10.8
	2 Agree	147	58.6	58.6	69.3
	3 Not sure	37	14.7	14.7	84.1
	4 Disagree	40	15.9	15.9	100.0
	Total	251	100.0	100.0	

The table below indicates that 61.4% (n=154) agreed that they manage functional business relations with their acquaintances. 16.7% (n=42) were not sure while 12.4% (n=31) disagreed. Descriptive statistics for this scale are a median = 2.00, skewness = 0.760 and the kurtosis = 0.095.

Table 5.26: I manage successful functional business relations with my acquaintances

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	24	9.6	9.6	9.6
	2 Agree	154	61.4	61.4	70.9
	3 Not sure	42	16.7	16.7	87.6
	4 Disagree	31	12.4	12.4	100.0
	Total	251	100.0	100.0	

The table below indicates that 61.4% (n=154) agreed that they had reached out for business help to their acquaintances. 15.1% (n=38) were not sure while 14.7% (n=37) disagreed. Descriptive statistics for this scale are a median = 2.00, skewness = 0.762 and the kurtosis = -0.113.

Table 5.27: I have reached out for help for my business to my acquaintances

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	22	8.8	8.8	8.8
	2 Agree	154	61.4	61.4	70.1
	3 Not sure	38	15.1	15.1	85.3
	4 Disagree	37	14.7	14.7	100.0
	Total	251	100.0	100.0	

The table below indicates that 68.1% (n=171) agreed that they valued their relationship with their acquaintances. 13.5% (n=34) disagreed. Descriptive statistics for this scale are a median = 2.00, skewness = 1.021 and the kurtosis = 0.517.

Table 5.28: I hold my business relations with my acquaintances very closely as they matter to me

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	23	9.2	9.2	9.2
	2 Agree	171	68.1	68.1	77.3
	3 Not sure	23	9.2	9.2	86.5
	4 Disagree	34	13.5	13.5	100.0
	Total	251	100.0	100.0	

The table below indicates that 53.0% (n=133) agreed that they had received more business help from their acquaintances. 18.3% (n=46) were not sure while 19.5% (n=49) disagreed. Descriptive statistics for this scale are a median = 2.00, skewness = 0.472 and the kurtosis = -0.749.

Table 5.29: I have received more business help from my acquaintances compared to my friends/family/relatives/neighbours

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	23	9.2	9.2	9.2
	2 Agree	133	53.0	53.0	62.2
	3 Not sure	46	18.3	18.3	80.5
	4 Disagree	49	19.5	19.5	100.0
	Total	251	100.0	100.0	

The table below indicates that 59.4% (n=149) agreed that they shared mutual benefit with their acquaintances. 17.9% (n=45) were not sure while 13.1% (n=33) disagreed. Descriptive statistics for this scale are a median = 2.00, skewness = 0.692 and the kurtosis = -0.090.

Table 5.30: My acquaintances and I enjoy mutual business benefit, to say we both derive the same value when it comes to business related matters

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	24	9.6	9.6	9.6
	2 Agree	149	59.4	59.4	68.9
	3 Not sure	45	17.9	17.9	86.9
	4 Disagree	33	13.1	13.1	100.0
	Total	251	100.0	100.0	

The table below indicates that 56.2% (n=141) agreed that they could leave their businesses with their acquaintances while 23.1% (n=58) disagreed. Descriptive statistics for this scale are a median = 2.00, skewness = 0.535 and the kurtosis = -0.877.

Table 5.31: Depending on the situation, I can leave my business with people in my acquaintance network

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	22	8.8	8.8	8.8
	2 Agree	141	56.2	56.2	64.9
	3 Not sure	30	12.0	12.0	76.9
	4 Disagree	58	23.1	23.1	100.0
	Total	251	100.0	100.0	

The table below indicates that 75.3% (n=189) agreed that they receive business help from people of different ages while 10.4% (n=26) disagreed. Descriptive statistics for this scale are a median = 2.00, skewness = 1.359 and the kurtosis = 2.051.

Table 5.32: My networks with people of different age groups that helps me with my business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	27	10.8	10.8	10.8
	2 Agree	189	75.3	75.3	86.1
	3 Not sure	9	3.6	3.6	89.6
	4 Disagree	26	10.4	10.4	100.0
	Total	251	100.0	100.0	

The table below indicates that 80.5% (n=202) agreed that they receive business help from people of different gender while 8.4% (n=21) disagreed. Descriptive statistics for this scale are a median = 2.00, skewness = 1.652 and the kurtosis = 3.431.

Table 5.33: I have networks with people of opposite gender that helps with my business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	19	7.6	7.6	7.6
	2 Agree	202	80.5	80.5	88.0
	3 Not sure	9	3.6	3.6	91.6
	4 Disagree	21	8.4	8.4	100.0
	Total	251	100.0	100.0	

The table below indicates that 76.5% (n=192) agreed that they receive business help from people of different ethnic groupings 8.4% (n=21) disagreed. Descriptive statistics for this scale are a median = 2.00, skewness = 1.406 and the kurtosis = 2.447.

Table 5.34: I have networks with people of different ethnic groupings which help me with my business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	20	8.0	8.0	8.0
	2 Agree	192	76.5	76.5	84.5
	3 Not sure	18	7.2	7.2	91.6
	4 Disagree	21	8.4	8.4	100.0
	Total	251	100.0	100.0	

The table below indicates that 74.5% (n=187) agreed that they have networks with people from different races, countries, and tribes help me with my business 9.2% (23) strongly agreed to this scale while 9.2% (n=23) disagreed. Descriptive statistics for this scale are a median = 2.00, skewness = 1.303 and the kurtosis = 1.985.

Table 5.35: My networks with people from different races, countries, and tribes help me with my business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	23	9.2	9.2	9.2
	2 Agree	187	74.5	74.5	83.7
	3 Not sure	18	7.2	7.2	90.8
	4 Disagree	23	9.2	9.2	100.0
	Total	251	100.0	100.0	

The table below indicates that 73.7% (n=185) agreed that they have networks with people from different religions and culture which help me with their businesses. 10.4% (26) disagreed. Descriptive statistics for this scale are a median = 2.00, skewness = 1.274 and the kurtosis = 1.571.

Table 5.36: I have networks with people from different religions and culture which help me with my business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	20	8.0	8.0	8.0
	2 Agree	185	73.7	73.7	81.7
	3 Not sure	20	8.0	8.0	89.6
	4 Disagree	26	10.4	10.4	100.0
	Total	251	100.0	100.0	

The table below indicates that 69.3% (n=174) agreed that they have networks with people who are in different geographic locations. 12.4% (n=31) of the respondents were not sure while 10.8% (n=27) disagreed. Descriptive statistics for this scale are a median = 2.00, skewness = 1.075 and the kurtosis = 0.901.

Table 5.37: I am able to maintain networks with people who are in different geographic locations

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	19	7.6	7.6	7.6
	2 Agree	174	69.3	69.3	76.9
	3 Not sure	31	12.4	12.4	89.2
	4 Disagree	27	10.8	10.8	100.0
	Total	251	100.0	100.0	

5.5.2.3 Linking Social Capital

Linking social capital refers to links to people or groups further up or lower down the social ladder. Bayat (2015) notes that this social capital type of relationship is one between different social groups (vertical) which is known as linking social capital. Linking Social Capital is usually associated with networks between people who hold different levels of power and social status e.g. links between the political elite and the general public or between individuals from different social classes. Linking social capital attempts to eradicate chasms between people of different groups. This is

essentially dealing with the gap that exists between people of different social classes from political leaders to leaders in business and other sectors of society. According to Lollo (2012), linking social capital creates access to organisations and systems that help people obtain resources and bring about change. These connections are usually with organisations like foundations, local and state government or banks that have resources, both from within and outside the community. Linking social capital enables individuals and community groups to leverage resources, ideas and information from formal institutions beyond the immediate community radius (ABOU, 2012).

Table 5.38: Linking Social Capital

	Median	Skewness	Kurtosis
LSC1 I have networks with people who have more experience & income compared to me which help me with my business	2.00	1.157	1.304
LSC2 Networks with people with different academic backgrounds and levels help me with my business	2.00	1.202	1.196
LSC3 My business has benefitted from networks with people who hold significant & senior positions in society	2.00	0.216	-1.518
LSC4 I have business networks with people from different political ideologies	3.00	-0.088	-1.558
LSC5 I have business networks with people whom I believe are far better off in business compared to me	2.00	1.374	1.587
LSC6 Some of my business networks are with people who have businesses in different industries compared to me	2.00	1.326	1.278

The table below indicates that 9.6% (n=24) of the respondents strongly agreed that they have networks with people who have more experience and income compared to me which help me with their business. There was also mild agreement from 71.3% (n=179) while 10.4% (n=26) disagreed. Descriptive statistics for this scale are a median = 2.00, skewness = 1.157 and the kurtosis = 1.304.

Table 5.39: I have networks with people who have more experience and& income compared to me which help me with my business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	24	9.6	9.6	9.6
	2 Agree	179	71.3	71.3	80.9
	3 Not sure	22	8.8	8.8	89.6
	4 Disagree	26	10.4	10.4	100.0
	Total	251	100.0	100.0	

The table below indicates that 7.6% (n=19) of the respondents strongly agreed that they have networks with people with different academic backgrounds and levels help me with my business. There was also mild agreement from 72.1% (n=181) while 11.2% (n=28) disagreed. Descriptive statistics for this scale are a median = 2.00, skewness = 1.202 and the kurtosis = 1.196.

Table 5.40: I network with people with different academic backgrounds and levels help me with my business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	19	7.6	7.6	7.6
	2 Agree	181	72.1	72.1	79.7
	3 Not sure	23	9.2	9.2	88.8
	4 Disagree	28	11.2	11.2	100.0
	Total	251	100.0	100.0	

The table below indicates that 4.4% (n=19) of the respondents strongly agreed that their businesses have benefitted from networks with people who hold significant and senior positions in society There was also mild agreement from 50% (n=127) while 0.4% (n=1) disagreed. Descriptive statistics for this scale are a median = 2.00, skewness = 0.216 and the kurtosis = -1.518.

Table 5.41: My business has benefitted from networks with people who hold significant and& senior positions in society

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	11	4.4	4.4	4.4
	2 Agree	127	50.6	50.6	55.0
	3 Not sure	20	8.0	8.0	62.9
	4 Disagree	92	36.7	36.7	99.6
	5 Strongly disagree	1	0.4	0.4	100.0
	Total	251	100.0	100.0	

The table below indicates a missing response of 0.4% (n=1). 3.2% (n=8) of the respondents strongly agreed that they have business networks with people from different political ideologies. There was also mild agreement from 41.8% (n=105) while 45% (n=113) disagreed. Descriptive statistics for this scale are a median = 2.00, skewness = -0.088 and the kurtosis = -1.558.

Table 5.42: I have business networks with people from different political ideologies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	8	3.2	3.2	3.2
	2 Agree	105	41.8	42.0	45.2
	3 Not sure	20	8.0	8.0	53.2
	4 Disagree	113	45.0	45.2	98.4
	5 Strongly disagree	4	1.6	1.6	100.0
	Total	250	99.6	100.0	
Missing	System	1	0.4		
Total		251	100.0		

The table below indicates a missing response of 0.4% (n=1). 6.8% (n=17) of the respondents strongly agreed that they have business networks with people who they believe are far better off in business compared to them. There was also mild

agreement from 75.3% (n=189) while 11.6% (n=29) disagreed. Descriptive statistics for this scale are a median = 2.00, skewness = 1.374 and the kurtosis = 1.587.

Table 5.43: I have business networks with people whom I believe are far better off in business compared to me

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	17	6.8	6.8	6.8
	2 Agree	189	75.3	75.6	82.4
	3 Not sure	15	6.0	6.0	88.4
	4 Disagree	29	11.6	11.6	100.0
	Total	250	99.6	100.0	
Missing	System	1	0.4		
Total		251	100.0		

The table below indicates that 5.2% of the respondents strongly agreed that they have business networks with people who have businesses in different industries compared to them. There was also mild agreement from 74.1% (n=186) while 11.6% (n=29) disagreed. Descriptive statistics for this scale are a median = 2.00, skewness = 1.326 and the kurtosis = 1.278.

Table 5.44: Some of my business networks are with people whose businesses are in different industries compared to me

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	13	5.2	5.2	5.2
	2 Agree	186	74.1	74.1	79.3
	3 Not sure	23	9.2	9.2	88.4
	4 Disagree	29	11.6	11.6	100.0
	Total	251	100.0	100.0	

5.5.2.4 General

Table 5.45 below details the questions that sought to understand political and civic engagements of the subjects under study. Both the questions had a median of 4.00 while the skewness for Gen1 was recorded as –0.397 while the kurtosis was -1.450, Gen2 achieved a skewness of -0.513 while the kurtosis was at -1.354.

Table 5.45

	Median	Skewness	Kurtosis
Gen1 I am a member of an organisation/association/Stokvel/Society that helps me with my entrepreneurial endeavours	4.00	-0.397	-1.450
Gen2 I am engaged with different civic organisations in my community in pursuit of one common course	4.00	-0.513	-1.354

The table below indicates that 4.8% (n=12) of the respondents strongly agreed that they were members of a civil organisation. 52% (n=131) of the respondents disagreed to this scale; Descriptive statistics for this scale are a median = 4.00, skewness = -0.397 and the kurtosis = -1.450.

Table 5.46: Gen1 I am a member of an organisation/association/Stokvel/Society that helps me with my entrepreneurial endeavours

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	12	4.8	4.8	4.8
	2 Agree	89	35.5	35.5	40.2
	3 Not sure	18	7.2	7.2	47.4
	4 Disagree	131	52.2	52.2	99.6
	5 Strongly disagree	1	0.4	0.4	100.0
	Total	251	100.0	100.0	

The table below indicates that that 4.4% (n=12) of the respondents strongly agreed that they were engaged in civic organisation. 55.4% (n=131) of the respondents disagreed to this scale; Descriptive statistics for this scale are a median = 4.00, skewness = -0.513 and the kurtosis = -354.

Table 5.47: I am engaged with different civic organisations in my community in pursuit of one common course

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	11	4.4	4.4	4.4
	2 Agree	83	33.1	33.1	37.5
	3 Not sure	17	6.8	6.8	44.2
	4 Disagree	139	55.4	55.4	99.6
	5 Strongly disagree	1	0.4	0.4	100.0
	Total	251	100.0	100.0	

5.6 Inferential Statistics

Inferential statistics are the mathematics and logic of how this generalisation from sample to population can be made. The fundamental question is: can we infer the population's characteristics from the sample's characteristics? Descriptive statistics remains local to the sample, describing its central tendency and variability, while inferential statistics focuses on making statements about the population (Gabrenya, 2003). Multivariable methods of statistical analysis commonly appear in general health science literature. The multivariable methods explore a relation between two or more predictor (independent) variables and one outcome (dependent) variable. The four main multivariable methods used in health science are linear regression, logistic regression, discriminant analysis, and proportional hazard regression (Park, 2003).

5.6.1 Testing the proposed conceptual model

Drawing from the in-depth review of entrepreneurial literature discussed above, a conceptual research model was developed as demonstrated in Chapter 3. The conceptual model can be called the mutual dependence model according to Baron et al. (1986) simply because it uses mutually exclusive concepts to illustrate mediation relationship between them. Essentially, this study assesses the mediating influence of Cultural Intelligence on the relationship between Social Capital and Entrepreneurial performance using Baron and Kenny (1986)'s conceptualisation of mediation. Hence, the model comprises three constructs, one independent variable in Social Capital, and a mediating variable in Cultural Intelligence and Dependant variable in Entrepreneurial Performance. The model is developed using three hypothesis statements which are informed by the in-depth discussion. The constructs of this conceptual model assess three hypotheses as discussed in the following statements. It demonstrates the conceptual formulation of the relationship that exists between Social Capital and Entrepreneurial Performance, Social Capital and Cultural Intelligence and lastly Cultural Intelligence and Entrepreneurial Performance. The conceptual model

together with hypothesised relationships for the proposed study and its results are discussed below.

5.6.2 Spearman Rank Correlation

This study explores the relationship between variables using the Spearman Rank Correlation. It is a non-parametric measure of rank correlation (statistical dependence between the ranking of two variables). It assesses how well the relationship between two variables can be described using a monotonic function. Pirie (2004) notes that the spearman rank correlation indicates magnitude and direction of the association between two variables that are on interval or ratio scale. Spearman Rank correlation is actually a derivation of the correlation coefficient and thus the values must be between -1 and +1 [$-1 \leq r_s \leq 1$].

This study also applies the Andrew Hayes test for mediation to assess the influence of Cultural Intelligence on the relationship between Social Capital and Entrepreneurial Performance. According to Andrew Hayes, a mediation model links a putative cause (X) to be presumed effect (Y) at least in part through an intermediary mediator (M)

- X represents an independent variable which is Social Capital
- Y represents a dependent variable which is Entrepreneurial Performance
- M represents a mediator variable which is Cultural Intelligence

The model for this study is categorised as model 4 multi-categorical X with K categories. All tests were conducted at a 95% confidence interval with alpha set at 0.05. As discussed in the methods chapter, this study was mainly interested in the correlation that exists between variables and also applied bootstrapping which is a non-parametric test for mediation. The results of the tests are presented in Figure 5.12.

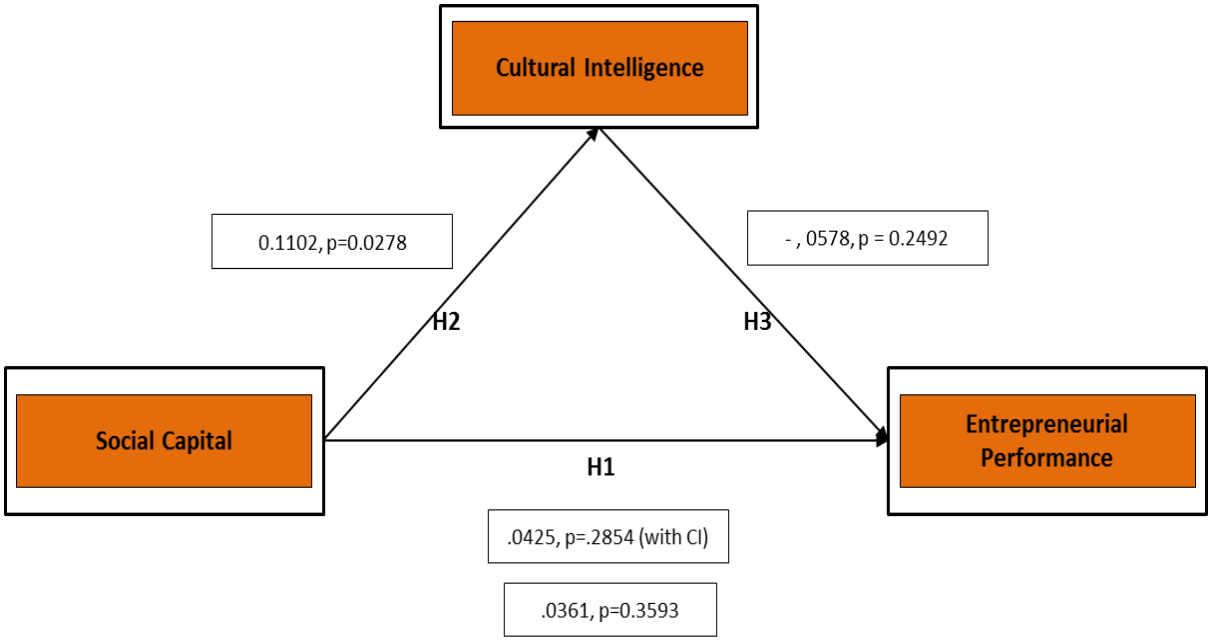


Figure 5.12: Conceptual Model test results

CI is not a significant mediator.

- H1: There is a positive relationship between Social Capital and Entrepreneurial Performance
    - *There is no significant correlation (r = 0.048, N = 251, p = 0.446).*
    - *The hypothesis is rejected*
- H1 (a) There is a positive relationship between Bonding Social Capital and Entrepreneurial performance
    - *There is no significant correlation (r = -0.030, N = 251, p = 0.632).*
    - *The hypothesis is rejected*
- H1 (B) There is a positive relationship between Bridging Social Capital and Entrepreneurial performance
    - *There is a weak, positive, significant correlation between Bridging Social capital and Entrepreneurial Performance (r = 0.151, N = 251, p = 0.017).*
    - *The hypothesis is accepted*
- H1 (C) There is a positive relationship between Linking Social Capital and Entrepreneurial Performance
    - *There is no significant correlation (r = 0.017, N = 249, p = 0.786).*
    - *The hypothesis is rejected*

- H2: There is a positive relationship between Social Capital and Cultural Intelligence
    - *There is a weak, positive, significant correlation between Social capital and cultural intelligence (r = 0.162, N = 251, p = 0.010).*
    - *The hypothesis is accepted*
- H2 (a) There is a positive relationship between Bonding Social Capital and Cultural Intelligence
    - *There is no significant correlation (r = 0.089, N = 251, p = 0.159).*
    - *The hypothesis is rejected*
- H2 (B) There is a positive relationship between Bridging Social Capital and Cultural Intelligence
    - *There is a weak, significant, positive correlation between Cultural Intelligence and Bridging Social Capital (r = 0.173, N = 251, p = 0.006).*
    - *The hypothesis is accepted*
- H2 (C) There is a positive relationship between Linking Social Capital and Cultural Intelligence
    - *There is no significant correlation (r = 0. 068, N = 251, p = 0.282).*
    - *The hypothesis is rejected*
- H3: There is a positive relationship between Cultural Intelligence and Entrepreneurial performance
    - *There is no significant correlation (r = -0.087, N = 251, p = 0.171).*
    - *The hypothesis is rejected*

5.6.3 Correlation between variables

This section summarises the correlations between all variables under study. It used the spearman ***rho*** to identify correlations.

The table below indicates that there is a very weak/negligible correlation between Cultural Intelligence & Social Capital amongst foreign entrepreneurs in the informal economy.

Table 5.48: Correlation between CI & SC

			SOC_CAP_MEAN
Spearman's rho	CI_MEAN	Correlation Coefficient	.162**
		Sig. (2-tailed)	0.010
		N	251
**. Correlation is significant at the 0.01 level (2-tailed).			

The table below looks at the correlations between Cultural Intelligence & All dimension of Social Capital.

The table below reveals that:

- There is a negligible correlation between Cultural Intelligence and Bridging social Capital
- There is a negligible correlation between Cultural Intelligence & Bridging Social Capital
- There is a negligible relation between Cultural Intelligence & Linking Social Capital

Table 5.49: Correlation between CI & SC Components

			BoSC_MEAN	BrSC_MEAN	LSC_MEAN
Spearman's rho	CI_MEAN	Correlation Coefficient	0.089	.173**	0.068
		Sig. (2-tailed)	0.159	0.006	0.282
		N	251	251	249
**. Correlation is significant at the 0.01 level (2-tailed).					

The table below reflects the following correlations:

- There is a negative negligible correlation between BPI & Cultural Intelligence
- There is a negligible correlation between BPI & Bonding SC
- There is negligible correlation between BPI & Bridging SC
- There is negligible correlation between BPI & Linking SC

Table 5.50 Correlation between Business Performance, CI as a Mediator & Social Capital as an Independent Variable

		CI_ MEAN	BoSC_ MEAN	BrSC_ MEAN	LSC_ MEAN	GEN_ MEAN	SOC_CAP_ MEAN
BPI_CORR	Correlation Coefficient	-0.087	-0.030	.151*	0.017	0.022	0.048
	Sig. (2-tailed)	0.171	0.632	0.017	0.786	0.728	0.446
	N	251	251	251	249	251	251
**. Correlation is significant at the 0.01 level (2-tailed). *. Correlation is significant at the 0.05 level (2-tailed).							

5.6.4 Statistics for further interest - Differences between Groups

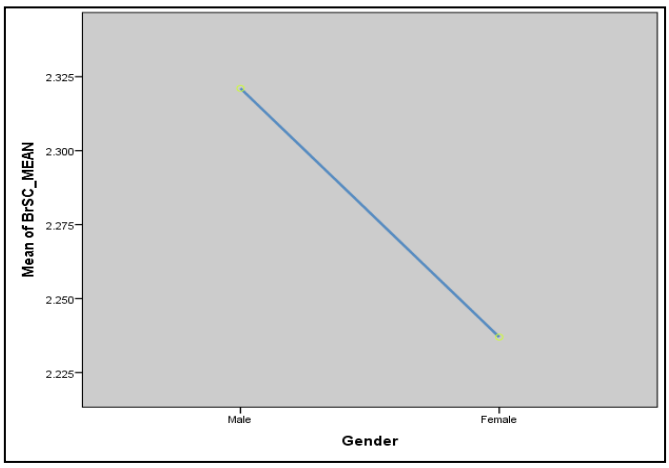
The Mann-Whitney U test and the Kruskal-Wallis tests are non-parametric methods designed to detect whether two or more samples come from the same distribution or to test whether medians between comparison groups are different, under the assumption that the shapes of the underlying distributions are the same. Thus, these nonparametric tests are commonly used to determine whether medians, not means, are different between comparison groups. Although these tests are often used to compare means when normality assumption is not violated, strictly speaking, interpreting the results of non-parametric tests for mean comparison is inaccurate (DeCoster, 2006).

The most salient difference between the two tests is that the Mann-Whitney U test is usually used for comparison of two groups and the Kruskal-Wallis test for comparison of three groups. The two tests are usually performed when normality is questionable. These sections assesses the differences between groups of foreign entrepreneurs in the informal economy.

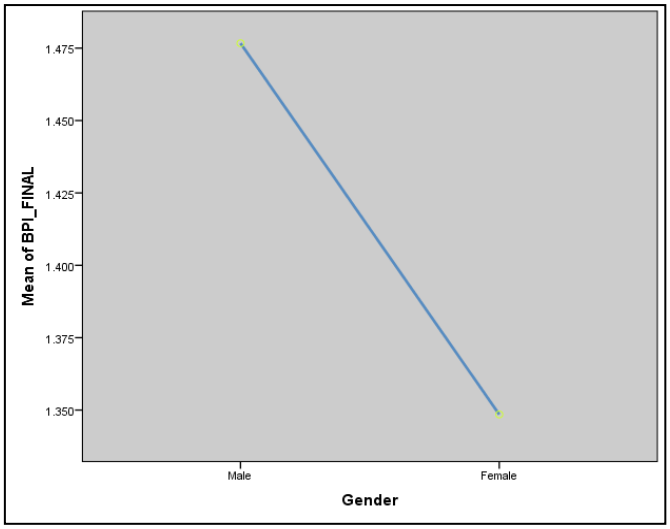
5.6.4.1 Mann-Whitney

As discussed in the literature, this section assesses difference between two groups. The formulations are based on the data collected amongst foreign entrepreneurs in the informal economy; it is a non-parametric test that is used to compare two sample means that come from the same population, and is used to test whether two sample means are equal or not. Usually, the Mann-Whitney U test is used when the data is ordinal or when the assumptions of the t-test are not met. It has been already ascertained that Mann-Whitney is an ordinal test – medians are preferred as a measure of central tendency. The Mann-Whitney results are presented below

1. There is a significant difference in gender and BrSC Mean (U = 5418.500, p = 0.016)



2. There is a significant difference in gender and BPI Mean (U = 4565.000, p < 0.001)



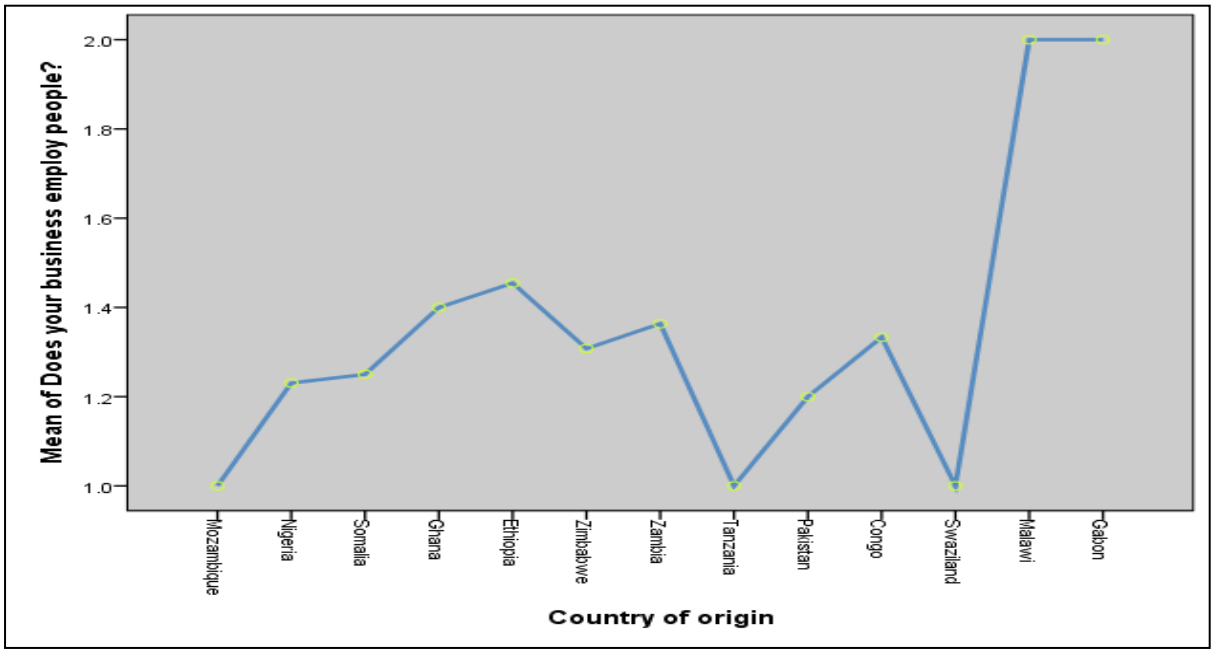
3. There is a significant difference in how many years they have been to South Africa, and how many years they have been in business (H(2) = 95.524, p < 0.001)
4. There is a significant difference in how many years they have been to South Africa, and whether their business employs people (H(2) = 25.431, p < 0.001)
5. There is a significant difference in how many years they have been to South Africa, and estimated average revenue per month (H(2) = 8.943, p = 0.011)
6. There is a significant difference in how many years they have been to South Africa, and whether their estimated revenue per month has increased over the years (H(2) = 7.721, p = 0.021)
7. There is a significant difference in how many years they have been to South Africa, and have reached out for help for their business to their acquaintances (H(2) = 6.104, p = 0.047)
8. There is a significant difference in how many years they have been to South Africa, and have received more business help from their acquaintances compared to their friends/family/relatives/neighbours (H(2) = 10.662, p = 0.005)
9. There is a significant difference in respondents highest qualification and how many years they have been in business (H(2) = 48.294, p < 0.001)
10. There is a significant difference in respondents highest qualification and whether their business employs people (H(2) = 20.791, p < 0.001)

11. There is a significant difference in respondents highest qualification and their business growing in size (Assets, operations, markets, etc) over the years (H(2) = 9.655, p = 0.022)
12. There is a significant difference in respondents previous experience and whether their business employs people (H(2) = 13.633, p = 0.001)
13. There is a significant difference in respondents' previous experience and whether their business has grown in size (assets, operations, markets, etc) over the years (H(2) = 12.587, p = 0.002)
14. There is a significant difference in respondent's previous experience and their estimated average revenue per month (ZAR) (H(2) = 29.352, p < 0.001)
15. There is a significant difference in respondents' previous experience and having deep relationships with their friends/family/relatives/neighbours specifically on business related issues (H(2) = 6.406, p = 0.041)
16. There is a significant difference in respondents' previous experience and networks with people with different academic backgrounds and levels helping them with their business (H(2) = 7.949, p = 0.019)

5.6.4.2 Kruskal-Wallis

Kruskal-Wallis is another form of non-parametric test that observes differences between groups. This section assesses the differences that exist between two or more groups as this test is more useful in this respect. As discussed, this is a non-parametric test, and this test can be used for both continuous and ordinal-level dependent variables. Furthermore, this test is normally intended to test the null hypothesis; the null hypothesis normally assumes that the samples are from identical samples. Ordinarily, If the calculated value of the Kruskal-Wallis test is less than the critical chi-square value, then the null hypothesis cannot be rejected. If the calculated value of Kruskal-Wallis test is greater than the critical chi-square value, then we can reject the null hypothesis and say that at least one of the samples comes from a different population. The Mann-Whitney results are presented below

1. There is a significant difference in country of origin and whether their business employs people (H(17) = 34.917, p = 0.006).



The difference lies between:

Mozambique and India ($\chi^2(1) = 10.697$, $p = 0.001$)

Nigeria and India ($\chi^2(1) = 11.676$, $p = 0.001$)

Somalia and India ($\chi^2(1) = 11.328$, $p = 0.001$)

Somalia and Congo ($\chi^2(1) = 5.146$, $p = 0.023$)

Ghana and India ($\chi^2(1) = 10.228$, $p = 0.001$)

India and Ethiopia ($\chi^2(1) = 11.008$, $p = 0.001$)

India and Zimbabwe ($\chi^2(1) = 11.008$, $p = 0.001$)

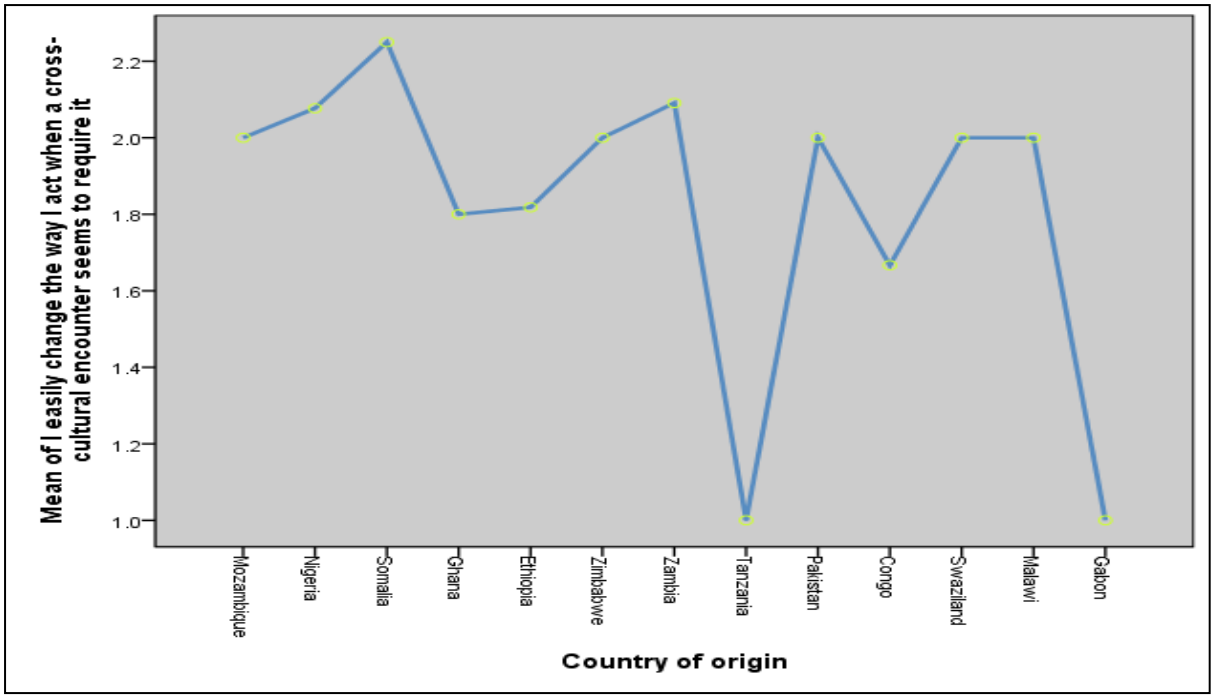
India and Zambia ($\chi^2(1) = 11.415$, $p = 0.001$)

India and Pakistan ($\chi^2(1) = 11.987$, $p = 0.001$)

India and Congo ($\chi^2(1) = 8.954$, $p = 0.003$)

India and Gabon ($\chi^2(1) = 4.024$, $p = 0.045$)

2. There is a significant difference in country of origin and easily changing the way they act when a cross-cultural encounter seems to require it ($H(17) = 33.080$, $p = 0.011$).



The difference lies between:

Mozambique and India ($\chi^2(1) = 10.697$, $p = 0.001$)

Nigeria and India ($\chi^2(1) = 11.676$, $p = 0.001$)

Somalia and India ($\chi^2(1) = 11.328$, $p = 0.001$)

Somalia and Congo ($\chi^2(1) = 5.146$, $p = 0.023$)

Ghana and India ($\chi^2(1) = 10.228$, $p = 0.001$)

India and Ethiopia ($\chi^2(1) = 11.008$, $p = 0.001$)

India and Zimbabwe ($\chi^2(1) = 11.008$, $p = 0.001$)

India and Zambia ($\chi^2(1) = 11.415$, $p = 0.001$)

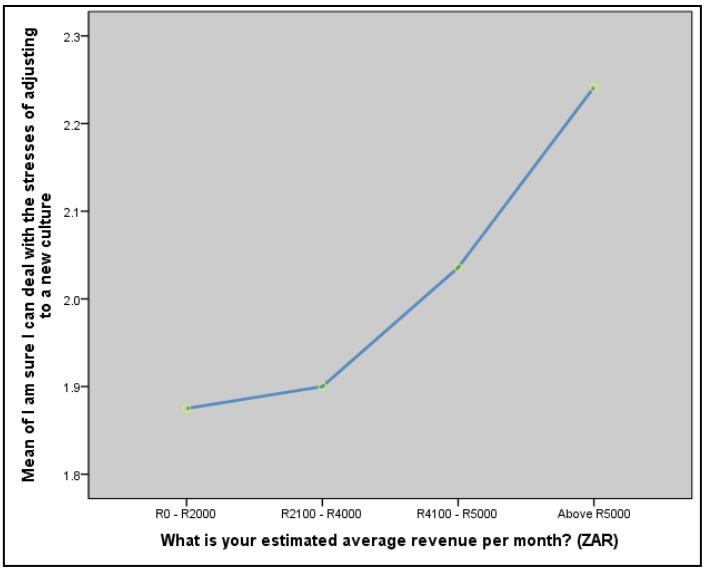
India and Pakistan ($\chi^2(1) = 11.987$, $p = 0.001$)

India and Congo ($\chi^2(1) = 8.954$, $p = 0.003$)

India and Gabon ($\chi^2(1) = 4.024$, $p = 0.045$)

Differences in Entrepreneurial Performance

1. There is a significant difference in their estimated average revenue per month (ZAR) and being sure they can deal with the stresses of adjusting to a new culture ($H(3) = 13.069$, $p = 0.004$)

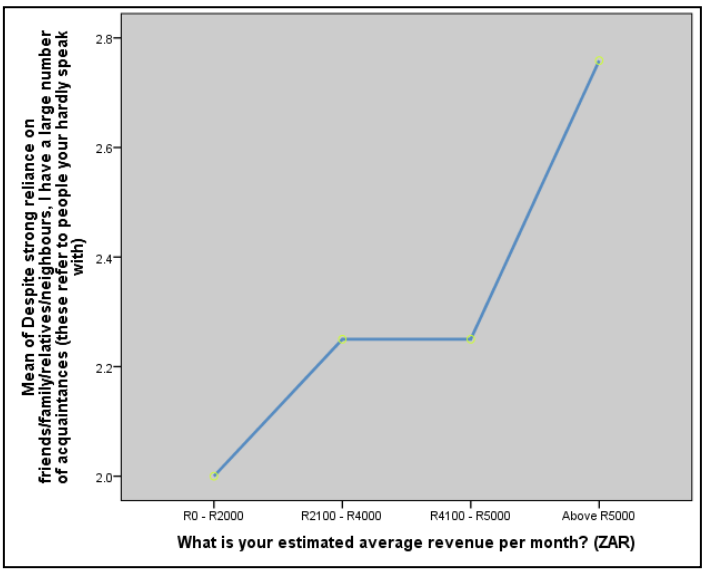


The difference lies between:

R0 - R2000 and R2100 - R4000 ($\chi^2(1) = 7.091$, $p = 0.008$)

R2100 - R4000 and Above R5000 ($\chi^2(1) = 10.227$, $p = 0.001$)

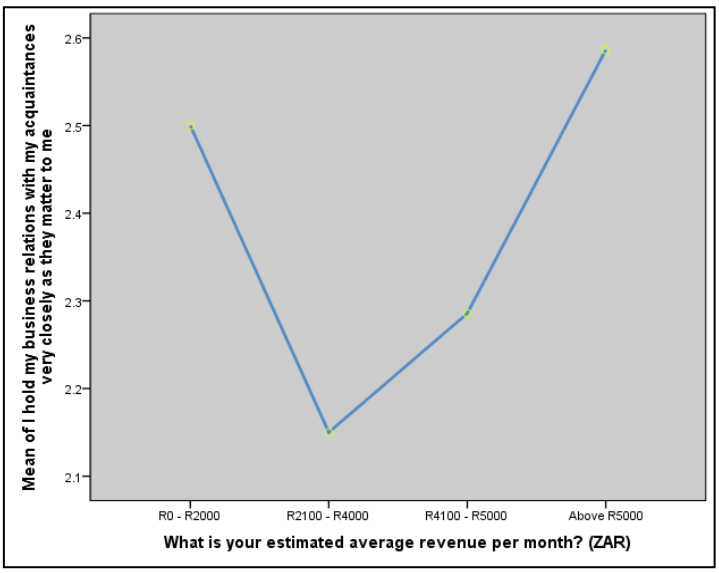
2. There is a significant difference in their estimated average revenue per month (ZAR) and despite having a strong reliance on friends/family/relatives/neighbours, having a large number of acquaintances (these refer to people your hardly speak with) ($H(3) = 8.340$, $p = 0.039$)



The difference lies between:

R2100 - R4000 and Above R5000 ($\chi^2(1) = 7.305$, $p = 0.007$)

3. There is a significant difference in their estimated average revenue per month (ZAR) and holding their business relations with their acquaintances very closely as they matter to them ($H(3) = 9.030$, $p = 0.029$)



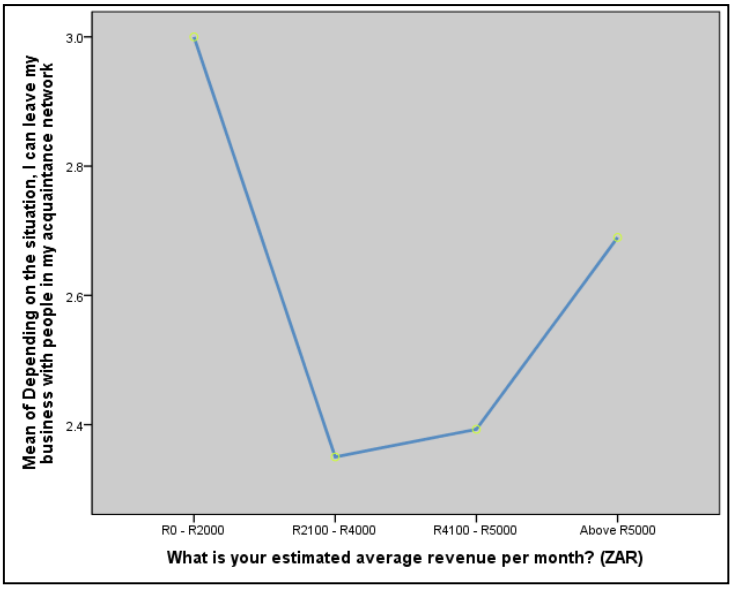
The difference lies between:

R0 - R2000 and R2100 - R4000 ($\chi^2(1) = 6.991$, $p = 0.008$)

R0 - R2000 and R4100 - R5000 ($\chi^2(1) = 4.029$, $p = 0.045$)

R2100 - R4000 and Above R5000 ($\chi^2(1) = 4.880$, $p = 0.027$)

4. There is a significant difference in their estimated average revenue per month (ZAR) and depending on the situation, leaving their business with people in their acquaintance network ($H(3) = 8.898$, $p = 0.031$)

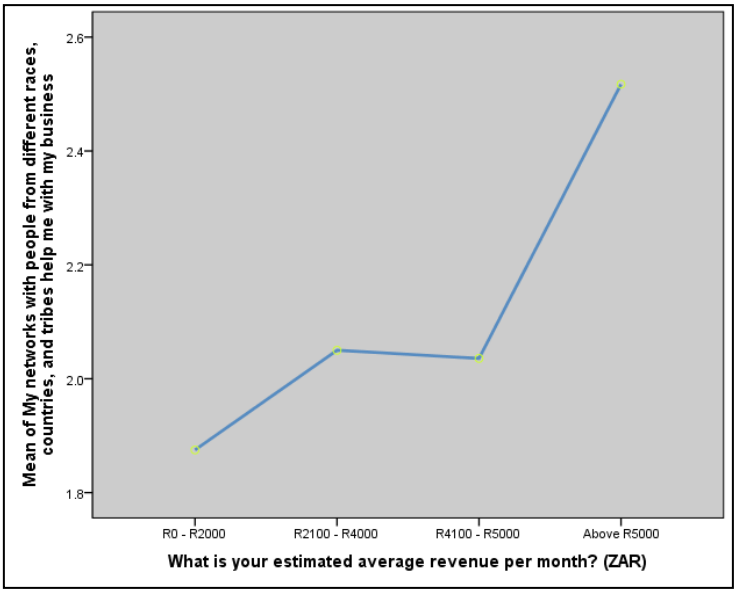


The difference lies between:

R0 - R2000 and R2100 - R4000 ($\chi^2(1) = 7.485$, $p = 0.006$)

R0 - R2000 and R4100 - R5000 ($\chi^2(1) = 6.008$, $p = 0.014$)

5. There is a significant difference in their estimated average revenue per month (ZAR) and their networks with people from different races, countries, and tribes helping them with their business ($H(3) = 9.272$, $p = 0.026$)

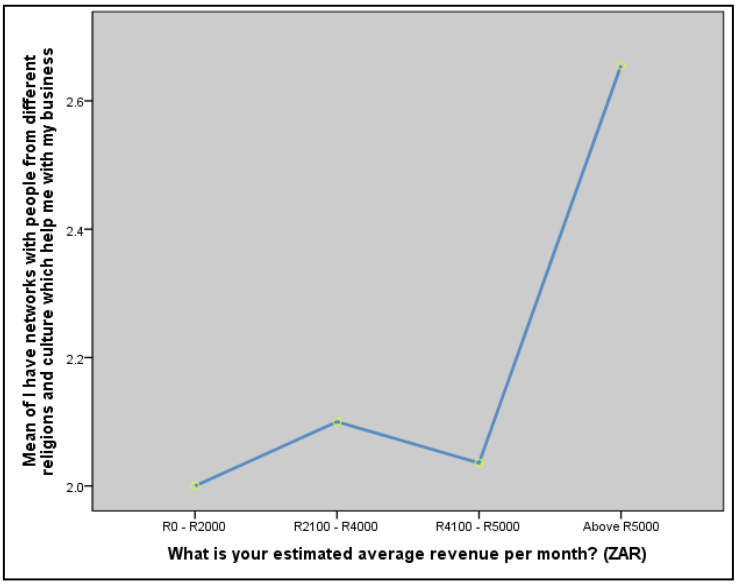


The difference lies between:

R0 - R2000 and above R5000 ($\chi^2(1) = 4.966$, $p = 0.026$)

R2100 - R4000 and Above R5000 ($\chi^2(1) = 7.078$, $p = 0.008$)

6. There is a significant difference in their estimated average revenue per month (ZAR) and having networks with people from different religions and culture who help them with their business ($H(3) = 10.603$, $p = 0.014$)

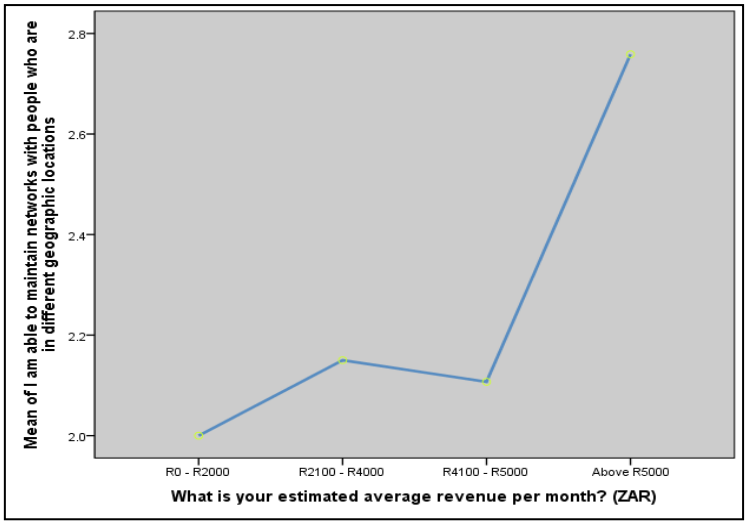


The difference lies between:

R2100 - R4000 and Above R5000 ($\chi^2(1) = 8.588$, $p = 0.003$)

R4100 - R5000 and Above R5000 ($\chi^2(1) = 5.477$, $p = 0.019$)

7. There is a significant difference in their estimated average revenue per month (ZAR) and being able to maintain networks with people who are in different geographic locations ($H(3) = 9.494$, $p = 0.023$)

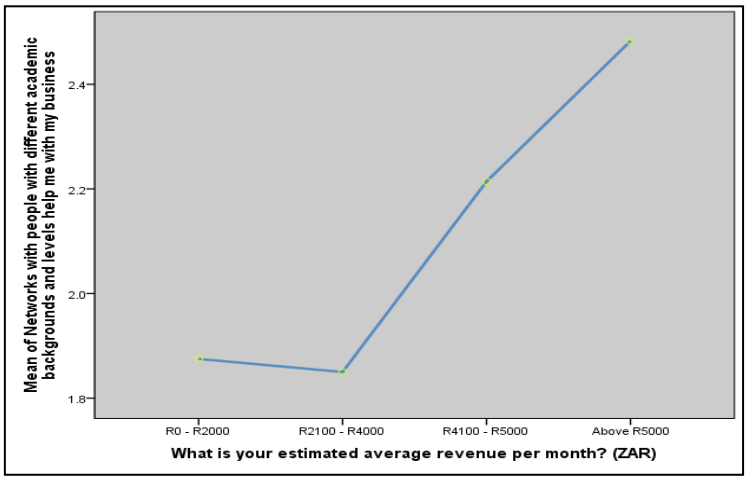


The difference lies between:

R2100 - R4000 and Above R5000 ($\chi^2(1) = 7.819$, $p = 0.005$)

R4100 - R5000 and Above R5000 ($\chi^2(1) = 4.914$, $p = 0.027$)

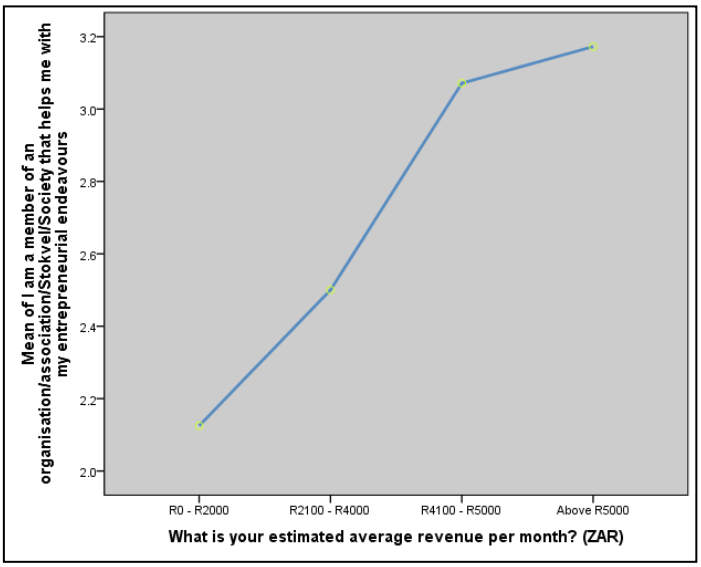
8. There is a significant difference in their estimated average revenue per month (ZAR) and networks with people with different academic backgrounds and levels helping them with their business ($H(3) = 7.831$, $p = 0.050$)



The difference lies between:

R2100 - R4000 and Above R5000 ($\chi^2(1) = 7.764$, $p = 0.005$)

There is a significant difference in their estimated average revenue per month (ZAR) and being a member of an organisation/association/Stokvel/Society that helps them with their entrepreneurial endeavours (H(3) = 8.278, p = 0.041)

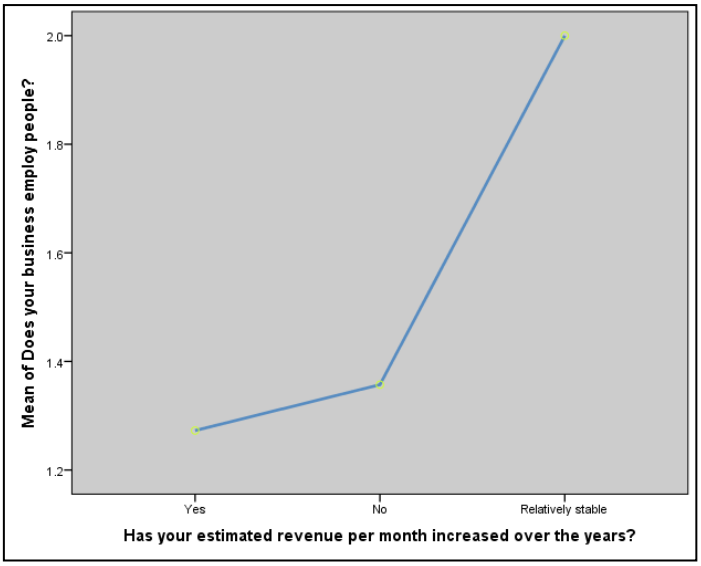


The difference lies between:

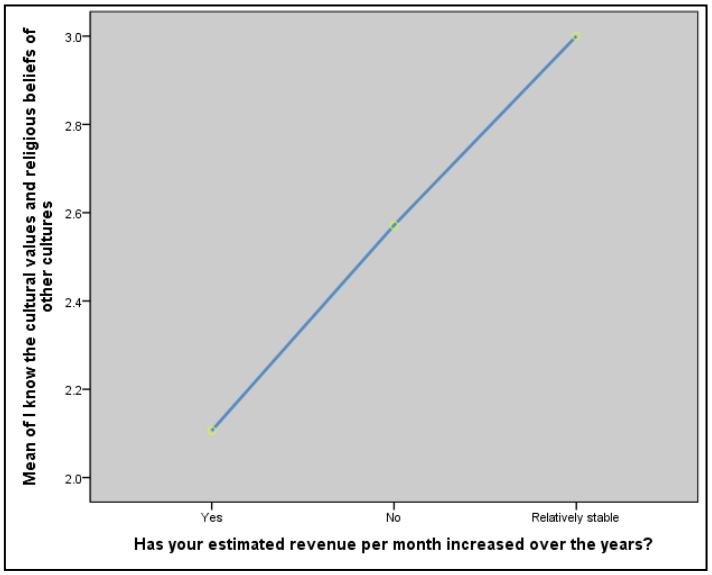
R2100 - R4000 and R4100 - R5000 ($\chi^2(1) = 7.565$, p = 0.006)

R2100 - R4000 and Above R5000 ($\chi^2(1) = 4.171$, p = 0.041)

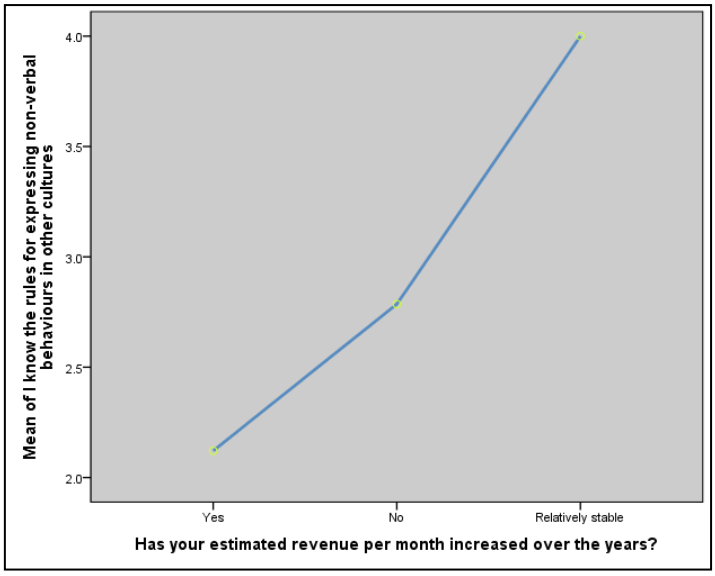
9. There is a significant difference in whether their estimated revenue per month has increased over the years, and whether their business employs people (H(2) = 7.900, p = 0.019).



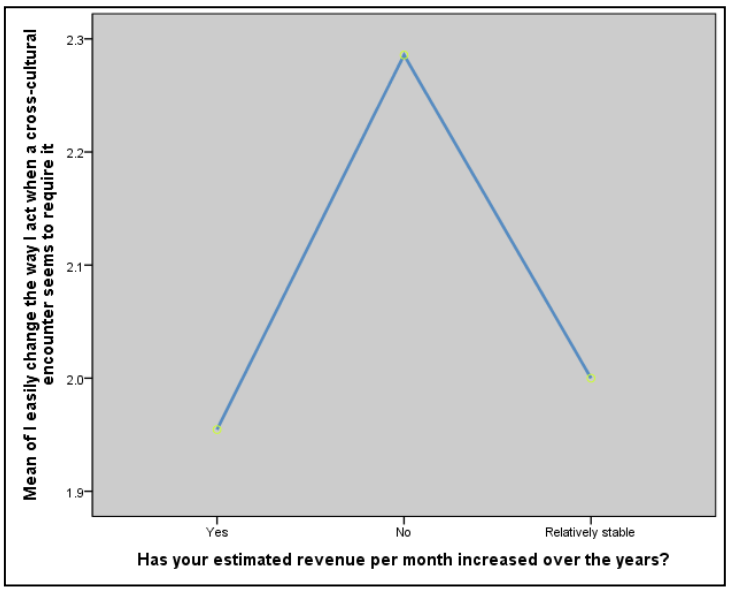
10. There is a significant difference in whether their estimated revenue per month has increased over the years, and knowing the cultural values and religious beliefs of other cultures (H(2) = 9.218, p = 0.010).



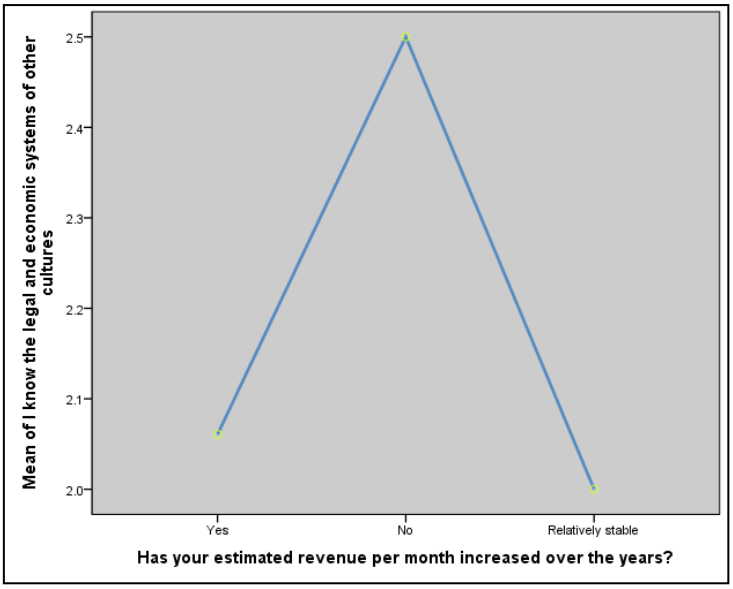
11. There is a significant difference in whether their estimated revenue per month has increased over the years, and knowing the rules for expressing non-verbal behaviours in other cultures (H(2) = 17.269, p < 0.001).



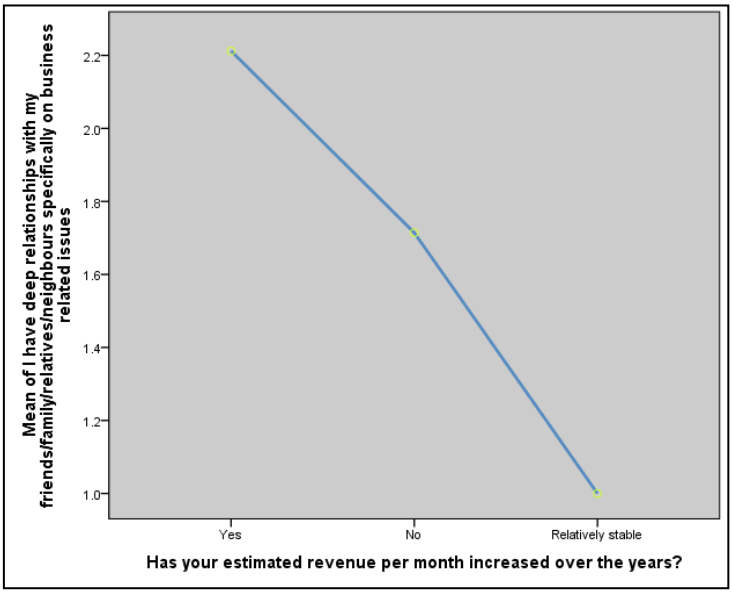
12. There is a significant difference in whether their estimated revenue per month has increased over the years, and easily changing the way they act when a cross-cultural encounter seems to require it (H(2) = 11.103, p = 0.004).



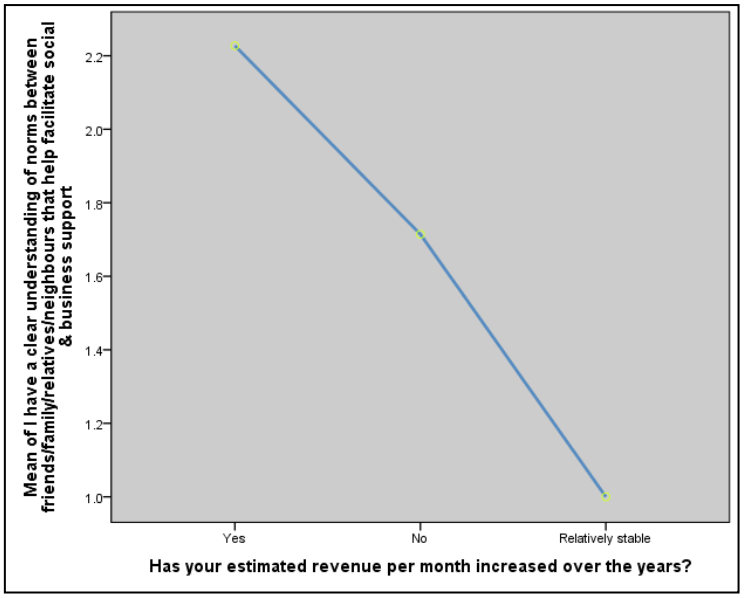
13. There is a significant difference in whether their estimated revenue per month has increased over the years, and knowing the legal and economic systems of other cultures (H(2) = 9.530, p = 0.009).



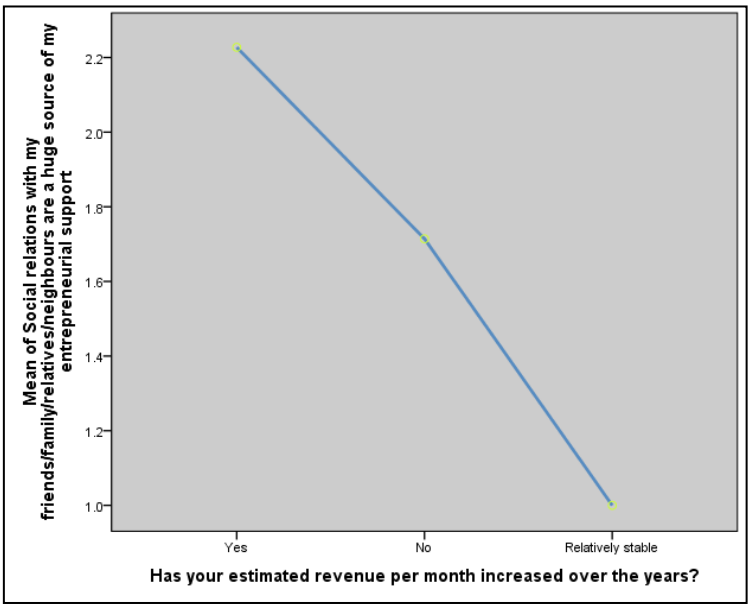
14. There is a significant difference in whether their estimated revenue per month has increased over the years, and having deep relationships with their friends/family/relatives/neighbours specifically on business related issues (H(2) = 6.817, p = 0.033).



15. There is a significant difference in whether their estimated revenue per month has increased over the years, and having a clear understanding of norms between friends/family/relatives/neighbours that help facilitate social and business support (H(2) = 8.148, p = 0.017).

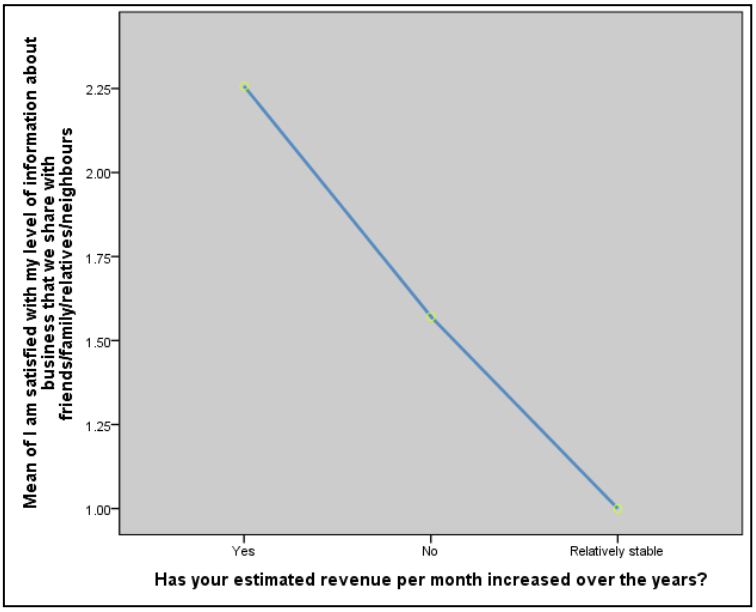


16. There is a significant difference in whether their estimated revenue per month has increased over the years, and social relations with their friends/family/relatives/neighbours are a huge source of their entrepreneurial support (H(2) = 9.406, p = 0.009).

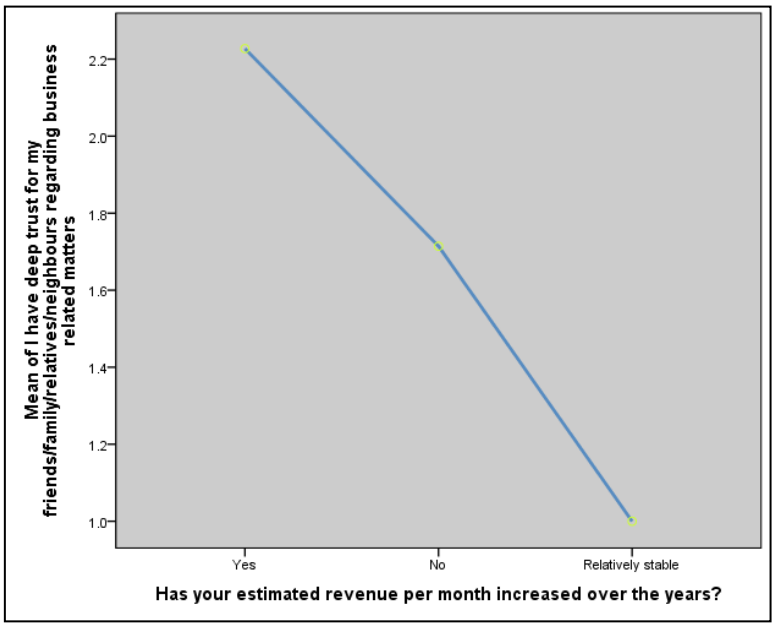


17. There is a significant difference in whether their estimated revenue per month has increased over the years, and being satisfied with their level of information

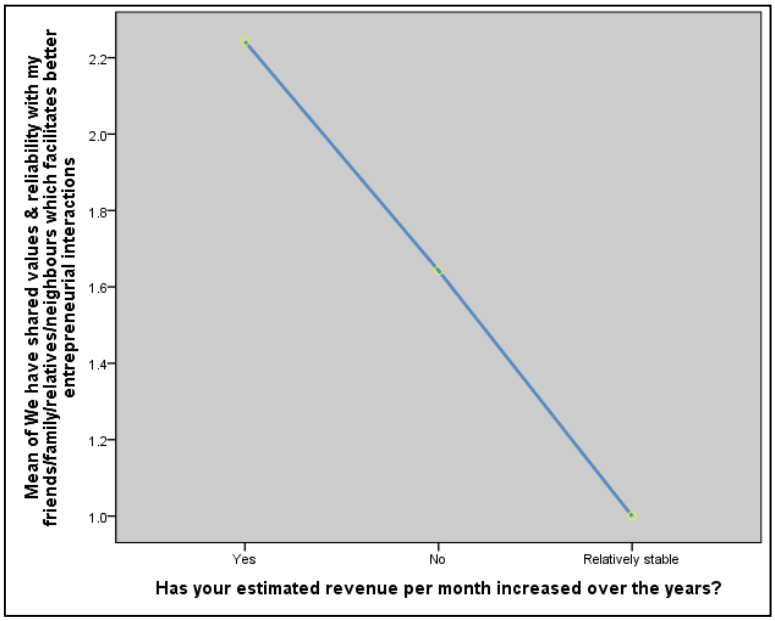
about business that they share with friends/family/relatives/neighbours (H(2) = 11.151, p = 0.004).



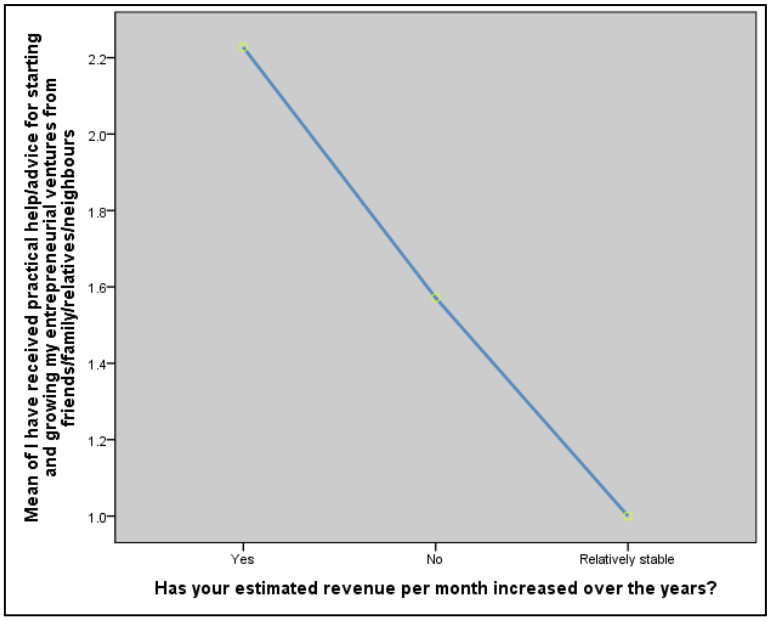
18. There is a significant difference in whether their estimated revenue per month has increased over the years, and having deep trust for their friends/family/relatives/neighbours regarding business related matters (H(2) = 9.867, p = 0.007).



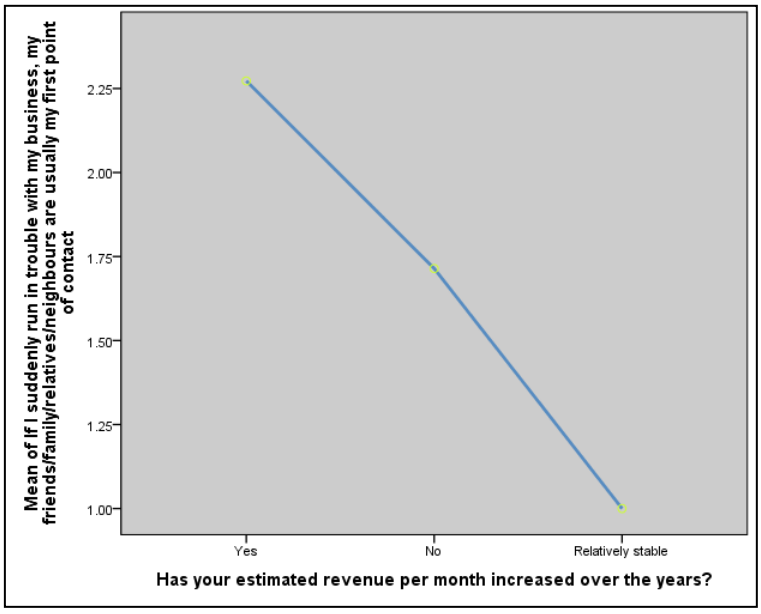
19. There is a significant difference in whether their estimated revenue per month has increased over the years, and have shared values and reliability with their friends/family/relatives/neighbours which facilitates better entrepreneurial interactions (H(2) = 11.420, p = 0.003).



20. There is a significant difference in whether their estimated revenue per month has increased over the years, and having received practical help/advice for starting and growing their entrepreneurial ventures from friends/family/relatives/neighbours (H(2) = 12.416, p = 0.002).

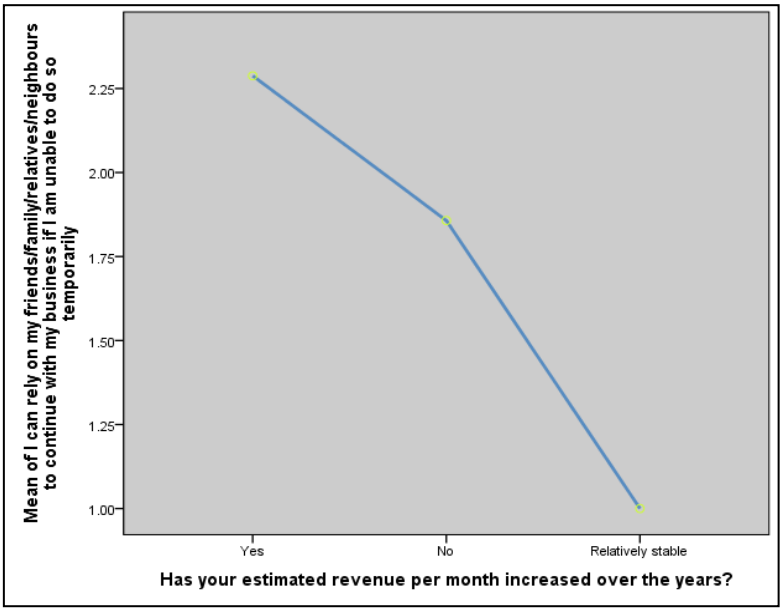


21. There is a significant difference in whether their estimated revenue per month has increased over the years, and suddenly run in trouble with my business, my friends/family/relatives/neighbours are usually my first point of contact (H(2) = 12.108, p = 0.002).

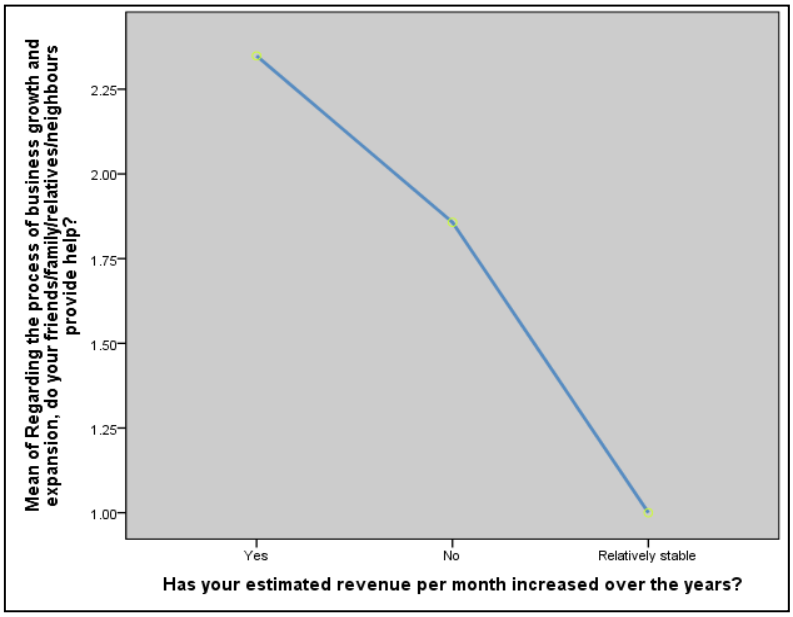


22. There is a significant difference in whether their estimated revenue per month has increased over the years, and relying on friends/family/relatives/neighbours

to continue with their business if they are unable to do so temporarily (H(2) = 8.683, p = 0.013).



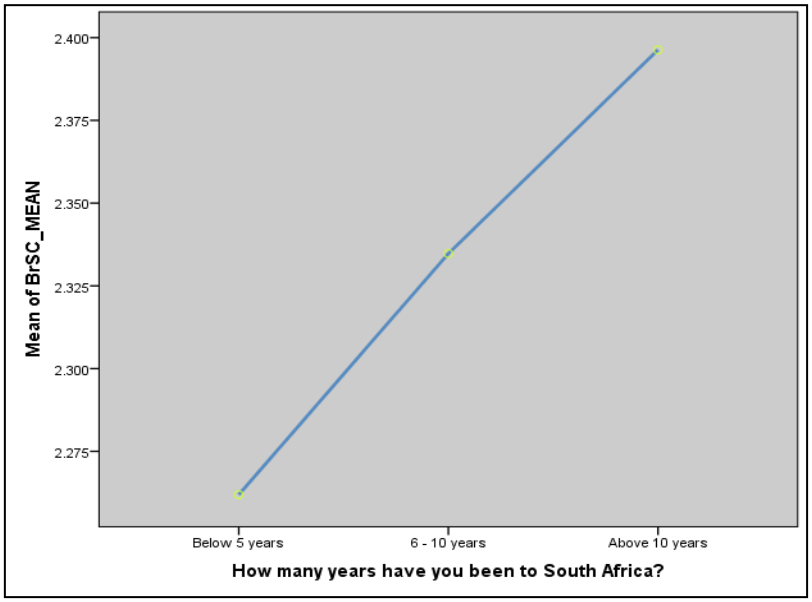
23. There is a significant difference in whether their estimated revenue per month has increased over the years, and regarding the process of business growth and expansion, friends/family/relatives/neighbours providing help (H(2) = 10.441, p = 0.005).



24. There is a significant difference in whether their estimated revenue per month has increased over the years, and having received more business help from acquaintances compared to their friends/family/relatives/neighbours (H(2) = 6.275, p = 0.043).

Differences in overall means

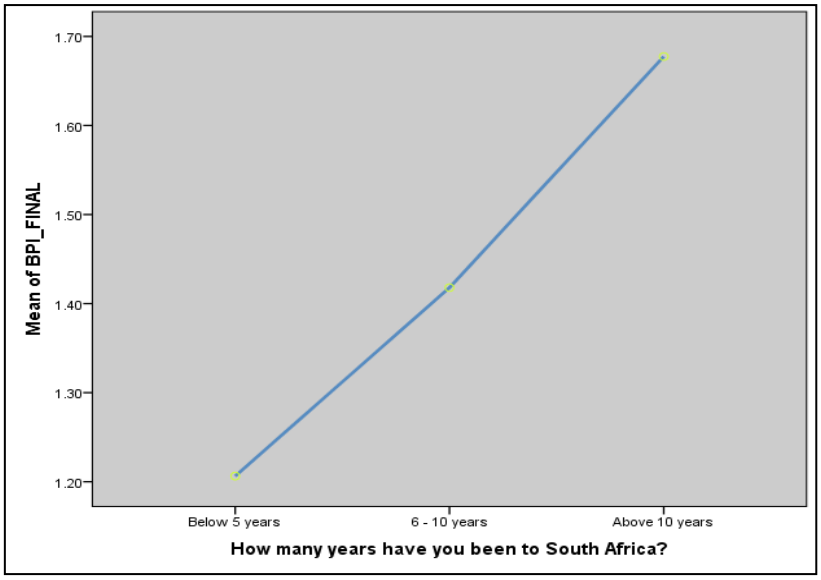
1. There is a significant difference in how many years they have been in South Africa, and BrSC mean (H(2) = 6.692, p = 0.035)



The difference lies between:

6 - 10 years and Above 10 years ($\chi^2(1) = 6.353$, p = 0.012)

2. There is a significant difference in how many years they have been in South Africa, and BPI mean (H(2) = 58.083, p < 0.001)



The difference lies between:

Below 5 years and 6 - 10 years ($\chi^2(1) = 19.520$, $p < 0.001$)

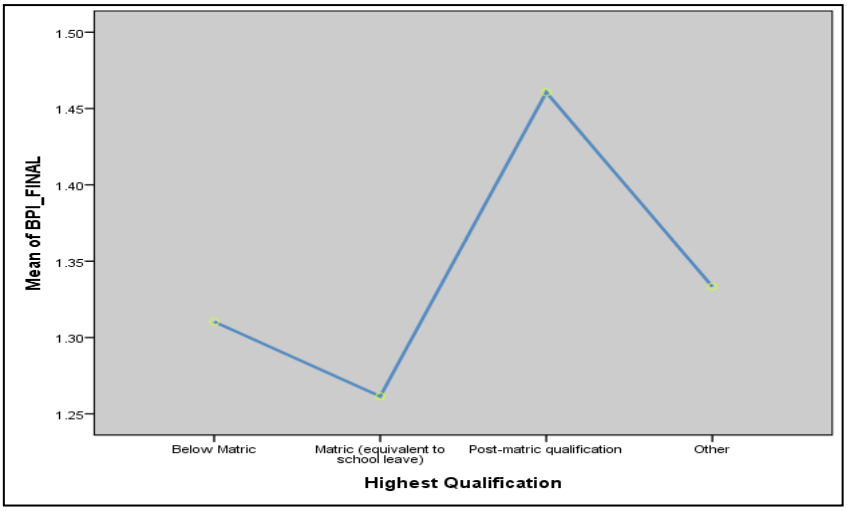
Below 5 years and Above 10 years ($\chi^2(1) = 46.397$, $p < 0.001$)

6 - 10 years and Above 10 years ($\chi^2(1) = 29.976$, $p < 0.001$)

3. There is a significant difference in respondent's highest qualification and their business performance ($H(3) = 12.758$, $p = 0.005$).

The difference lies between:

Matric (equivalent to school leaving) and Post-matric qualification ($\chi^2(1) = 11.690$, $p = 0.001$)



5.7 Conclusion of Chapter

This chapter provided a description of the data analysis procedures that were followed in this study prior to presenting research findings. The salient objective of this chapter was to assess the profile of respondents that took part in this study, the measurement of the instruments, and also to assess the relationship between variables. This chapter first discussed the response rate and also the results of the pilot study. The study further assessed the data collected to check if this data was normal or not, thus the test for normality was conducted to reveal critical information about the nature of this data. All the sections in the questionnaire were recorded as reliable with them returning the right levels of Cronbach alpha scores. This study also used factor analysis to uncover complex patterns in the dataset, the factor analysis was forced into four factors.

This chapter also presented information regarding the sample characteristics ranging from age, gender to their information relating to business performance. This data was ordinal data; this study classified information using the median as a measure of central tendency and also use skewness and kurtosis to ascertain levels of symmetry. Inferential statistics sought to investigate correlations between variables and the Spearman Rank correlation was applied together with the Andrew Hayes test for

mediation. The Mann-Whitney and the Kruskal-Wallis test was used to assess the differences in groups.

The next chapter discusses the results and the implications of the data collected; from this discussion, valid scientific conclusions can be drawn and also proposals for future study presented.

6 CHAPTER SIX: DISCUSSION OF RESULTS

6.1 Introduction

This chapter discusses the results and conclusions of this study. It also discusses limitations and prospective study areas for future research. Chapter 1 of this study discussed the context of this the study, the problem statement, purpose of the study and the broad objectives. Further, chapter 1 also discussed the main research questions and contributions of study. Chapter 2 focused on the review of literature of the different components of this study. The review of literature focused on defining Social Capital, Cultural Intelligence and Entrepreneurial Performance. By extension, chapter 3 was concerned with the development of the hypothesis and the conceptual model to be tested. Chapter 4 focused on the research strategy adopted in this study while chapter 5 was a presentation of the results using different tools. This chapter is concerned with the interpretation of the research results in relation to the broad research objectives, questions and the hypotheses. Lastly, this study discusses the limitations and recommendations for future research.

6.2 Purpose of the study

The broad purpose of this study was to understand the influence of Cultural Intelligence on the relationship between Social Capital and the multi-faceted construct of Entrepreneurial Performance in the informal economy, a study focusing on foreign entrepreneurs in Johannesburg. Ascertaining the nature of this mediating influence was deemed as important as entrepreneurial literature has revealed that the construct of entrepreneurship over the years has evolved from being about sales and making a profit to being embedded within the social networks of entrepreneurs. Also, amidst the continued social tensions between foreign and local entrepreneurs in the informal economy, it has become increasingly important to evaluate the social factors associated with the entrepreneurial performance and outlook of foreign entrepreneurs in the informal economy.

6.3 Objectives of the study

In order to address the identified problem and achieve the purpose of the study, the following objectives were identified:

6.3.1 Primary Objective

- The primary objective of this study was to evaluate the influence of cultural intelligence on the relationship between Social Capital and Entrepreneurial Performance

In line with the primary and secondary research objectives, the hypotheses were developed for this study and tested.

A hypothesised relationship sought to suggest that Cultural Intelligence is a significant mediator between Social Capital and Entrepreneurial Performance. The Andrew Hayes test for mediation reveal that Cultural Intelligence is no significant mediator, with r=0361, p=0.3593

The secondary objectives of this study aimed at assessing the mediating impact of Cultural Intelligence on the relation between each component of Social Capital and Entrepreneurial Performance – this discussion falls within the discussion below which discusses the hypothesises.

6.3.2 Discussion of the findings

This study was conducted over a sample of 251 foreign entrepreneurs from different business districts across Johannesburg. There was no particular sensitivity in terms of gender as the study targeted all entrepreneurs regardless of gender, also this study was strictly targeted to people above the age of 18 who own non-tax paying businesses in the informal economy.

6.3.3 Tests for normality, reliability and reduction techniques

6.3.3.1 Conclusions regarding normality

The assessment of normality of data is a prerequisite for many statistical tests. This study applied the most common tests for normality called the Kolmogorov-Smirnov Test and the Shapiro-Wilk Test. Normality is one of the most common assumptions made in the development and use of statistical procedures (Hain, 2010). Both the Kolmogorov-Smirnov and Shapiro-Wilk normality tests indicate a significance level of .000. This value is less than .001 and is indicative of the data not being normally distributed and hence requiring the use of a non-parametric test.

6.3.3.2 Conclusions regarding reliability

This study used the Cronbach alpha tests for test reliability. Cronbach alpha is normally used to provide a measure of the internal consistency of a test or scale; it is expressed as a number between 0 and 1 (Tavakol & Dennick, 2011). This study applied the Cronbach alpha tests on all the scales and also summarised the results per section. Ordinarily, for each scale or section to be reliable, the Cronbach alpha must be closer to 1, anything above 0.7 is accepted as reliable. Therefore, this study revealed that all our scales and sections were reliable.

The total number of scales for Cultural Intelligence had a total of seven scales and the overall Cronbach alpha score was 0.854. The total number of scales for Bonding Social Capital was 11 with an overall Cronbach alpha score of 0.989. The total scales for Bridging Social Capital was 14 with an overall Cronbach alpha score of 0.968. The total number of scales for Linking Social Capital was six with an overall score of 0.869. Also, the general section had two scales with an overall Cronbach alpha score of 0.853.

Therefore, all the scales for these sections were accepted as valid and could be trusted to produce the desired results for this study.

6.3.3.3 Content validity

Content validity aims at ascertaining whether the research instrument measures what it is supposed to measure. The research instrument was designed using scales that have been previously used and thus this study is valid as the results meets research objects and answers research questions.

6.3.3.4 Data reduction techniques – Factor Analysis

The results of this study reflect that 74.446% of the overall variance is explained by the first four factors. This study reveals that for Social Capital, the most important scales were:

- BoSC3 I have a clear understanding of norms between friends/family/relatives/neighbours that help facilitate social and business support
- BoSC7 We have shared values and reliability with my friends/family/relatives/neighbours which facilitates better entrepreneurial interactions
- BoSC4 Social relations with my friends/family/relatives/neighbours are a huge source of my entrepreneurial support
- BoSC8 I have received practical help/advice for starting and growing my entrepreneurial ventures from friends/family/relatives/neighbours

The above indicate that most foreign entrepreneurs claimed that they had a good understanding of the norms that existed between their immediate social structures while they also indicated that they understood the shared values. They further attributed their entrepreneurial success to support from their immediate networks further claiming to have received practical help from them. Katz, Lazer, Arrow and Contractor (2004) note that social networks consist of actors and the relations between the actors. The network theory for close ties also assesses the flow of resources amongst close networks which may enable and facilitate business help. Easley et al. (2010) reveal that strong and immediate ties improve embeddedness and bridge a lot

of gaps which trigger success. Thus, the findings of this study validate that strong ties are important for entrepreneurial success. However, there are also arguments that suggest that strong ties often act as enablers for accessing weaker ties which are normally functional, but equally useful for success and the improvement of social capital in general.

The highly ranked scales for Cultural Intelligence were:

- CI5 I know the rules for expressing non-verbal behaviours in other cultures
- CI6 I easily change the way I act when a cross-cultural encounter seems to require it
- CI2 I have confidence that I can build quick rapport with people from different cultures
- CI4 I know the cultural values and religious beliefs of other cultures

This indicates that most entrepreneurs feel that they could master the non-verbal behaviours of other cultures and normally changed the way they acted when a new cultural encounter required them to do so. Entrepreneurs further believe that they were confident they could build rapport with people from different cultures while they also expressed their confidence in knowing different cultural beliefs.

6.3.4 Interpretation and Discussion of Empirical results

This section provides an interpretation of the results presented in the preceding chapter to determine whether the theoretical relationships specified at the conceptualisation stage (Chapter 3) were indeed supported by the gathered data. This discussion is based on the tested conceptual model presented in figure 6.1. This study was conducted amongst foreign entrepreneurs in the informal economy of Johannesburg, Spearman Rank Correlation was used to measure the strength of relationships. All tests are performed at a 95% confidence interval equalling a set alpha of 0.05.

6.3.4.1 The relationship between Social Capital and Entrepreneurial Performance (H1)

Based on the theoretical formulations, the first hypothesis made an undertaking that there is a positive relationship between Social Capital and Entrepreneurial Performance. The results of this study indicate that, there is no significant correlation between Social Capital and Entrepreneurial Performance. The correlation rank for this was a *rho* weight of **r=0.048**, the weight indicates that there is no significant relationships between the two variables. The results of this study force a rejection of the H1. The findings of this study are contrary to the literature which claimed that social networks are valuable resources since they facilitate economic activity, allow entrepreneurs to be more efficient and access exclusive business opportunities and improve innovation. Other studies show that social capital can also enhance success by strengthening an entrepreneur's status and image of power (Fornoni et al., 2012). Chen et al. (2007) further note that for new ventures, social capital plays an important role in identifying entrepreneurial opportunities and securing external resources. New ventures are likely to have brilliant perspectives if they develop their social capital strongly at their initial stage of business. Chen et al. (2007) also note that Social Capital can be observed as the network that connects business, and thus it facilitates business to perform well and to achieve competitive advantages. Furthermore, the literature posited in this study further implicitly indicates that social networks are a huge source of social capital which holds keys to accessing business related help. Birley (2002) also argues that entrepreneurship is embedded in social relationships, some of which are strong and others of which are weak. Considering that social capital resources develop out of relationships, it is necessary to know what the nature of such relationships is. Considerable variation was observed in the nature of relationships maintained by entrepreneurs. The results of this study undertake that there is no significant positive correlation between Social Capital and Entrepreneurial Performance. By implication, the results of this contradicts the literature posited as the basis of the theoretical formulation within which this study is based. The results of this study could be because foreign entrepreneurs in the informal economy are likely to be self-sufficient, premised on the fact that most entrepreneurs have fewer social

networks as depending on education levels, business tenure and duration in South Africa as indicated in the first section in Chapter 5.

- **The relationship between Bonding Social Capital and Entrepreneurial Performance (H1a)**

This study further broke down the elements of Social Capital to understand the unique relationship that exists between each of them and Entrepreneurial Performance. The study undertook that there was a positive relationship between Bonding Social Capital and Entrepreneurial Performance. The *rho* weight for this relationship was **r=-0.030** indicating that there is no significant relationship between the two variables. Geys and Murdoch (2010) note that bonding social capital has been dubbed as one of the most common features of social networks; it has been referred to as a connection between people who are similar in many respects and who are likely to support each other in different endeavours. The literature posited that bonding social capital functions within a social network framework that strong tie relationships are usually of long duration and are based on a principle of implicit reciprocity which makes it more possible to entrepreneurs to elicit entrepreneurial help (Birley, 2002). Furthermore, Carolan et al. (2005) further note that strong networks usually exhibit strong trust amongst players which work well to ensure information sharing and embed unity of purpose that strengthens entrepreneurial activity. The results of this study indicate that there is no significant relationship between bonding social capital and entrepreneurial performance. The results of this study negate the theoretical formulations posited above as it sought to indicate that foreign entrepreneurs derive no entrepreneurial benefit from their immediate social networks. This could be attributed to the fact that entrepreneurs in the results partially demonstrated that they have not derived entrepreneurial help from their immediate social networks.

- **The relationship between Bridging Social Capital and Entrepreneurial Performance (H1b)**

Hypothesis 1b indicated that there is a positive relationship between bridging social capital and entrepreneurial performance. The results of this study indicated that there is a weak, positive, significant relationship between Bridging Social Capital and

Entrepreneurial Performance. The *rho* weight was **r=0.151** indicating a weak, positive, significant relationship. These findings are in line with the formulation of this hypothesis undertaking that there is a positive relationship between bridging social capital and entrepreneurial performance. The results of this study ratify the notion that even our weaker networks play pivotal roles in accessing resources and capabilities from and with other actors and in establishing and maintaining business relationships (Partanen, Moller, Westerlund, Rajala & Rajala, 2006). Foreign entrepreneurs in the informal economy indicate that their entrepreneurial performance can be attributed to the strength and existence of their weak ties, that is, what business benefit have the entrepreneurs obtained from their weak networks. Bridging Social Capital is located within the context of Social Network diversity as posited by Hampton et al. (2011) who note that the importance of diversity within social networks has been extensively theorised and documented. Personal networks high in diversity are associated with a range of positive outcomes that include better physical and mental health, deliberation, autonomy, cultural knowledge, tolerance and trust, and access to job information. The results of the study in the previous chapter indicated that many foreign entrepreneurs responded positively to most bridging social capital scales, indicating agreement that most entrepreneurs have derived entrepreneurial benefit from their weak networks. Furthermore, the results of this study are in line with the articulations of literature that weak networks harbour positive benefits for entrepreneurship premised on the fact that bridging networks are awakened for a particular purpose which, in this regard, could be entrepreneurially related. It can be argued that foreign entrepreneurs in the informal sector feel that they have received more business related help from their acquaintances than immediate networks as the results have already revealed.

- **The relationship between Linking Social Capital and Entrepreneurial Performance (H1c)**

This hypothesis indicated that there is a positive relationship between Linking Social Capital and Entrepreneurial Performance. The results of this study indicate that there is no significant correlation between the two variables. The *rho* weight for this is **r=0.017.** The results indicate that the entrepreneur's ability to manage networks of trusting relationships between people who are interacting across explicit, formal or

institutionalised power has no relationship with their level of Entrepreneurial Performance (Social Capital Research, 2013). The literature in this study argues that linking social capital is about maintaining a vertical social system which is active across institutional boundaries. According to Lollo (2012), linking social capital creates access to organisations and systems that help people get resources and bring about change. These connections are usually with organisations like foundations, local and state government or banks that have resources, both from within and outside the community. Furthermore, Linking Social Capital holds a micro-level position whose very origin is about maintaining networks with power-holders. Furthermore, the literature of this study argues that linking social capital forms part of weak networks which are largely awakened for a particular purpose. The results are contrary to the theory preceding its formulation. However, it can be argued that foreign entrepreneurs suffer from institutional challenges that prevent them from accessing relationships that require access to the institution first before accessing them. It is interesting to note that the results indicate a poor correlation between the two since it might be a different study when this scale between local and foreign entrepreneurs is compared.

6.3.4.2 The relationship between Social Capital and Cultural Intelligence (H2)

The second hypothesis indicated that there is a relationship between Social Capital and Cultural Intelligence. The results of this study indicate that there is a weak, positive, significant correlations between Social Capital and Cultural Intelligence. The *rho* weight for this relationship is **r=0.162**. These results imply that a positive increase in levels of social capital will infer a positive increase in levels of cultural intelligence. These findings are in line with literature which sought to say that social capital and cultural intelligence are positively related. However, social boundaries create obstacles that inhibit the emergence of social relationships. Much of a person's social life is lived within the boundaries of family and kinship relations, religious and ethnic communities, language groups, and other limits to unfettered social action. Strong boundaries deflect social relationships back upon themselves, thus fostering highly concentrated social networks (Kim & Aldrich, 2005). Furthermore, social capital is

mainly based on sociocultural factors that identification of it as a capital can raise a new recognition from socioeconomic systems and assist the managers in conducting systems (Joupari & Far 2015). This is to suggest that, the process of manufacturing Social Capital is embedded in cultural environments that have a direct impact on the results, equally, social capital impacts cultural intelligence as the results have revealed. Therefore, it can be argued that the two variables are likely to infer a two-way positive impact when tested as such. It is interesting to note that most foreign entrepreneurs feel that their level of social capital is a catalyst to them adjusting and coping effectively in new cultural environments. Every network of social relations and each kind of social structure fosters a sort of social capital, since the participants maintain their deliberately developed relations until they are advantageous (Habil, 2017). This results of this study confirm the dominant thinking as discussed in the literature that social capital is embedded in cultural situations which determine the nature, context and the form of one's social networks.

- **The relationship between Bonding Social Capital and Cultural Intelligence (H2a)**

This hypothesis sought to suggest that bonding social capital has a positive influence on cultural intelligence. The results of this study indicate that there is no significant relationship between the two variables. The *rho* weight is **r=0.089** indicating no significant correlation between the two variables. This implies that there is no relationship between an entrepreneur's ability to manage strong ties with his/her level of being able to adjust to different cultural environments. The literature in chapter two discusses bonding social capital juxtaposed with strong ties which are primarily premised on relationships with one's close ties such as family and relatives. By inference, cultural intelligence assesses one's ability to manage complex and unfamiliar cultural environments as defined by Ersoy (2014) in the literature above. Therefore, rational kernels of these above results ratifies that bonding social capital occurs within familiar environments, thus no particular form of cultural intelligence is necessary.

- **The relationship between Bridging Social Capital and Cultural Intelligence (H2b)**

This hypothesis proposes that there is a relationship between Bridging Social Capital and Cultural Intelligence. The results of this study indicate that there is a weak, significant, positive correlation between Cultural Intelligence and Bridging Social Capital. The *rho* weight is **r=0173** indicating a weak, positive, correlation between cultural intelligence and Bridging Social Capital. The results of this study are in the affirmative of the literature suggesting that diverse networks are important to enhance the ability to manage diverse cultural organisations. Smith and Carrier (2010) note that the social capital framework breaks up forms of networks to explicit and implicit.

An explicit connections links to individuals based on deliberate action or a relationship with well-defined characteristics. An implicit similarity links individuals together based on not so well defined affinities or differences which as sport, education and so on. . Individuals may not be aware of the similarities in attitudes and behaviours that exist among them. Furthermore, the literature underscoring this study argues that human resource is considered as the capital investment in organisations and these see to take advantage of skills and susceptibilities of human resource to maximise their efficiency and productivity. In many cases, lack of consideration of racial, ethnical, and cultural differences leads to profound behavioural challenges in entrepreneurial environments (Fard, Mahboubi, Saeidipour, Mehr, Bakhtyari & Mohammadi, 2015). Thus, cultural intelligence as posited in the literature is about enhancing the entrepreneur's ability to access and utilise their weaker networks. Also, the research above alludes that Social Network Diversity is about achieving variety in one's networks. Knowing many people in many different contexts improves ones chances of getting good entrepreneurial opportunities, (Erickson 2000), as a result, cultural intelligence becomes a salient enabler which can help individuals achieve the above. Premised on this discussion, the results of this study ratify the dominant thinking underscoring this formulation as posited in the literature above. Bridging social capital is about maintaining good functional relations with weaker networks that usually facilitate cultural adaptation

for business success. Therefore, the correlation between Bridging Social Capital and Cultural Intelligence indicate that most foreign entrepreneurs utilise their acquaintances to establish Cultural Intelligence and facilitate entrepreneurial performance.

- **The relationship between Linking Social Capital and Cultural Intelligence (H2c)**

This hypothesis proposes that there is a positive relationship between Linking Social Capital and Cultural Intelligence. The results of this study indicate that there is no significant correlation between the two variables. The *rho* weight is **r=0.068** indicating no significant correlation. The literature discussed in this study argues that maintaining vertical relationships with weak networks is confined within institutions and organisations. Furthermore, the relational consideration of social capital, in contrast, refers to assets that are rooted in these relationships, such as trust and trustworthiness (De Jong, 2010). Thus, the ethos around linking social capital is based on the belief the understanding weak ties are necessary for entrepreneurial success. As discussed in the literature, cultural intelligence continues to be critical as it allows members of society to establish institutional relationships in order to enhance their business conditions. The results of this study indicate that there is no positive correlation between linking social capital and cultural intelligence. The results of this study could be attributed to the fact that institutional boundaries normally hamper the flow of resources to the most marginalised.

- ***The relationship between Cultural Intelligence and Entrepreneurial Performance (H3)***

This hypothesis proposes that there is a positive relationship between Cultural Intelligence and Entrepreneurial Performance. The results of this study indicate that there is no significant correlation between the two variables. The *rho* weight = **-0.087**.

Studies have revealed that people and organisations who have high levels of cultural intelligence tend to perform better at their jobs and businesses. As such, cultural intelligence is a proven necessity which helps individuals get better at what they do

regardless of the environment. This is based on the belief that individuals with high cultural intelligence are able to work better in different cultural environments. This is increasingly becoming important as the world continues to be flat through globalisation, regardless of where we find ourselves in, those who are better able to cope with new cultures stand a better chance of being more productive and successful in their business engagements. According to Baltaci (2017), managers and leaders with cultural intelligence are the most important strategic assets for organisations. It is not the case that the cultural intelligence is considered separately from the prejudices of the person. Prejudice is a concept associated with cultural intelligence. Prejudice is a situation or a precondition that there has been a decision beforehand, without getting enough information about a person or a thing. The same preposition can be said about entrepreneurship. The literature of this study suggests that the concept of cultural intelligence has been treated as one of those insignificant soft skills. A growing number of individuals, however, are discovering the competitive edge that comes from enhancing their cultural intelligence. Furthermore, Chapter two of this study argues that individuals with high levels of cultural intelligence benefit from superior cross-cultural intelligence, enhanced job performance, personal well-being and profitability (Livermore, 2011). By extension, this study also acknowledged that entrepreneurial performance is a multi-dimensional issue and therefore requires multiple performance measures. Entrepreneurial activities or processes, may, at times lead to favourable outcomes on one performance dimension, and unfavourable on a different performance dimension (Olaniran, 2016). This simply means that cultural intelligence has a role to play to help entrepreneurs achieve excellence in the multi-national construct of entrepreneurial performance. The results of this study are not corresponding with literature which predominantly suggests an uninterrupted positive correlation between the two variables. The results of this study could be because most entrepreneurs largely rely on social capital with weak ties to manage good entrepreneurial relations other than relying on cultural intelligence to enable entrepreneurial success. It is not clear why foreign entrepreneurs feel that cultural intelligence has no significant impact on their entrepreneurial engagements. Further research might want to explore this in detail.

6.3.5 Testing for mediation

This study applied Andrew Hayes tests for mediation of Cultural Intelligence on the relationship between Social Capital and Cultural Intelligence. The results of this test indicate the Cultural Intelligence is no significant mediator between the two variables, the strength for this relationship is denoted by an **r=0425.** The results of this study indicate that the relationship between Social Capital and Entrepreneurial Performance is not mediated by Cultural Intelligence. This is to say that, Cultural Intelligence does not infer any influence on the relationship between Social Capital and Entrepreneurial Performance.

This study initially revealed that there was no significant relationship between Social Capital and Entrepreneurial Performance. Thus, this study also indicates that an Andrew Hayes add-on for mediation reveals that Cultural Intelligence poses no significant influence on this relationship. The construct of social capital revealed that entrepreneurship is embedded in Social Networks and thus cultural intelligence is a critical ingredient to help entrepreneurs navigate complex entrepreneurial situations.

Cultural difference in social and business terrains have a significant bearing on entrepreneurship, these complexities can enable and also hamper success. It must be noted that because of frequent threats in the early steps of creating an organisation, there is a need for sympathy and common understanding between beneficiaries while increasing cultural, ethnic and race diversity increases integrity of the group and many entrepreneurs avoid development of entrepreneurship because of an inability to work with other cultures and societies. Because of these difficulties in entrepreneurship in various cultural settings, especially in organisations which must find creative mechanisms for survival in dynamic environments, entrepreneurs should have abilities which help them in correct understanding of cognitive, behavioural and value dimensions of others and this understanding is a significant feature of cultural intelligence (Nakhaie, Hadavi, Farahani, Telebpour & Abbasnejad, 2013).

This study aimed to understand the influence of Cultural Intelligence between Social Capital and Entrepreneurial Performance. As a result, this formulation presupposes

that entrepreneurs' ability to manage unfamiliar cultural situations directly infers an influence on the relationship between entrepreneurs' social networks and the multi-dimensional construct. Furthermore, literature indicates that If we look into cultural intelligence from the point of view of its dimensions, then it may be defined with several factors such as the knowledge possessed by a person with respect to language, arts and crafts, legal, marriage, business, economic and social systems, perceptions of that person about religious and cultural beliefs, nonverbal behaviours; use of that cultural knowledge by that person in cross-cultural situations to interact with people belonging to different cultural backgrounds, while being conscious about their cultural knowledge; confidence possessed by the person in socialising, adjusting and living in an unfamiliar culture; and usage/adjustment of nonverbal or verbal behaviours by that person during a cross-cultural interaction (Kim, Satpathy, Park & Moon, 2015). As a result, cultural intelligence is embedded with the process of manufacturing social capital and in turn, influences entrepreneurial performance. However, the results of this study indicate that cultural intelligence is not a significant mediator between social capital and entrepreneurial performance. This could be attributed to the fact that foreign entrepreneurs operate within rather abstract conditions and social capital is not a construct associated with an ability, but a necessity which determines survival; this is to say that entrepreneurs are driven by a need to survive which at times, far outweighs their immediate skills. This suggestion is ratified by the discussion in the inferential statistics part that education levels, experience, and gender provide a significant bearing on social capital and entrepreneurial performance. Figure 6.1 indicates the relationships between variables and the Andrew Hayes add-on for mediation.

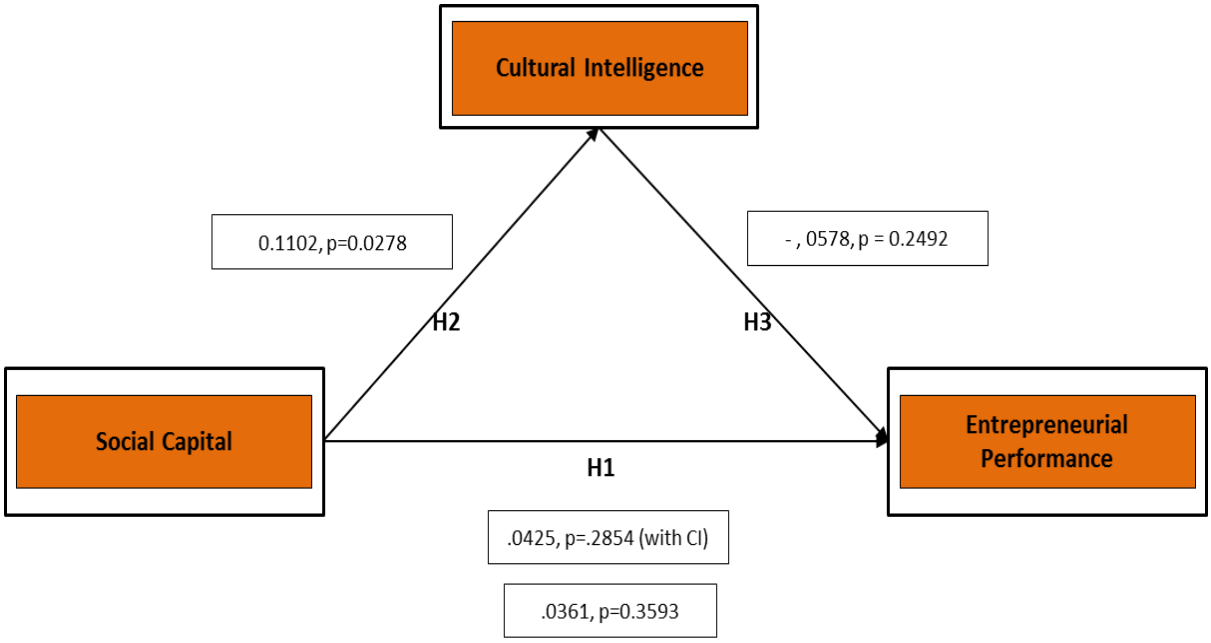


Figure 6.1: The Final and& Best Fit Model

*(All tests performed at 95% confidence interval equalling an alpha of 0.05. significant positive relationship between Social Capital and Cultural Intelligence = 0.1102**)*

The best fit model as a result of the following tested relationships:

- H1: There is a positive relationship between Social Capital and Entrepreneurial Performance
- H2: There is a positive relationship between Social Capital and Cultural Intelligence
- H3: There is a positive relationship between Cultural Intelligence and Entrepreneurial performance
- H4: Cultural intelligence is a mediator of the relationship between Social Capital and entrepreneurial performance

6.4 Conclusion of Chapter

The above chapter discusses the results of this study against the research objectives presented. The discussions are guided by the research results as presented in the previous chapter. The basis of this discussion is to critically evaluate the results against the literature used to establish the research questions and objectives. This study has revealed that Cultural Intelligence is no significant mediator on the relationship between Social Capital and Entrepreneurial Performance. The next chapter draws conclusions and recommendations for future studies.

7 CHAPTER SEVEN: CONCLUSIONS AND RECOMMENDATIONS

7.1 Introduction

The previous chapter discussed the results of this study as presented in chapter 5. This section discusses the conclusions and recommendations based on the results as discussed in Chapter 6. By the nature of research, it should be able to present new perspectives and also guide policy and future studies. Thus, this section discusses broad contributions of this study, implications, recommendations, limitations and suggestions for future research.

7.2 Contribution of Study

The study presented a different perspective than that of social science when it comes to social capital and cultural intelligence. Lang and Hornburg (1998) argue that in many popular discussions, the concept of social capital takes on a fuzzy quality- it seems applicable to almost any social condition. Yet most social scientists use a very focused and measurable definition of social capital in their research which only focuses on social cohesion and the livelihood of citizenry. Knowing how social capital functions within the entrepreneurial landscape of the informal economy should help policy makers, practitioners and researchers better understand the powerful forces that shape the relationship between self and society (Lang & Hornburg, 1998). Hence, it was critical for this study to be conducted as it aimed at contributing to understanding social capital within the entrepreneurial landscape and further understanding the mediating influence of Cultural Intelligence.

7.3 Theoretical and Practical contribution

This study used existing literature to formulate the research model that was tested using Spearman Rank Correlation. The results of this study can be used to contribute effectively to the theory of entrepreneurship in general. This study revealed that there is no significant correlation between Social Capital and Entrepreneurial Performance amongst foreign entrepreneurs in the informal economy of Johannesburg. This finding can be used to suggest that there are other factors that determine the entrepreneurial success of foreign entrepreneurs outside Social Capital. Furthermore, this study indicated that there is a weak, positive, significant correlation between Social Capital and Cultural Intelligence; that is, foreign entrepreneurs reveal that their levels of Cultural Intelligence are positively influenced by Social Capital. This implies that a positive increase in Social Capital will infer a positive increase Cultural Intelligence. It might be interesting for build-up theory to further explore this relationship. Lastly, the results reveal that Cultural Intelligence infers no influence on entrepreneurial performance of foreign entrepreneurs in the informal economy. In general terms, Cultural Intelligence is not a significant mediator between Social Capital and Entrepreneurial Performance. The results of this study are of important theoretical and practical precision in a sense that they dispel the existing generalised relationship between Social Capital and Entrepreneurial Performance and also gives practical guidance as to what conditions precipitate entrepreneurial performance outside Social Capital and Cultural Intelligence.

7.4 Entrepreneurial and Policy Implications

The implications of the results discussed above can be used to enhance entrepreneurial behaviours of foreign and local entrepreneurs in the informal economy. These results indicate that even though entrepreneurship is embedded in social and cultural environments, the results indicate that there are other significant variables that determine their level of success; these may include, but are not limited to human capital, resource availability, levels of education, etc. From a policy perspective, many

researchers have argued that entrepreneurship remains one of the most topical discussions to date. The results of this study may give direction on what social issues policy makers should spend more time understanding in order to ensure that policies are relevant and impactful.

7.5 Recommendations

7.5.1 Recommendations relating to Social Capital and the dependant variable

Based on the results of this study, it is recommended that entrepreneurs in general do not need to possess all the types of social capital for them to be successful in their entrepreneurial endeavours. This is to say, entrepreneurs must deduce for themselves which networks yield more value for their businesses. This study reveals that immediate relations with family members, friends and neighbours infer no influence on entrepreneurial performance. This study does reveal that entrepreneurs have derived significant entrepreneurial benefit from their weak ties. Therefore, the two propositions made above indicate that it should be a natural occurrence that entrepreneurs invest more of their energies strengthening networks which yield positive results for themselves and their businesses.

7.5.2 Recommendations relating to Social Capital and the mediating variable

The results of this study revealed that there is a weak, positive, significant correlation between the two variables. Therefore, this study recommends that entrepreneurs should invest adequate time decoding complex cultural environments in order to tap into various networks. Further, they must utilise their existing social networks to help them cope with different cultural setups. By inference, this narrative suggests that further research could reveal that there is a positive two-way relationship between Social Capital and Cultural Intelligence. Therefore, it is important that entrepreneurs spend adequate amounts of time utilising their networks to access new cultural environments which might in turn, help with them access new relationships.

7.5.3 Recommendations relating to mediating variable and dependant variable

Based on the results of the study, the research has revealed that there is no significant correlation between cultural intelligence and entrepreneurial performance. Therefore, this study recommends that, even though cultural intelligence has a historical place in entrepreneurship, it does not have a clear impact unless decoded into its respective elements which may infer such positive results. It is for this reason that the researcher believes that entrepreneurs must operationalise their cultural intelligence so that they are able to derive some form of economic benefit from it.

7.6 Limitations of study

This study relied significantly on the honesty of the respondents and them fully participating and giving honest responses. Further, this study was limited to foreign entrepreneurs who do business in the informal economy of Johannesburg; by extension, this caused challenges regarding entrepreneurs being reluctant to disclose their identities thus killing the interview. Furthermore, a significant contingent of the entrepreneurs was not necessarily comfortable with giving out information relating to the performance of their businesses, especially the finance-related information. This study was based on the assumption that foreign entrepreneurs were already embedded in social networks and thus social capital was not assessed in relation to the investments entrepreneurs make to it, rather it was assessed as a final product of social interactions; this limits the overall understanding of social capital in this context as the study does not assess the entrepreneur's active role in acquiring it. Cultural intelligence was also assessed as a broad concept rather than as granular elements that make up cultural intelligence. This means that this study did not assess the individual elements, such as cognitive CQ, meta-cognitive CQ, etc. This therefore, does not give a full picture on the unique peculiarities entrepreneurs are likely to exhibit.

7.7 Suggestions for further research

The interpretation and careful study of the research results identified significant research gaps to enhance literature and also to direct the practical actions of the entrepreneurs in the informal economy. The following paragraphs are a discussion of the research proposals

This study should explore the nature and context of the heavy reliance on bridging social capital for entrepreneurial results other than other forms of capital. This study indicated that a huge contingent believed that bridging social capital inferred a positive influence on entrepreneurial performance compared to the other forms of social capital. Thus, future research could potentially explore the undertones (deliberate and unintended) underlying this relationship.

This study could also explore the impact of institutional boundaries on the relationship between linking social capital and entrepreneurial performance. This study revealed that linking social capital had no significant influence on entrepreneurial performance; this could be because foreign entrepreneurs by design, are not privileged to institutional capabilities the country can offer, such as access to finance, business coaching and new markets. Therefore, institutional boundaries tamper with the process of manufacturing linking social capital, thus, it is critical that future research explores such a topic.

Furthermore, future research could explore the conditions that necessitate the influence of bonding social capital on entrepreneurship. This is to say, it is necessary to firstly understand how the composition of bonding networks are likely to influence entrepreneurial performance. It can be said that some bonding networks possess high levels of experience, education levels, finance and skills in general, which could help entrepreneurs with their businesses. However, some networks might not be too skilled and thus infer no benefit on the businesses of entrepreneurs.

Understanding the relationship between social capital and different levels of business development. This means, future studies should explore and contrast the impact of each type of social capital against different life stages on businesses. It can be said

that social capital has a different meaning and impact, based on each stage of the business.

7.8 Conclusion of Chapter

This chapter discussed the results presented and extrapolated in chapter 5. This study assessed the influence of Cultural Intelligence on Entrepreneurial Performance amongst foreign entrepreneurs in the informal economy.

The study presented a different perspective than that of social science when it comes to social capital and cultural intelligence. Lang and Hornburg (1998) argue that in many popular discussions, the concept of social capital takes on a fuzzy quality- it seems applicable to almost any social condition. Yet most social scientists use a very focused and measurable definition of social capital in their research which only focuses on social cohesion and livelihood of citizenry. Knowing how social capital functions within the entrepreneurial landscape of the informal economy should help policy makers, practitioners and researchers better understand the powerful forces that shape the relationship between self and society (Lang & Hornburg, 1998). Hence, it was critical for this study to be conducted as it aimed at contributing to understanding social capital within the entrepreneurial landscape. Social capital is a community characteristic that facilitates or inhibits efforts of the community as a whole to act effectively as a collective entrepreneur, innovating in new ways to create business opportunities and also to solve other social problems. Social capital of this kind we call entrepreneurial social capital (Westlund et al., 2001).

Nieto and Alvarez (2014) note that the entrepreneurship research has pointed to the importance of networks for entrepreneurs, and have even argued that social networks may be the most significant source of knowledge for entrepreneurs; even though most literature point to this, little research has been done that assesses the variety of social capital between different groups of entrepreneurs in the informal economy.

The findings of this study revealed that Cultural Intelligence is no significant mediator to the above stated relationship. Social Capital has no significant influence on Entrepreneurial Performance. The results of this study are only as relevant as the subjects who participated. This chapter discussed the results, the best fit model, conclusions and recommendations and suggestions for future research.

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APPENDICES

Appendix A: General linear Modelling

Model = 4						
Y = BPI_FINA						
X = SOC_CAP_						
M = CI_MEAN						
Sample size						
251						
**********						
Outcome: CI_MEAN						
Model Summary						
R	R-sq	MSE	F	df1	df2	p
.1389	.0193	.2642	4.9000	1.0000	249.0000	.0278
Model						
	coeff	se	t	p	LLCI	ULCI
constant	1.8664	.1115	16.7427	.0000	1.6468	2.0859
SOC_CAP_	.1102	.0498	2.2136	.0278	.0121	.2082
**********						
Outcome: BPI_FINA						
Model Summary						
R	R-sq	MSE	F	df1	df2	p
.0933	.0087	.1646	1.0892	2.0000	248.0000	.3381
Model						
	coeff	se	t	p	LLCI	ULCI
constant	1.3877	.1283	10.8158	.0000	1.1350	1.6404
CI_MEAN	-.0578	.0500	-1.1549	.2492	-.1563	.0408
SOC_CAP_	.0425	.0397	1.0706	.2854	-.0357	.1206
********** TOTAL EFFECT MODEL **********						
Outcome: BPI_FINA						

Model Summary
R R-sq MSE F df1 df2 p
.0581 .0034 .1649 .8435 1.0000 249.0000 .3593
Model
coeff se t p LLCI ULCI
constant 1.2799 .0881 14.5343 .0000 1.1064 1.4533
SOC_CAP_ .0361 .0393 .9184 .3593 -.0413 .1136
********** TOTAL, DIRECT, AND INDIRECT EFFECTS **********
Total effect of X on Y
Effect SE t p LLCI ULCI
.0361 .0393 .9184 .3593 -.0413 .1136
Direct effect of X on Y
Effect SE t p LLCI ULCI
.0425 .0397 1.0706 .2854 -.0357 .1206
Indirect effect of X on Y
Effect Boot SE BootLLCI BootULCI
CI_MEAN -.0064 .0070 -.0280 .0020
Partially standardized indirect effect of X on Y
Effect Boot SE BootLLCI BootULCI
CI_MEAN -.0157 .0172 -.0697 .0053
Completely standardized indirect effect of X on Y
Effect Boot SE BootLLCI BootULCI
CI_MEAN -.0102 .0111 -.0448 .0033
Ratio of indirect to total effect of X on Y
Effect Boot SE BootLLCI BootULCI
CI_MEAN -.1763 9.234E+011 -31.1987 .0978
Ratio of indirect to direct effect of X on Y
Effect Boot SE BootLLCI BootULCI
CI_MEAN -.1499 2.6649 -7.0369 .1216
R-squared mediation effect size (R-sq_med)
Effect Boot SE BootLLCI BootULCI
CI_MEAN -.0012 .0021 -.0109 .0004

Normal theory tests for indirect effect
Effect se Z p
-.0064 .0067 -.9505 .3418
********** ANALYSIS NOTES AND WARNINGS **********
Number of bootstrap samples for bias corrected bootstrap confidence intervals:
5000
Level of confidence for all confidence intervals in output:
95
NOTE: Kappa-squared is disabled from output as of version 2.16.
------ END MATRIX -----

Appendix C: Participation information sheet

Private Bag 3, Wits 2050, Johannesburg, South Africa • Fax: +27 11 7176579 • Tel: +27 11 717-8061 •
robert.venter@.wits.ac.za

Participation Information Sheet

The Influence of Cultural Intelligence on the relationship between Social Capital & Entrepreneurial Performance: A study of foreign traders in the Johannesburg's informal econom

Dear Sir/Madam

My name is Sabelo Goodman Mtolo; I am currently registered for my Master of Commerce Degree with the school of Economics and Business Sciences at the University of the Witwatersrand (Wits), Johannesburg.

As a non-South African entrepreneur in Johannesburg's informal economy, you are invited to participate in this study. The purpose of this study is to investigate the influence of Cultural intelligence on the relationship between Social Capital and Entrepreneurial performance. There is no right or wrong answer.

Section A of the questionnaire contains questions related to your demographic information and questions related to your business performance. Section B contains questions relating the variables under study, i.e. Cultural Intelligence, Social Capital & Entrepreneurial performance. You can stop me at any time if you need clarification on something. Below are the contact details of myself and my supervisor. This questionnaire may take 10 to 15 minutes to complete. Confidentiality is guaranteed through anonymity of responses and protection of personal information in line with the University of the Witwatersrand's policies. Please note that your participation is completely voluntary and involves no risk, penalty, or loss of benefits whether you

choose to participate or not. During the interview, the participant may withdraw at any stage or choose not answer any questions without penalty. The result of the study will be kept with the University for academic purposes and may also be shared with participants. Moreover, results may be published in accredited, peer-reviewed journals.

The study was approved unconditionally by the Human Research Ethics Committee (non-medical) of the University of the Witwatersrand, Johannesburg. Should you have any queries relating to the research, please feel free to contact me on 078 996 4338 or 1235084@stu.wits.ac.za. Alternatively, you can contact my supervisor, Dr Robert Venter on 084 580 7587 or robert.venter@wits.ac.za. You may additionally direct any requests for copies of the results to me on the aforementioned numbers.

Thank you for considering participating in this study

Appendix D: Ethical Clearance Certificate



UNIVERSITY OF THE WITWATERSRAND JOHANNESBURG

Private Bag 3 Wits, 2050
Fax: 0270865536132
Tel: 02711 7178005

Reference: Ms Makgethoa.Makgoga
E-mail: Makgethoa.Makgoga@wits.ac.za

31 August 2016
Person No: 1235084
PAG

Mr SG Mtolo
18 Gibson Drive West
Unit 72 Country Lodge
Sandton
2090
South Africa

Dear Mr Mtolo

Master of Commerce: Approval of Title

We have pleasure in advising that your proposal entitled *Influence of cultural intelligence on the relationship between social capital and entrepreneurial performance: A study of foreign traders in Johannesburg's informal economy* has been approved. Please note that any amendments to this title have to be endorsed by the Faculty's higher degrees committee and formally approved.

Yours sincerely

Mrs Marike Bosman
Faculty Registrar
Faculty of Commerce, Law & Management

Appendix E: Study Survey Questionnaire

Influence of Cultural Intelligence on the relationship between Social Capital & Entrepreneurial Performance: A study of foreign traders in Johannesburg's informal economy

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Survey Questionnaire

Research Dissertation - management

How to complete the questionnaire

Section A of this questionnaire asks for your demographic information and business performance questions while section B looks at the variable under study. In Section A; you are asked to put a cross (X) where application. In section B; you are asked to mark a cross (X) in the box marked from strongly agree to strongly disagree which best reflects your response to the question. For instance, if the question is:

Question	Strongly agree	Agree	Not sure	disagree	Strongly disagree
My friends help me with my business.					

Kindly place a cross in box “strongly agree” if it does have impact on you. You would cross box “strongly disagree” if it does not have significant impact upon your organisation. The boxes between strongly agree to strongly disagree gives you an opportunity to make your response at an intermediate level.

Section A

Demographic information		
1. Above 18 years old	Yes	
	No	
2. Country of origin		
3. Gender	Male	
	Female	
	Prefer not to say	
4. How many years have you been to South Africa?	Below 5 years	
	6 – 10 years	
	Above years	
5. Highest Qualification	Below Matric	

	Matric (Equivalent to school leave)	
	Post Matric qualification	
	Other	
6. Previous Experience	None	
	Trade	
	Employee	
	Entrepreneurial	
	Other	
Business Performance information		
7. How many years have you been in Business?	0 – 3 years	
	4 – 5 years	
	Above years	
8. Does your business employ people?	Yes	
	No	
9. Has your business grown in size (Assets, operations, markets, etc.) over the years?	Yes	
	No	
	Relatively Stable	
10. What is your estimated average revenue per month? (ZAR)	0 – 2 000	
	2 100 – 4 000	
	4 100 – 5 000	
	5 100 and above	
	Prefer not to say	

11. Has your estimated revenue per month increased over the years?	Yes	
	No	
	Relatively Stable	
	Prefer not to say	

Section B: Cultural Intelligence

Questions	Strongly agree	Agree	Not sure	Disagree	Strongly disagree
12. I am confident that I can deal with cultural situations that are unfamiliar					
13. I have confidence that I can build quick rapport with people from different cultures					
14. I am sure I can deal with the stresses of adjusting to a new culture					
15. I know the cultural values and religious beliefs of other cultures					
16. I know the rules for expressing non-verbal behaviours in other cultures					
17. I easily change the way I act when a cross-cultural encounter seems to require it					
18. I know the legal and economic systems of other cultures					

Section C: Social Capital

Questions	Strongly agree	Agree	Not sure	Disagree	Strongly disagree
Section C (1) Bonding Social Capital					

Friends/family/relatives/neighbours					
19. I maintain frequent & quality contact with my friends/family/relatives/neighbours					
20. I have deep relationships with my friends/family/relatives/neighbours specifically on business related issues					
21. I have a clear understanding of norms between friends/family/relatives/neighbours that help facilitate social & business support					
22. Social relations with my friends/family/relatives/neighbours are a huge source of my entrepreneurial support					
23. I am satisfied with my level of information about business that we share with friends/family/relatives/neighbours					
24. I have deep trust for my friends/family/relatives/neighbours regarding business related matters					
25. We have shared values & reliability with my friends/family/relatives/neighbours which facilitates better entrepreneurial interactions					
26. I have received practical help/advice for starting and growing my entrepreneurial ventures from friends/family/relatives/neighbours					
27. If I suddenly run in trouble with my business, my friends/family/relatives/neighbours are usually my first point of contact.					
28. I can rely on my friends/family/relatives/neighbours to continue with my business if I am unable to do so temporarily					
29. Regarding the process of business growth and expansion, do your friends/family/relatives/neighbours provide help?					
Section C (2) Bridging Social Capital *Distant friends, colleagues and associates*					

30. Despite strong reliance on friends/family/relatives/neighbours, I have a large number of acquaintances (these refer to people your hardly speak with)					
31. It is mostly correct to say my friends/family/relatives/neighbours introduced my acquaintance network					
32. I manage successful functional business relations with my acquaintance					
33. I have reached out for help for my business to my acquaintances					
34. I hold my business relations with my acquaintances very closely as they matter to me					
35. I have received more business help from my acquaintances compared to my friends/family/relatives/neighbours					
36. My acquaintances and I enjoy mutual business benefit, to say we both derive the same value when it comes to business related matters					
37. Depending on the situation, I can leave my business with people in my acquaintance network					
38. My networks with people of different age groups that helps me with my business					
39. I have networks with people of opposite gender that helps with my business					
40. I have networks with people of different ethnic groupings which help me with my business					
41. My networks with people from different races, countries, and tribes help me with my business					
42. I have networks with people from different religions and culture which help me with my business					
43. I am able to maintain networks with people who are in different geographic locations					
Section C (3) Linking Social Capital *People or groups further up or lower down the social ladder.*					

44. I have networks with people who have more experience & income compared to me which help me with my business					
45. Networks with people with different academic backgrounds and levels help me with my business					
46. My business has benefitted from networks with people who hold significant & seniors positions in society					
47. I have business networks with people from different political parties					
48. I have business networks with people whom I believe are far better off in business compared to me					
49. Some of my business networks are with people who have businesses' in different industries compared to me					
General					
50. I am a member of an organisation/association/Stokvel/Society that helps me with my entrepreneurial endeavours					
51. I am engaged with different civic organisations in my community in pursuit of one common course					