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The impact of institutional support on entrepreneurial capabilities and performance: a study of SME beneficiaries of developmental agencies based in Tshwane

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

University of the Witwatersrand, Johannesburg, March 2017

Abstract

South Africa's Small Medium Enterprise's (SME's) failure rate is ranked as one of the highest in the world. It is expected that by addressing the causes of the high failure rate among SME's in South Africa, such as lack of skills and access to resources, there will be an improvement in entrepreneurial performance which will contribute to the national job creation objectives in the country.

Government's role to support enterprise development is acknowledged, however, there is very little empirical research that evaluates the role and impact of its support through enterprise development agencies specifically on skills development, mentorship and networking. The lack of information on whether these interventions are effective and are producing the intended outcomes brought about a need to evaluate the impact of skills development, mentorship and networking opportunities offered by government agencies on entrepreneurial performance.

This research followed a quantitative method to test the relationship between entrepreneurial performance as a dependent variable, and human capital and social capital as independent variables, with structured questionnaires distributed to entrepreneurs through an online survey, face-to-face distribution of copies, electronically by emails and the majority was collected in a meeting that was held by Tshwane developmental agency.

A multi-regression analysis was adopted to test the hypotheses, exploratory factor analysis assessed the factorial validity of the constructs, Bartlett test of sphericity tested the significance of the correlations, Shapiro-Wilk and the Kolmogorov-Simonov (KMO) assessed the normality of variables before hypothesis testing was carried out, factor analysis determined the empirical analysis to confirm the theory, and also to reduce dimensions of variables within constructs. The overall level of Cronbach reliability (α =0.924) and the corresponding KMO 0.879, showed an excellent reliability. The main findings of the study were that the relationship between human capital-skills development and entrepreneurial performance is positive and significant. Nevertheless, the relationship between mentorship and entrepreneurial performance is positive and significant, it is only true if the main focus of the business is on mentoring sessions.

Finally, this study also found out that the relationship between social networking and entrepreneurial performance is positive and significant with a positive impact on Entrepreneurial Performance, which suggests that social capital is fundamental to entrepreneurial development when considering entrepreneurial performance. It has also been found out that human skills development of entrepreneurs may be enhanced through mentoring and partnerships with other entrepreneurs.

This study, at a theoretical level, provides an opportunity to contribute to the existing body of knowledge and provide new findings on entrepreneurial development of SME's in Tshwane. It also provides insight into the role of governmental support for entrepreneurial performance. Furthermore, this study reconfigures and closes these knowledge gaps through the investigation and elucidation of which theory has major predictive influence.

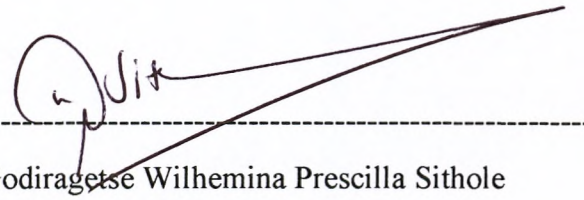
At a practical level, this study provides managers with recommendations on how entrepreneurial development support such as skills training, mentorship and networking can be implemented effectively in enterprise development agencies. Finally, at a policy level, it helps policy makers with the relevant information they need to develop policies that enhance the favourable environment for entrepreneurship as well as evaluate their effectiveness.

List of Abbreviations

BBBEE	Broad-Based Black Economic Empowerment
BOP	Bottom of the Pyramid
CSIR	Council for Scientific and Industrial Research
DBSA	Development Bank of South Africa
DV	Dependent variable
EET	Entrepreneurial education and training
EFA	Exploratory Factor Analysis
GEDI	Global Entrepreneurship and Development Index
GEM	Global Entrepreneurship Monitor
GEP	Gauteng Enterprise Propeller
GGDA	Gauteng Growth and Development Agency
ILO	International Labour Organisation
IV	Independent variable
KMO	Kaiser-Meyer-Olkin
NYDA	National Youth Development Agency
PCA	Principal Component Analysis
PDI	Previously Disadvantaged Individual (South Africa)
PPPs	Public-Private Partnerships
QLFS	Quarterly Labour Force Survey
SEDA	Small Enterprises Development Agency
SME	Small Medium Enterprises
SMME	Small Medium Micro Enterprises
TEDA	Tshwane Economic Development Agency
UNCTAD	United Nations Conference on Trade and Development

Declaration

I, Godiragetse Wilhemina Prescilla Sithole, declare that this research report is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Management in Entrepreneurship and New Venture Creation in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.



Godiragetse Wilhemina Prescilla Sithole

Signed at JOHANNESBURG

On the 31st March 2017

Dedication

YOU ARE my ALPHA, and my OMEGA. This is a song to you MY GOD, the author and the finisher of my life. I devote this study to you my Lord, and wish to motivate all the aspirant and ambitious entrepreneurs.

In the 40th year of my Life, I dedicate this study to my children ONEETSWE, THABISO and mostly, my young daughter, OMOLEMO, who dearly missed me through this studying, furthermore to all my generations to come.

My Inspiration is from my late Father, Kuni Jacob Manake. Bra Jake, I was forced by the confidence that you constantly had in me. Your love for education, soak me in tears to realise your wish come true. I wish you were here.....I miss you Papa!

My character was severely tried and tested, and I lost numerous fights. This time around, I am getting up, out of my comfort zone, the battle has just begun....God pull me through this journey... This is my confession (Isaiah 43:2; Psalm18:16)

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My research would not have been possible without the assistance of ODIRE Consulting services. To this end, I would like to register my utmost gratitude to this company, for giving me the experience to become an entrepreneur, practising through trial and error, supporting my studies through thick and thin by awarding me time off to pursue my career, and financially carrying me and my family, last but not least, paying my tuition fees. A special thanks goes to my mother, Matsei Sophia Manake, for teaching me perseverance against all odds, and my sisters, Gaongaleloe (Baaitse), Gosiame-Goitseone and Keagile, for being part of my circle of life. My One and Only Uncle, Benjamin Moalusi Selemale, Bra Ben, your step by step guidance in writing and preparing this thesis has left me astounded of your astuteness and profound intellect.

In this course I adopted brothers and sisters from up the Zambezi River down to Mzansi, Mainford Toga, Tinashe Mncube, Jonathan Muringani, Gregory Mufema, Honest Muchabaiwa, Kennedy Manduna and James George. I will forever be thankful for all your unswerving support and reassurance. To Chawe Chuulu (Sistaz), 'My high Social Capital', I thank you for being my beloved, adorable sister, pushing each other, and devoting sleepless nights in the computerlab which turned out to be our tranquil study-place, which we got to rename it "our bedroom", and has perfectly prepared us to accomplish this intellectual project.

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MMENVC 2016 was really an amazing class, mostly comprised of confident and sanguine entrepreneurs, with sharp minds and full of aspiration. It's been a pleasure to have known everyone I met. The ideas shared in class will not go wasted, they will truly bring to fruition. The beginning of our practical entrepreneurial journey has just begun.

My utmost gratitude goes to all my fellow Christian brothers and sisters, that have kept me in their prayers, to mention a few : Hatfield Christian Church- Equestria Lifegroup or homecell, (Iris Kwakwa, Tellie, Nancy and Coceka), my forever supportive Pastor and His loving wife, Ann and Letsholo Pelesi, Reverend Judith Modiba -my dearest sister, family-friend, and a pastor to our treasured community in Bronkhorspruit, and Mmatebogo Shaba, my adorable sister in the Lord. You all have a special place in my heart, and I thank God for bringing you in my life to give me something to fight for. To my God-fearing, and prayerful neighbours Janet, and Granny, thank you that I could count on you during my toughest time. It's true that God will always bring the right people in your life. Thanks for all the prayers and support.

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Chapter 1. : Introduction

This document outlines and reports the findings of a research study that was undertaken to investigate the impact of institutional support on entrepreneurial capabilities and performance amongst SME beneficiaries of developmental agencies based in Tshwane. This first chapter presents the context of the study and shows how the fulfillment of the research aims to ensure the advancement of entrepreneurship theory and practice. The discussion begins with the purpose of the study followed by the background of the study and then a description of the problem statement informing the study. The significance of the study articulates, among other things, the gap in theory informing this study. The delimitation of the study, definition of terms and finally the assumptions of the study follow this.

1.1.Purpose of the study

The purpose of this study is to evaluate the role of government support in promoting entrepreneurship development. It specifically focuses on the role of entrepreneurship development agencies. This study provides insights into the extent of the impact of these government agencies and their interventions to address challenges faced by SMEs in South Africa. This chapter presents the background and the context of the study. It goes on to discuss the problem statement and the significance of this study. It concludes with the delimitations of the study and assumptions.

1.2. Background of the study

Many South Africans face financial insecurity, unemployment or poverty (Meyer, 2016; Lilenstein, Woolard and Leibbrandt, 2016; Dodd, 2016; Sekhampu, 2013; World Bank, 2016; Statistics South Africa [Stats SA], 2015). In response, they seek socio-economic independence and security by trying to create their own businesses (Chigunta, 2017; Fatoki, 2014; Colombelli, Krafft and Vivarelli, 2016). Yet, South Africa's potential entrepreneurs lack the mind-set and skills to become truly entrepreneurial (Choto, Tengeh and Iwu , 2014; Goh, Saville and Scheepers, 2016). It is argued that institutional support could play an important role in entrepreneurial development to address skills and other resource needs (Stenholm, Acs and Wuebker, 2013).

It is against this background that the government at national, provincial and local levels has started several enterprise development support initiatives such as funding and incubation agencies, for example, the Small Enterprises Development Agency (SEDA).

1.3. **Context of the study**

Olawale and Garwe (2010) argue that South Africa's SME's failure rate is ranked one of the highest in the world, with the rate that stood at 75%. This viewpoint was also supported by Adeniran and Johnston (2011), therefore, improving SME's performance in South Africa will positively influence their success, which in turn will positively contribute to the national job creation objectives (Cant and Wild, 2013). There are several government agencies within some municipalities, provincially, and nationally. Small Enterprises Development Agency (SEDA), the Tshwane Economic Development Agency (TEDA), the Gauteng Growth and Development Agency (GGDA), the National Youth Development Agency (NYDA) and many others were solely formed to address a specific need aiming to promote small business development (Lose and Tengeh, 2015; Masutha and Rogerson, 2014; Nel, 2001; http://www.nyda.gov.za; http://www.seda.org.za; http://www.teda.org.za). They are mainly focusing on skills training, mentorship and, to a lesser extent, financing. However, their approach seems to be a "one size fits all" approach and lacks specificity and a targeted approach at the point of need (Choto, Tengeh and Iwu, 2014; Marcelle, 2011). This approach seems to be in contrast with the 2004 Global Entrepreneurship Monitor's (GEM) recommendation that intervention on entrepreneurship should be focused and target specific. Notwithstanding the above, it is expected that by addressing the causes of high failure rate among SME's in South Africa, such as lack of skills and access to resources, there will be an improvement in entrepreneurial performance (GEM Report, 2015/2016; Fatoki, 2014; Cant and Wild, 2013; Kunene, 2008). This will consequently lead to job creation and economic growth. Hence, government support is critical if small firms are to contribute to meaningful economic development and job creation (Ramukumba, 2014; Afolabi and Macheke, 2012).

1.4. **Problem Statement**

1.4.1. **Main Problem**

Evidence from the literature (such as Phillips, Moos, and Nieman, 2014, Doh and Kim, 2014; Rogerson, 2010; Gelb, 2003; Beyene, 2002; Gnyanwali and Fogel, 1994) acknowledges the role that the government can play to support enterprise development. Whilst there has been a proliferation of funding agencies and entrepreneurial support in South Africa since the dawn of democracy (Lose and Tengeh, 2015; Masutha and Rogerson, 2014; National Small Business Development: Act of 1996), there is very little empirical research that evaluates the role and impact of enterprise development agencies, specifically on skills development, mentorship and networking. Thus, there is a lack of information on whether these interventions are effective and are producing the intended outcomes (Barbero, Casillas, Ramos and Guitar, 2012; Hallsberg, 2000). Therefore, there is a need to evaluate the impact of skills development, mentorship and networking opportunities offered by government agencies on entrepreneurial performance. Considering this problem, the following sub-problems arise:

1.4.2. **Sub problem 1**

Human capital such as skills, experience and education is critical for entrepreneurial performance (Staniewski, 2016). Carter and Tamayo (2017) articulates that there is a relationship between entrepreneurial skills, and organisational performance. However, Adeniran and Johnston (2011) argues that entrepreneurs lack business and managerial skills and that, this is thought to contribute to high business failure and challenges for growth faced by many SME's. More so, SME's lack the resources to develop this need for human capital and it is argued that the government must step in to address this challenge. It is expected that government support in the form of skills development and mentorship services will have a positive impact on entrepreneurial performance.

1.4.3. **Sub problem 2**

Social capital such as trust, social structures, networks and membership is critical for entrepreneurial performance as observed by Liu (2017); Stam, Arzlanian and Elfring (2014). Unfortunately, just as with human capital, entrepreneurs lack the means and resources to network effectively (Lombard, 2014). Equally so, it is argued that government support can play a critical role in facilitating networking among entrepreneurs by

organising networking events as well as providing financial assistance to attend events.

1.5. **Significance of the study**

The study, being a critical analysis or evaluation of the impact of governmental support on entrepreneurial capabilities and performance, contributes and has implications on three areas: theory, practice and policy. Firstly, at a theoretical level, this research's contribution to the existing body of knowledge provides with the understanding of the efficiency of developmental agencies and their extent of contribution to SMEs performance. It aims to unravel knowledge about SMEs failures' that are caused by government' lack of support, filling a gap in the knowledge by providing a better understanding of factors' limit and constrain participation of SMEs in entrepreneurial activities in Tshwane, and presenting an objection evaluation of the support that could lead to entrepreneruial growth, profit, sustenance and survival, facilitating the synthesis of existing research. The research findings also form, eradication of povery and SMEs success and failures, women and youth empowerment. Improving and enhancing understanding of entrepreneurial performance may assist to ensure knowledge from this study is translated and transcends into innovative business solutions that can be implemented, potentially contributing to economic and social development. This study contributes to the extensive and ongoing research gathering of reliable and accurate information about SME beneficiaries of developmental agencies based in Tshwane. Secondly, at a practical level, for managers in enterprise development agencies the findings of this study provide recommendations on how entrepreneurial development support, such as skills training, mentorship and networking, can be implemented effectively for the betterment of economic development, and will also assist in investigating whether competence or SMEs success is associated with specific training or capital investments so that there is proper facilitation or construction of relevant development plans for these SMEs. These will enable provisions of appropriate programmes (e.g. training, networking) that will allow review of existing programs against the presented model to benchmark with the best appropriate content. Findings emanating from this study could assist SMEs and entrepreneurs and those that counsel to facilitate and fast track entrance and participation in entrepreneurship in Tshwane, and other municipalities, and could provide guidance regarding development intervention strategies to encourage SMEs participation in business opportunities.

Knowledge gained from this study is likely to improve, facilitate and enable sustainable development utilising an entrepreneurial approach to SMEs in Tshwane.

Thirdly, at a policy level, the study helps policy makers with the relevant information they need to develop policies that will enhance a favourable environment for entrepreneurship as well as to evaluate their effectiveness. The results of the study could potentially contribute to enabling policy-makers to create a conducive and supportive entrepreneurial environment, in order to unlock the latent potential of SMEs.

1.6. **Delimitations of the study**

The study's focus was only on the entrepreneurial support offered to SME's by the government and does not include any other institutional players like communities, family, private companies and not for profit organisations. The study is cross sectional and limited to SME beneficiaries of developmental agencies based in Pretoria central and operating in the inner city of town, and the respondents limited to owners or managers, excluding general workers.

1.7. **Definitions of terms**

Entrepreneur: any person who identifies an opportunity, seeks to exploit it by providing a service and who takes financial risks in the hope of profit (Martin and Osberg, 2007: 32; Boettke and Coyne, 2009).

SMEs: are independent firms usually considered small in terms of size and turn over and in South Africa employ less than 50 employees (National Small Business Act 102 of 1996; amended by Act 29 of 2004, South Africa).

Entrepreneurial performance: the ability of entrepreneur to meet certain success criteria such as profitability, business survival or continuation, business growth and market share among others (Olawale and Garwe, 2010; Urban and Sefalafala, 2015).

Enterprise development: the process of both financial and non-financial assistance to entrepreneurs and enterprises so that they can fulfil their business objectives in anticipation that this will also provide for the public good, such as the creation of jobs and economic growth (DBSA, Development Report, 2011).

Institutional support: provision of training, education, networking and mentoring offered to organisations proposed to bring partial sustenance for actions associated to tasks (Kwan and Chiu, 2015; Arasti ,Pasvishe, and Motavaseli, 2012). In this study, institutional support will mean government institutions' involvement and provisions by economic developmental agencies such as TEDA, SEDA, NYDA, GGDA.

GEM Report: is a country-level cross-sectional panel study that takes regular snapshots made up of cross-sections of individuals within countries over time, sought to explore what makes countries entrepreneurial, and used as an important data resource for comparative entrepreneurship research (Levie, Autio, Acs and Hart, 2014).

1.8. Assumptions

- The researcher had access to the database of SMEs around Tshwane
- The gate-keeper allowed access to the database of Tshwane SMEs
- The researcher had adequate resources (time and funding) to conduct the study
- The cooperation of Tshwane SME economic developmental agencies' beneficiaries

1.9. Conclusion

In this chapter, the problem statement, significance of the study, delimitations of the study, definitions and assumptions have been defined. The next chapter is the first part of the literature review, which defines entrepreneurship, entrepreneur, entrepreneurial process, entrepreneurial ecosystem, GEM Conceptual framework, entreprise development, entrepreneurial capabilities and entrepreneurial performance.

Chapter 2. : Literature Review

2.1. Introduction

This literature review section critically examines the existent theory that relates to the problem under study. The study is located in the field of Entrepreneurship, specifically looking at entrepreneurial development and the role of government support. The study examines the impact of government agencies' institutional support on entrepreneurial performance. The literature review starts by giving a background discussion on entrepreneurship, followed by a detailed discussion on the sub problem areas, human and social capital development. It concludes by giving a theoretical framework and a summary of the hypotheses.

2.2. Background discussion

Porter (2007) asserts that in the old economic model, governments drove development using policy and incentive tools. However, the new model is a collaborative process that involves government at various levels, private sector organisations, universities and research institutions as well as business associations. Governments are increasingly working in partnership with development agencies and they are continuing to play a pivotal role in economic activities. Policy makers have a keen interest in entrepreneurship as an important economic growth and development activity (Kor, Mahoney and Michael, 2007; Zhao, Seibert and Lumpkin, 2010; Batjargal et al., 2013). Premised on these observations above and on other extant literature (Olmedo, 2017; Rose-Ackerman and Palifka, 2016, Ha, Lee and Feiock, 2016), it is of paramount importance that governments and other related developmental agencies ensure the efficacy and effectiveness of institutional support to entrepreneurial activities so that the desired outcomes are achieved and resources that are increasingly scarce are optimised.

Entrepreneurship theory, by and large, uses North American and European perspectives as reference points in venture creation analysis (Kariv, 2011) and in an African context entrepreneurship still remains an area that is 'under-researched' (Urban and Kujinga, 2017; Naude, Gries, Wood and Meintjies, 2008). Davidsson and Gordon (2012) contends that in developed countries new venture creation is of critical importance for economic development while Urban (2010) notes the critical importance which entrepreneurship has on countries that are at a different level of development, such as South Africa, to improve

the country's competitiveness on the global stage. It is argued that entrepreneurship has the capacity to empower the would-be marginalised and disadvantaged groups (Urban, 2005; Mogale, 2003; Wallace, 2005), among which are blacks, youth and women, so that they meaningfully participate in the broader economy.

The significant role played by entrepreneurship in employment creation and economic growth is further buttressed by Shane and Venkataraman (2003) and Kuratko (2016). Other scholars, in the minority, note the lack of consistent evidence to support these assertions (Weaver, Dickson and Solomon, 2006; Peterman and Kennedy, 2003). It is noteworthy that most governments, including the South African government, and rightly so, make deliberate efforts to support this vital economic and social activity for employment creation, poverty alleviation and economic mainstreaming of the general populace. Governments need to make it easier to do business through policies that are sympathetic to doing business. Orford, Herrington and Wood (2004) indicated that there is evidence to the effect that improved regulations may impact positively on the growth and survival of entrepreneurial ventures. It is in this regard that institutional support for SMEs be emphasised for economic development and employment creation.

The South African government has made it a deliberate policy to look at entrepreneurship as a panacea to unemployment challenges and to spur economic growth (Department of Trade and Industry [DTI], 2000). Having a national strategy on entrepreneurship is one of the recommendations made in the Global Entrepreneurship Monitor (GEM) 2015/2016 report. This implies that the South African government has been moving in the right direction on the policy front in support of entrepreneurship. What may be critical is to look at the implementation matrix of this forward looking document and adjust it according to contextual realities not only at a national level but also at the municipal and individual level. This will help to assess its effectiveness and determine any policy dislocations, among other weaknesses, and address those in order to maximise entrepreneurial impact. Coyne and Leeson (2004) concluded that governmental policy could not create entrepreneurship and that the focus should be on the creation of an enabling institutional framework that creates a context in which viable productive entrepreneurship thrives instead of directing resources towards the encouragement and training of entrepreneurs. This view is somewhat debatable in as much as government does not create entrepreneurship it does act as a stimulant and an enabler.

A lack of knowledge and skills capabilities can make or break entrepreneurial ventures. His skill and knowledge gap can be closed by investments in training which may lead to the growth and success of the entrepreneurial ventures.This shows the positive effect government can have and the opportunity to use the regulatory framework as a catalytic tool in entrepreneurial development.

2.3. **Entrepreneurship**

Entrepreneurship is viewed as a multidimensional concept that is not easily measurable and has no universally accepted definition (Audretsch and Keilbach, 2004; Naude and Havenga, 2005). Its definitions fall into three broad dimensions; namely economic, psychological and sociological views (Alvarez, Urbano and Amoros, 2013).

The economic view posits that new ventures are a result of economic pursuit (Audretsch, Lehmann and Seitz, 2017; Li, Zahra and Lan, 2017; Audrestch and Thurik, 2001: Audrestch and Keilbach, 2004, among others). The psychological view argues that factors inherent in the individual propel entrepreneurship (Ramkissoon-Babwah, 2015) and this view is held by several scholars, among these are McClelland (1961) and Carsrud and Johnson (1989).

Psychological theories such as those developed by McLelland (1961) pay attention to personal traits, motives and incentives of an individual and conclude that entrepreneurs have a strong need for achievement (Rauch and Frese, 2007; Shane, Locke and Collins, 2003). A similar focus is found in locus of control theories that conclude that an entrepreneur will probably have strong internal locus of control (Kuratko, 2016; Kaufmann, Welsh and Bushmarin, 1995; Low and MacMillan, 1988) . The sociological view states that social and cultural factors instigate the venture creation (Singh, Verma and Rao, 2016; Rametse and Huq, 2014; Aldrich and Zimmer, 1986; Manolova, Eunni and Gyoshev, 2008) , among others. Stevenson (2000) defines entrepreneurship as the pursuit of opportunities beyond the resources one can currently control. As such entrepreneurs are not limited by the resources that they have in their hands but harness those they do not currently possess for successful enterprise or venture creation. Timmons and Spinelli (2003) posit that entrepreneurship involves the ability to create and build something valuable from practically nothing.

It is therefore instructive to note that entrepreneurship goes beyond the bounds of current resource limitations. Shane and Venkataraman (2003) argue that entrepreneurship deals with opportunities leading to the introduction of new goods and services in ways that have not existed beforehand. The key to their definition is the opportunity factor.

It is noteworthy that opportunity propels and propagates entrepreneurship, meaning that without opportunity there will be no motivation for entrepreneurship. Opportunity, when harnessed by the entrepreneur, is the spark that ignites the chain reaction of the entrepreneurial process leading to the creation of new ventures (Minniti, 2007). The ability to identify and profitably exploit opportunities is synonymous with successful entrepreneurship.

Hisrich and Brush (1985) introduce another dimension by defining entrepreneurship as a process undertaken by an individual. They highlight that the individual invests their time and effort, takes risks, is financially rewarded, personally satisfied and gains independence. This definition identifies the inputs invested by the entrepreneur as time and effort and outputs anticipated by the entrepreneur as financial rewards, satisfaction and independence.

Entrepreneurial action has been viewed to be actuated by factors other than financial goals (Shepherd, 2015), which was the traditional economic view. However, such factors as satisfaction and independence, as postulated by Hisrich and Brush above, have gained appeal in propelling or igniting the entrepreneurial ventures. It is argued that a focus on the individual betrays the phenomenon of entrepreneurial teams that are recognised as an established form of entrepreneurship and has resulted in the establishment of new organisations and economic activities (Davidsson, Delmar and Wiklund, 2006). Entrepreneurial teams have driven innovation and product development in technology driven organisations like Apple. A good example of Apple Computer Inc, is one of developing its reputation for innovation, by developing its Apple Mac computers, similar to higher-priced computers like Xerox , adopting many of the features of these machines in a computer that was smaller, faster and much less expensive (Berkhout, Hartmann and Trott, 2011; Nonala and Kenney,1991). It has also been found out that both the informal and formal institutions directly or indirectly impact entrepreneurship. Informal institutions include culture, norms, values and traditions, and formal institutions include laws, property rights and economic regulations (Gathungu and Mwangi, 2014).

The persuasion of this author is that of the sociological view in which institutional factors instigate entrepreneurship through formal and informal institutions (Alvarez, Urbano and Amoros, 2013). Formal factors include the government policy and regulatory framework while informal factors include networks, mentors and attitudinal factors impacting on entrepreneurship. There is credibility in the view that institutional frameworks require strong emphasis and greater introspection especially in the dual logic setting as is prevailing in South Africa currently. This view of entrepreneurship from the sociological construct is persuasive and may suffice in the South African context or in other developing countries characterised by a landscape dominated by formal and informal ventures co-existing with each other, which is not the case in the developed world. To this end, it is prudent for entrepreneurship to be contextualised in the African setting and African institutional frameworks or that of comparable developing countries if theory is to converge with practise. The definitions of entrepreneurship above exude that the common elements underlying entrepreneurship are identifying opportunities, bearing risk and creating new products and services to get value in return.

2.3.1. **Entrepreneur**

Zimmerer and Scarborough (2005) define an entrepreneur as a person that creates a new business which resulted from exploiting an opportunity while facing risk and uncertainty in order to achieve profitability and growth through harnessing resources. In this view, entrepreneurs are venture creators and profit seekers (Boettke and Coyne, 2009). Indeed, they are creative destructors at worst and disruptive innovators at best. Entrepreneurs identify the distinguishing mark of entrepreneurship as a pursuit for personal advancement through mutual engagement with others. This view considers an entrepreneur as self-centred in their social interactions. Another defining character of an entrepreneur as an innovator is seen as an organiser who seizes opportunities by converting them into business ideas through value addition and assuming risks to realise rewards (Kuratko, 2016). An innovator takes advantage of opportunities, emanating from the external environment, produces untried products and services or develops the already existing further (Drejer, 2004). Innovation, as expounded by Kuratko (2016), is a key attribute of entrepreneurs that is linked to their risk tolerance characteristic. Drucker (2012) views entrepreneurs as exploiting change through innovation. Their ability to take risks augers well with their propensity to innovate and creative is another key attribute of entrepreneurs.

In conceding with the above authorities, Urban (2011) defines an entrepreneur as an individual who coordinates, leads and takes risks with a business or enterprise for the purposes of a financial gain. The entrepreneur is willing to start something new, taking a chance or risks to access the necessary support, in pursuit of personal and organisational growth, an asset willing to contribute positively to the organisational performance. The entrepreneur assumes financial, career, family or social and psychological risks (Urban, 2011). Risk taking is a repeated theme in entrepreneurial definition. It is actually a golden thread that transcend the whole spectrum of entrepreneurial world. Risk assumed by an entrepreneur is calculated and entrepreneurship is not synonymous with being reckless. Calculated risk taking is an essential element of entrepreneurship and is a lifelong process throughout the business cycle (Urquhart-Brown, 2008). Entrepreneurs are thus viewed as responsible individuals who, through being risk takers, are responsible creators or innovators. They are viewed as making critical decisions over the use of scarce resources (Casson, 2003). One can then view the entrepreneur as a resource optimiser.

There is merit in highlighting leadership as a key characteristic of an entrepreneur. Leadership takes courage (Mayer, 2017) and this is necessary for taking risks and treading carefully on the uncharted territory of new venture creation. Leadership is also an important dimension in accessing support which is akin to networking. To that effect, Urban (2011) posits that entrepreneurship differs from traditional business in that it is proactive, risk-taking and innovative, whereas traditional business is reactive, risk averse and lacks innovation. This difference also explains the capacity for entrepreneurial ventures to experience high growth rates unlike traditional businesses.

As a way of agreeing with the above, Venter, Urban, Beder, Oosthuizen, Reddy and Venter (2015) posits that entrepreneurs cause entrepreneurship with a mathematical formula E= f (e) in which entrepreneurship (E) is a function (f) of the entrepreneur (e). This explains the emphasis on the individual as central to entrepreneurship hence the motivation to study the personality profiles and characteristic traits of entrepreneurs. Risk taking is a key attribute of the individuals whose enterprise, their appetite and tolerance of risk leads them to try new things and literally put themselves on the line in pursuit of opportunities. As such, institutional efforts that augment the capacity of the entrepreneur as a person may be correlated to entrepreneurial performance.

2.3.2. **Entrepreneurial process**

Entrepreneurial process is defined as the "process of pursuing a new venture, whether it is new products into existing markets, existing products into new markets, and/or the creation of a new organization" (Lumpkin and Dess, 1996). The entrepreneurial process requires an entrepreneur to:

(a) identify and evaluate the opportunity,

(b) develop a business plan,

(c) determine required resources, and

(d) manage resources (Shane and Venkataraman, 2000).

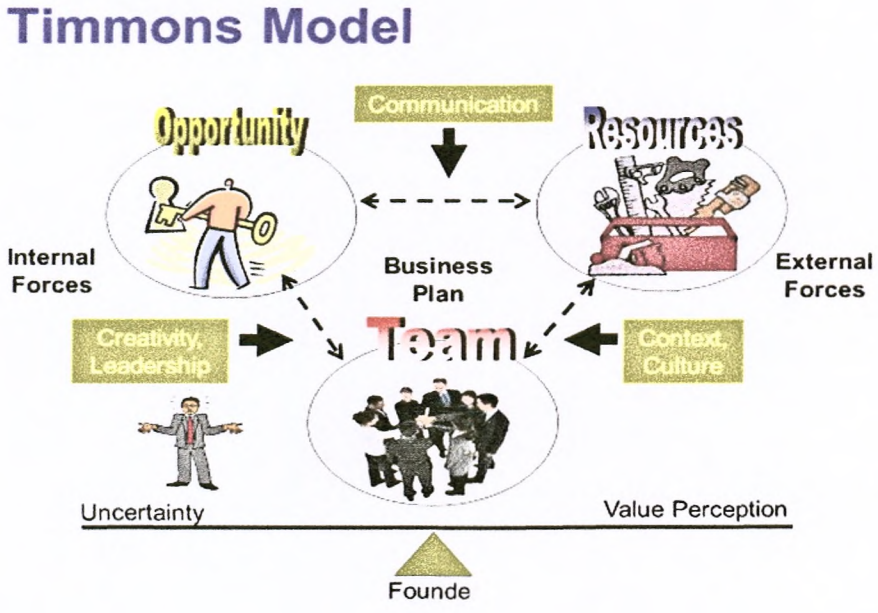
Opportunity identification and evaluation is viewed as the process in which an entrepreneur creates an opportunity for a new venture (Baron, 2004; Dimov, 2007; Eckhardt and Shane, 2003; Gielnik, Frese, Graf and Kampschulte, 2012). Opportunities for entrepreneurship and entrepreneurial actions vary from one country to another (Boettke, 2009) and it would be fatal not to recognise these differences that impact directly on entrepreneurial performance. This calls for an area specific research such as this study, whose finding and recommendations may capture the needs of the Tshwane entrepreneurs or add value to the current institutional support. An entrepreneur may use their existing customers and situations to collect potential ideas or knowledge about products and services. Entrepreneurs may utilise the business associations or networks around themselves to identify opportunities. For them to evaluate the business opportunity, an entrepreneur should conduct an assessment. In this assessment, they would determine the opportunities, risks, and draw out an opportunity assessment plan. An opportunity assessment plan does not only have to include the assessment of the opportunity and the assessment of an entrepreneur, but it needs to describe the entrepreneur's products or services, and the source of capital. The opportunity should be compatible with the entrepreneur's goal skills (Hisrich and Ramadani, 2017). On this, Bygrave and Zacharakis (2009) view the entrepreneurial process as an idea sparked by some triggering factor that is then implemented and grown into a business venture within the context of the external environment, and personal and sociological and organisational factors.

The external environment is comprised of, among other things, governmental initiatives that actuate innovation, ease of implementation and the encouragement of entrepreneurial growth. As such, government plays a vital role in supporting entrepreneurial initiatives among SMEs. There are other perspectives on entrepreneurship such as Shane and Venkataraman (2003) and Timmons and Spinelli (2003). Shane and Venkataraman identifies the entrepreneurial process with the following phases:

(1) Identifying and evaluating opportunities,
(2) Deciding whether to exploit those opportunities,
(3) Making efforts to find resources,
(4) Organizing those resources into a business venture, and
(5) Developing a strategy for the (new) venture.

Another dimension of the entrepreneurial process is the Timmons model illustrated in Figure 2-1 which is based on three main elements:

(1) The entrepreneur and the founding team,
(2) The opportunity, and
(3) Resources necessary for start-up of a new venture (Timmons and Spinelli, 2003).



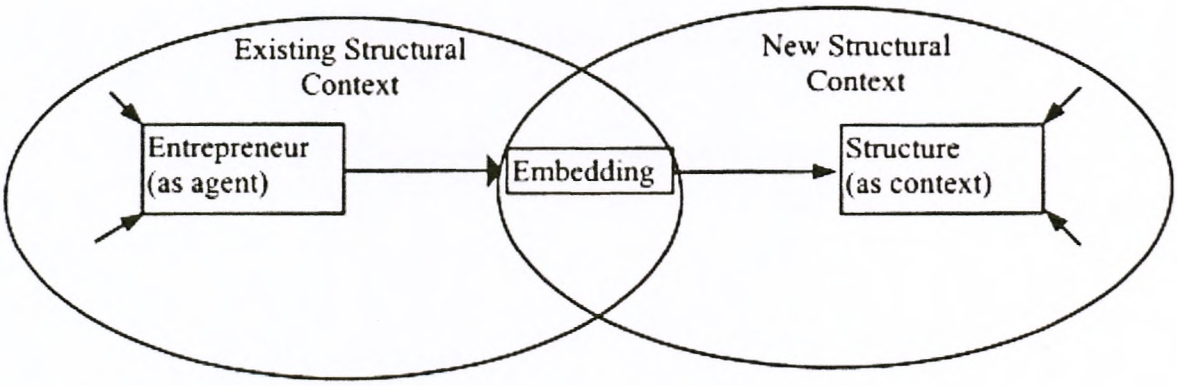
Source: Timmons & Spinelli, 2003

Figure 2-1: The Timmons model of entrepreneurial processs

The Timmons model agrees with scholars such as Shane & Venkataraman and Lumpkin & Dess who equally acknowledge the central role of the entrepreneur, and the opportunity as well as the resource capabilities to exploit the opportunity. The Timmons model goes further to highlight that the entrepreneurial process needs to achieve balance or scale equilibrium with other elements such as a team and resources. Thus, an entrepreneur does not necessarily need to know everything but may rely on a trustworthy team to balance the inadequacy as the team gives the entrepreneur a set of complementary skills (Coulson-Thomas, 2016; Ong, 2016). The entrepreneur also identifies the importance of resources such as human and social capital in the pursuit and exploitation of opportunities (Leitch, McMullan and Harrison, 2013; Baptista, 2014). Therefore entrepreneurial process allows alternative method to efficiently manage resources than just following conventional or orthodox good management practice because it is flexible and adaptive. It is plausably, more creative and effective in finding and accessing new opportunities and resources especially when they are hard to come by, hence, can lead to more sustainable growth, particularly in a changing an unfriendly environment (Kodithuwakku & Rosa, 2002).

2.3.2.1 Entrepreneurial embeddedness

Entrepreneurial embedding is defined as a process of becoming part of the local social structure, and is deemed a necessary mechanism for entrepreneurs to understand local rules, access local resources and to create value (Jack & Anderson, 2002). It plays a major role in shaping and sustaining business, as it creates opportunities and improves performance. Embeddedness as a practice of an entrepreneurial process is created by the linkage between the economic and the social spheres, whereby social bonds enable entrepreneurs to more effectively exploit economic opportunity. These opportunities exist within the local structure but only reflect by the action of embedded entrepreneurial agency. These opportunities become available to those embedded and the productive information and resources gathered through being embedded compensates for environmental constraints and facilitates the entrepreneurial process (Chell and Baines, 2000).



Source: Chell & Baines, 2000

Figure 2-1

Figure 2-1 above indicates that through being embedding, the entrepreneurs take pride in either being local or becoming local and strive to have a close local relationship as they recognise the need for the locals to get to know them as individuals as a precursor to business links. This local knowledge has a potential to provide a key factor of profitability due to embedding actions that involves gaining and acquiring local knowledge, credibility and resources, and empowers one with the confidence that the business would work. The following model conceptualizes the relationship between the entrepreneur, structuration, and embeddedness as a dynamic structure and illustrates the interactive context in which entrepreneurship occurs.

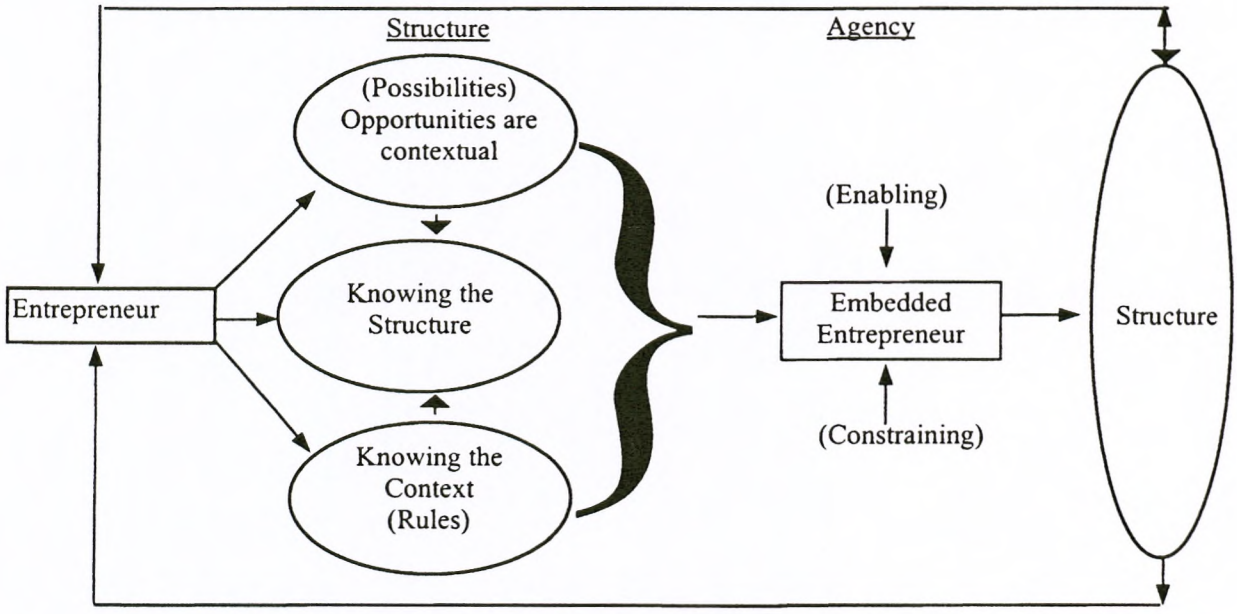


Figure 2-2 The structuration of entrepreneurship: structure and agency in a dynamic relationship

2.3.2.1.Effectuation vs Traditional causal model

Another applicable way to view the entrepreneurial process is through effectuation, which is described as the logic of entrepreneurial expertise, characterised as a dynamic and an interactive process of creating new artefacts in the world (Sarasvathy, 2009). Effectuation is a behavior that intends to simplify the rationally unsolvable entrepreneurial situation by decomposing the task (Sarasvathy and Simon, 2000) and by creating precedents through actions (Sarasvathy and Dew, 2005). Thereby, with its dynamic and pluralistic character, effectuation seeks to capitalize on contingencies and uncertainty (Sarasvathy, 2001; Sarasvathy and Dew, 2005). Effectuation is one of the most-cited emerging theories of entrepreneurship (Fisher, 2012; Perry et al., 2012). However, it has been criticized on the grounds of its slow development progress and the unsatisfactory level of testability associated with it (Arend et al., 2015; Fischer and Reuber, 2011). The effectuation theory suggests that under conditions of uncertainty, entrepreneurs adopt a decision logic which is different to that of causation as adopted by the traditional, more rational model of entrepreneurship. Effectuation logic is reported to flourish in an unstable operating environment that is difficult to predict, as it allows swift reactions to changes in the environment (Sarasvathy and Dew, 2005). Continuous learning is also a significant part of effectuation logic, as changes in the operating environment also require the company to change and learn new operating methods to respond to changing situations (Sarasvathy, 2001). Entrepreneurs are faced with high level of uncertainty and utilize effectual logic to handle most changes in the near future. When new venture firms pass the critical point and survive, business conditions bring another challenges for the next phase whereby entrepreneurial firms move from the existence stage to the survival stage, and need to obtain customers and deliver their product and service. It is observed, and noted that many companies remain at the survival stage for some time even when they know their breakeven point is reachable, doing so to earn marginal returns on invested time and capital or to keep more resources and bargaining power for the next using an analytic logic as causal decision-making process. The decision to remain below breakeven, is a signal of cognitive style transition from a dominantly effectual model of decision-making and action to a causation model, and that entrepreneurs engage in a rational goal-driven, causation cognitive style in order to search for and exploit opportunities (Fiet, 2002). The transitions between the two decision-making processes impact start-up entreprises as they begin to transit cognitive styles from effectuation logic to causation logic when they reach the

breakeven point. They thus decide to rush into new businesses, leading to overtrading traps and sometimes ending in failure, because exiting from the existence stage to the survival stage, is not guaranteeing success because of trying different ways to obtain customers. When they shift to the survival stage and plan to move to the next stage, they might activate their remaining decision instead of jumping into a growth decision to obtain a safeguarding position. Comparing effectuation with traditional/ causal models in this case, the effectuating mind which has been subject of scholarship in entrepreneurship, is based on the assumption that something like entrepreneurial expertise will include the effectiveness of effectuation and causation as primary entrepreneurial logics to create innovation. Research point out that both behaviors lead to innovation in situations of moderate industry growth while effectuation (causation) is more effective in high (low) industry growth settings (Busenitz, 2007; McKelvie et al., 2011).

Causation and effectuation are different decision-making models in their essences (Sarasvathy, 2001; Read & Sarasvathy 2005). The former was developed along the theories of economics and strategy management for explaining how entrepreneurs use resources to guide their decision-making process through a particular effect (Lemos & Andreassi, 2014). The latter was developed by Sarasvathy (2001) based on previous research of Knight (1921), Weick (1979), March (1982) and Mintzberg (1978, 1994), as an alternative approach for explaining the creation of artefacts in accordance with an entrepreneur's experience and the lack of resources of a firm. The causational school, which is perhaps better known as the rational planning school, is among the oldest in the strategic management field, and reflects widely cited theories such as those propounded by Ansoff (1965) and Porter (1980) emphasizing the importance of systematic analysis and integrative planning. Causation also has similarities to the discovery approach (Alvarez and Barney, 2007) and the classic approach (Shah and Tripsas, 2007). A common approach which was transferred from strategic management comprises goal-orientation, prediction, and planning (Bourgeois III, 1985; Gruber, 2007). These activities are important for venture creation (Delmar and Shane, 2004) and later business performance (Brinckmann et al., 2010). Starting from a specific set of goals, causal behavior sequentially addresses uncertainty through deliberate and prediction-oriented planning activities that comprise calculating and focusing on expected returns, conducting competitive market analysis, and avoiding surprises (Berends et al., 2014).

Causation approach is designated to increase knowledge about the status quo and predict prospective development, and also comprises avoiding the unexpected. In-depth monitoring of the external environment creates new information about future developments and thereby reduces effect uncertainty and creates upfront potential to innovate, and thus the behavior makes the future less uncertain and provides fresh impetus for anticipative business model initiatives which consequently leads to innovating one or several of the business model core elements.

One could conclude that the higher the growth and hence the wider the scope within which the ventures can potentially act, the harder it is for them to reliably assess the various options they can pursue. As a consequence, the success of the activities that a venture eventually pursues becomes a priori unforeseeable. While growth rates can roughly be approximated such that state uncertainty can be kept within limits, the dynamics of growing industries cause substantial effect and response uncertainty for the aforementioned reasons. This in turn has important consequences for the effectiveness of distinct entrepreneurial behaviors (Covin and Slevin, 1991) and thereby for the choice whether to create a new initiative or to work with a slightly adjusted or reproduced product. Within entrepreneurial contexts, industry growth has been identified to be an important characteristic of the firm's external environment and a driver for uncertainty (Antoncic and Hisrich, 2001; Zahra, 1993). Such growth provides plenty of opportunities for companies and leads to continuous changes in customer needs. Uncertainty in terms of industry growth holds important consequences for the development of new ventures, and that in moderately growing SMEs both entrepreneurial pathways are comparably effective whereas effectuation (causation) is more effective to create ventures, and innovative ideas in high (low) industry growth settings.

2.3.3. The Entrepreneurial Ecosystem

This is defined as the combined factors in which entrepreneurship is contextualised (GEM, 2016). Institutional environments that entrepreneurs find themselves in have been noted to have a strong bearing on the opportunities availed to entrepreneurs (Boettke and Coyne, 2009). Five factors are identified as impacting on entrepreneurship (Gnyawali and Fogel, 1994); namely governmental policies and procedures, socio-economic environment, entrepreneurial skills and knowledge, and financial and non-financial assistance for new ventures. On the other hand, the entrepreneur and entrepreneurial ventures are viewed as

operating within the context of, and are influenced by, markets, policy, finance, human capital, supports and culture (Batjargal et al., 2013). There is recognition in literature of the interplay between economic and socio-cultural factors and their influence on entrepreneurial actions (Krueger, Reilly and Carsrud, 2000). Governments as the custodians of policies shape other components of the ecosystem and as such are key pillars. Entrepreneurship thrives in a supportive ecosystem and is inhibited by a dysfunctional ecosystem, with changes impacting positively or negatively on businesses, resulting in growth or failure especially in the African context (World Bank, 2016). However, Stenholm et al. (2013) noted that in the case of high impact entrepreneurs, institutional supports are less important than opportunities arising from knowledge spill overs. Acs, Desai and Hessels (2008) defines high impact entrepreneurs as those that pursue growth, innovation, increase competition, create more jobs and foster economic growth. That being said it would seem that a supportive and enabling entrepreneurial environment is critical for both high impact entrepreneurs and those of an ordinary nature. Below is a discussion of some of the elements of the entrepreneurial ecosystem.

2.3.3.1. Markets

Markets can be formal or informal and are part of the economic system supporting the output of entrepreneurship. Governments can deliberately create and provide these markets because they are one of the biggest market players in most economies. Governments can also use legal instruments to create markets for entrepreneurs (Huijben, Podoynitsyna, van Rijn and Verbong, 2016). The availability and accessibility of these markets can spur on entrepreneurial growth (Armanios, Eesley, Li and Eisehardt, 2016).

2.3.3.2. Policy

Among the environmental factors that powerfully condition the ease and scope of entrepreneurial activity are government, laws, regulations and procedures (Staley and Morse, 1971). Government policy, in turn, reflects attitude. Attitude, according to Kunkel (1965) may be defined as persistent, general orientation, a state of readiness, exerting a directive or dynamic influence. Legislation has a direct bearing on entrepreneurial activity. Deliberate empowerment laws of previously disadvantaged groups have triggered enterprise in those groups. Regulative arrangements that are supportive of entrepreneurship are more critical than other country level support systems (Stenholm et al., 2013). As such, a country's legislative or regulatory framework has a significant bearing on entrepreneurial success. The United Nations Conference on Trade and Development [UNCTAD] (2012)

urges optimisation of the regulatory framework as a key priority area for entrepreneurial development for governments. The GEM report (2016) recommended regulatory reforms to ease the process of doing business through the reduction of regulations, costs of doing business and making it easier to open new businesses. Urban (2007) noted that South Africa had a good regulatory framework which unfortunately had not given impetus to more entrepreneurial activity leading to the need to further interrogate the interplay between culture, personality and contextual issues. South Africa should build on the strength of the regulatory framework and exploit opportunities arising from an environment that is conducive, through complementary socio-cultural interventions.

2.3.3.3. Human Capital

This includes the personality of the entrepreneur and human resource capability that have a bearing on entrepreneurial venture success. Human capital and human capital theory is discussed in greater detail below and is viewed (by Dimov and Shepherd 2005; Gimeno, Folta, Cooper and Woo, 1997) as key to better entrepreneurial performance.

2.3.3.4. Supports

There are critical supportive institutions like banks, governmental agencies and the legislative framework that are pro-entrepreneurship and engender an entrepreneurial culture. Governments have dedicated entire departments at national, regional and municipal levels that build capacity and have oversight over SMEs providing incubation funds and seed capital for would-be entrepreneurs and small businesses (Bond, 2002; www.dedea.gov.za; www.mogalakwena.gov.za). The Tshwane Economic Development Agency (TEDA), which was established in 2006, is one of these support institutions specifically focusing on the City of Tshwane Metropolitan Municipality. This is a typical example of contextualising entrepreneurial support structures and is in line with recommendations of extant literature. However, other writers such as Ringer (2012) offer a radical view of the 'true entrepreneur' as those who, at best, eschew government support or financial handouts to advance their goals. Ringer actually views the government as the biggest threat to entrepreneurship and argues that it interferes with the process. On balance the available literature is of the view that government plays a crucial role as an enabler and at times a catalyst of entrepreneurship through various support systems, especially in the context of developing countries such as South Africa. It would be negligent to not recognise the role played by government and opportunities arising from government initiatives.

2.3.3.5. Governments

Government and developmental agencies have an active and collaborative interest to foster entrepreneurship but cannot do it alone. Hence, there is a need for partnerships in mobilising resources and optimising their usage. However, there is a need to follow these interventions through impact assessments and make necessary recommendations thereafter for implantation. Governments recognise the critical role played by entrepreneurship on the broader economy (Lee-Ross and Lashley, 2009). Entrepreneurship assists the broader economy with general economic growth, employment creation and government revenue generation through taxes. Governments are thus motivated to provide a framework and enabling environment that propels entrepreneurship so as to realise these returns. The available tools in the framework for governments can be legislative or legal, social capacity building, economic or financial in nature.

Governments and communities can provide a culture that encourages entrepreneurship as desirable, viable and legitimate since they are the precursors to entrepreneurial activity (Stenholm et al., 2013). In this vein, governments are a catalyst and an enabler for entrepreneurship to snowball through offering entrepreneurial training and business support frameworks to build the capacity of entrepreneurs and to navigate the business landscape by making their ventures more competitive. Some governments offer tax breaks for new ventures to ease cash flows. This approach has merit in that in the long term the government will recoup the initial investment through job creation and taxes. Underdevelopment has been linked not to the insignificant number of entrepreneurs found within a country but to weak institutions that lead to minimal opportunities for economic growth activities (Coyne and Leeson, 2004). As such strengthening of the institutional framework will result in greater opportunities presenting themselves that can then be exploited by entrepreneurs for economic development. South Africa is viewed as a dual logic economy that showcases a highly developed sector alongside those struggling to survive (Urban, 2011).

2.3.3.6. Culture

Culture is defined as the beliefs, values and norms shared in a given country (Zimmerer and Scarborough, 2005). Culture can encourage entrepreneurship at a national level which influences the conduct of entrepreneurial activity (Kariv, 2011). It is established that the country's culture has a role to play in influencing venture creation (Busenitz, Gomez and Spencer, 2000; Wong and Ho, 2005; Urban, 2007).

Countries that emphasise entrepreneurship in their culture can further provide a supportive macro-environment in which entrepreneurship can thrive through the provision of institutional and structural support systems. Reynolds, Hay, Bygrave, Camp and Autio (2000) and the GEM conceptual framework concluded that cultural and social norms are major strengths or weaknesses in entrepreneurial support structures. This is discussed in greater detail below. The macro environment is viewed as a source of the entrepreneurial spirit, thinking and traits (Kariv, 2011). Minniti (2007) postulates that formal and informal institutions affect individual behaviours across cultures and certain institutions are crucial to productive entrepreneurship. The efficacy of these institutions, if they are in place, would be an area of keen interest in the South African milieu as this can serve to propel the drive within the individual to enterprise. It would appear from the above that the individual entrepreneur's internal drive thrives within the context of not only a supportive cultural backdrop but also within formal and informal institutional frameworks (Shirley, 2008). Formal and informal frameworks should thus be complementary to the central government and municipalities' efforts to stimulate entrepreneurial development. Central government and municipalities are pivotal in encouraging a culture that embraces entrepreneurial activity and frameworks in which that culture is propagated and dispersed in the society. The cultural dispersion can be through government initiatives and those of governmental funded institutions as well as non-governmental organisations. There are some scholars that hold the view that government has a minimal impact when it comes to changing cultural values and social norms (Naude, 2008). However, the government is a key institution, to a significant extent, and does impact on culture, which makes its role not to be ignored.

2.3.3.7. Financial

Sources of finance available to the entrepreneur can be personal savings, soft loans from relatives, bank loans, venture capital, funds from government and government supported community funds. These spur venture opportunity exploitation and implementation of new venture. In 1995 the government of South Africa developed the 'White Paper on Small Business' (Republic of South Africa [RSA], 1995; www.thedti.gov.za) and has been increasing funding from the national budget to SMEs through various vehicles. The government has been encouraging banks to issue out loans to black businesses so as to spur growth, with the South African President, Jacob Zuma, leading in making this call.

This all points to a strong realisation that funding is essential if black businesses are to grow and in the process create jobs needed to reduce unemployment, poverty and to reduce inequalities and marginalisation.

2.3.3.8. The current context of South African's ecosystem

Approximately 16.5 percent of the South African (54 million) population is living on less than USD 1.90 a day (2014 World Bank data), with bottom of the pyramid (BoP) market demand for better service delivery high for energy, medium for health and education, and low for water and sanitation. Though the public sector has made magnificent efforts to improve access to electricity, water and sanitation, and housing for low-income communities, still South Africa suffers from poor education outcomes, high unemployment rate, and slow economic growth. Although government has a strong sense of support to promote service delivery, and strives to improve policies and the regulatory environment by making it favourable, there are no major regulatory barriers to register and operate an entreprise in South Africa, but there is a continuous level of mutual distrust and criticism between government and business and a strong ecosystem of private organizations that support service provision to the BoP. The corporate sector also makes a significant contribution to service delivery, both by sponsoring CSR programs and by developing inclusive business models. Much grant funding in South Africa comes from businesses, the largest of which spent an estimated USD 700 million on CSR in 2014 (Trialogue 2014). South African corporations also invest in developing inclusive business strategies.

Commercial banks offer commercial credit to businesses, however, credit conditions for small and microenterprises have tightened because of growing concerns about rising debt and default rates. The public sector offers some funding to nonpublic service delivery, mostly in the form of soft loans (a loan made on favorable terms to the borrower). The country has a small but active and growing network of impact investors who work with both small and microenterprises. Microfinance institutions play a significant role in channeling consumer finance to the lower income segments, but there is increasing concern about consumer debt.

South Africa's infrastructure is the most advanced in Africa, but access to services for the BoP remains a challenge. Transportation infrastructure is mostly world-class. IT networks are generally good, although with high costs for mobile phone and Internet services. South Africa is the fastest-growing market for renewable energy (including solar energy) in the world. (SAB Foundation and Allan Gray Orbis Foundation Report).

South Africa is an entrepreneurial leader in sub-Saharan Africa. The country has made significant progress to overcome structural factors and produce some of the most innovative and successful enterprises on the continent. The country provides the institutional support necessary for high-growth businesses to emerge and thrive, while government policies work to close historical gaps. South Africa is in a unique position in sub-Saharan Africa, with stronger supporting institutions than much of the rest of the continent and a resulting strong entrepreneurial ecosystem foundation. Since the 1990s, the South African government has been actively engaged in incorporating more of the South African population into the formal economy, whether into wage employment or entrepreneurship. To further strengthen the potential of entrepreneurship and innovation, South Africa does not necessarily need more entrepreneurs, it needs better, innovative and growth-oriented entrepreneurs that are motivated to grow and prosper within the South African environment and through engagement with the global economy. To facilitate this goal, South Africa needs a national entrepreneurship policy framework based on the strengths and weaknesses and causal factors that define the entrepreneurship ecosystem.
(www.aspeninstitute.org)

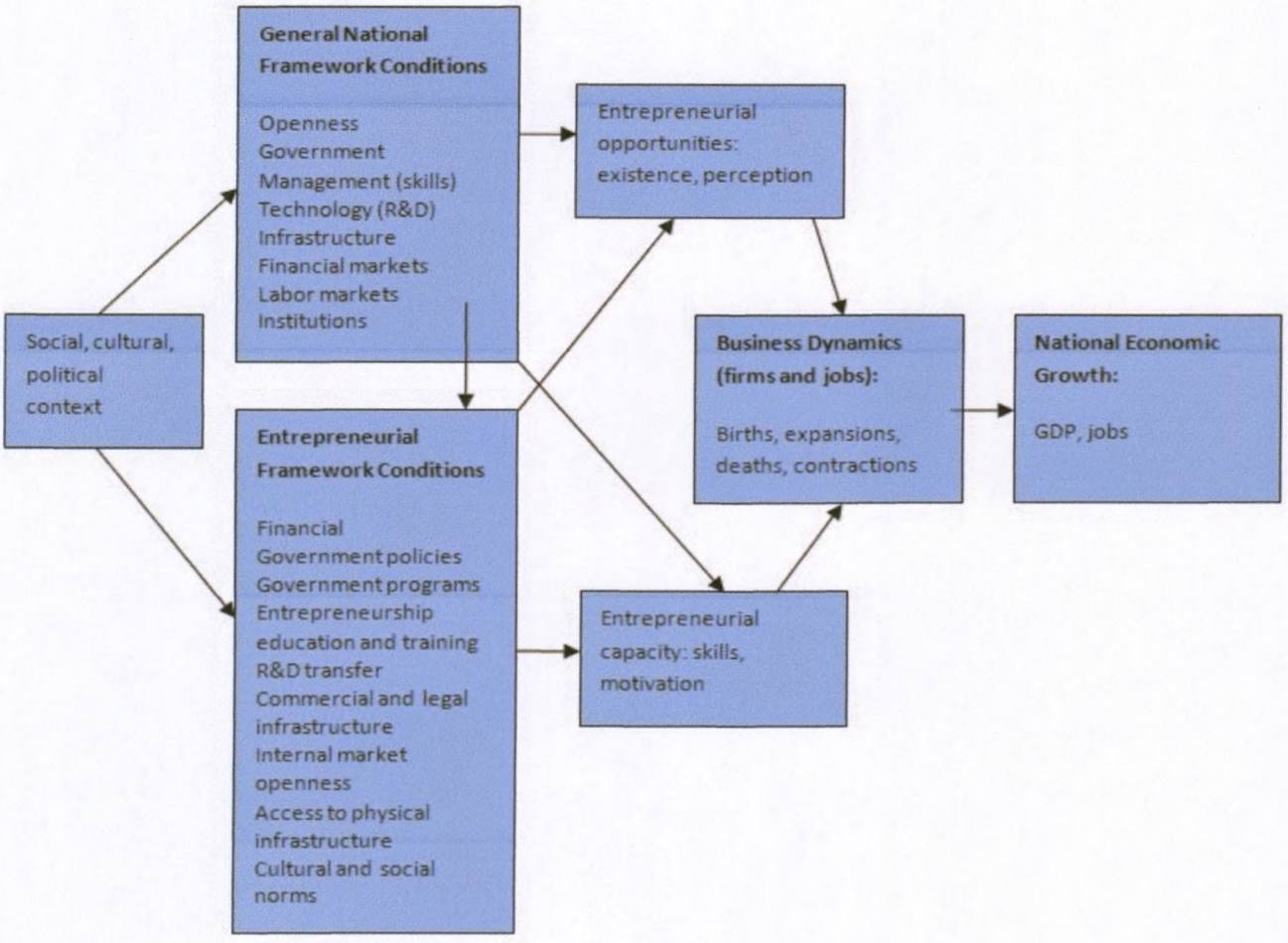
2.3.3.9 Conclusion

An active local support ecosystem for SMEs already exists, although efforts are scattered and there is a generic and it lacks clear political support. The ecosystem for SMEs could be improved by: encouraging policy makers to create a legal definition and framework for SMEs, possibly with incentives; supporting existing initiatives, programs, and capacity building; and channelling funding and investment to existing and potential SMEs in priority sectors, either directly or indirectly through the existing network of funders in South Africa.

2.3.4. The GEM Conceptual Framework

The GEM conceptual framework was developed as a result of the findings of Reynolds et al.'s study (2000). It proposes that social, cultural and political factors present in a country may generate entrepreneurial opportunities as well as augment the capacity for entrepreneurship in terms of skills and motivation. It further proposes a convergence of entrepreneurial capacity and opportunities. This convergence lead to business dynamics which results in the creation of new ventures as well as the destruction of older and inefficient ones resulting in economic growth.

As such, the GEM Conceptual Framework shown below, highlights the importance of strong institutional frameworks in entrepreneurial development.



Source : Reynolds Hay, Bygrave, & Autio, 2000

Figure 2-3: The GEM Framework

The GEM conceptual framework represents the multiple facets of entrepreneurship by depicting the interactions of an innovative, risk responsible and proactive entrepreneur with the socio-cultural and political environment as well as the interdependency between the entrepreneur and economic development (Kelly, Singer and Herrington, 2016). As such the model asserts the role of the entrepreneur as a driver for economic growth and the positive or negative impact the environment has on entrepreneurial action. The key elements of the GEM framework are the socio-cultural and political context, general national framework conditions, entrepreneurial framework conditions, entrepreneurial opportunities, entrepreneurial capacity, business dynamics and national economic growth factors that are at interplay.

The relationship between the elements in the model is symbiotic and reciprocal in nature. Reynolds et al. (2000) postulated that the entrepreneurial framework conditions, such as new venture financing, government policies, education and training, need to be sympathetic to the needs of entrepreneurs. These are some of the key areas whose impact this research will unravel in the city of Tshwane (municipality).

2.3.5. **Enterprise Development**

Enterprise development is defined as the facilitated growth of small to medium businesses through financial and non-financial support with the objective of achieving sustainable economic development (Development Bank of South Africa [DBSA], 2011). However, economic development agencies are independent organisations which aim to implement strategies of shared territorial development and whose emphasis is encouraging access for the most marginal portions of a population to decent income and employment opportunities (International Labour Organisation [ILO], 2003). Enterprise development practitioners such as Raiz define it as investing time, knowledge and capital to help SMEs establish, expand or improve businesses including empowering modest income-generating informal activities to grow and contribute to the local economy (Raiz, 2009; www.raizcorp.com).

According to the DBSA (2011) enterprise development is globally accepted as the most effective mechanism for creating economic growth by reducing unemployment, poverty and inequality. Therefore, an effective SME development programme is necessary to ensure the appropriate development measures are instituted to the deserving individuals or

enterprises (Kunene, 2008). The literature largely concurs that SMEs are key in influencing economic activity by creating jobs, alleviating poverty and improving people's livelihoods while growth is a necessary condition for the alleviation of poverty (Urban, 2011; Urban and Sefalafala, 2015). It can be argued that institutional support, which involves the training, education, and mentoring of SME's could play an important role in entrepreneurial development and growth to address skills and other resources needs (Ebadi, Motavaseli, Nikou-Nesbati and Khazra, 2012). The transfer of knowledge and skills is thus an important exercise in the SME sector for enterprise development. Successful entrepreneurship has been associated with economic growth and development (Reynolds et al., 2000). The role of entrepreneurship in providing innovation, jobs and economic development has long been established (Gathungu and Mwangi, 2014).

This implies that meaningful economic growth may be principally attained through entrepreneurial actions. Joseph Schumpeter, a leading entrepreneurship thinker, propounded that entrepreneurship plays a vital role in national economies through the creation of viable businesses that create employment and organise factors of production in new and innovative ways (Hagedoorn, 1996). Entrepreneurship can thus be viewed as a cog in the developmental wheel. Kor et al. (2007) advance the importance of entrepreneurship to firms and governments across the globe with governments impacting entrepreneurs directly through policies on taxation, training or privatisation and indirectly through policy uncertainty, retrogressive social capital and institutional frameworks that limit growth (Naude and Havenga, 2005). This implies that governments can have a significant impact on entrepreneurial development and, in the same vein, has tools at its disposal to either ignite or inhibit entrepreneurship.

2.4. **Entrepreneurial capabilities and entrepreneurial performance**

Entrepreneurial ventures go through several phases of development. Churchill and Lewis (1983) indicate that there are five phases, namely; existence, survival, success, take-off and resource maturity. Each stage has unique requirements that require different institutional support frameworks. As such, it is critical to enhance growth through these different stages, first and foremost, by identifying the exact stage of entrepreneurial development a business is in.

In South Africa, Olawale and Garwe (2010) indicated that ventures barely pass from existence to survival. This indicates a high failure rate hence, there is a need to build capacities and enhance capabilities and performance through human and social capital as well as to provide institutional support at the initial phases of the venture. This discussion looks at the dependent variable: entrepreneurial performance, followed by the independent variables: Human and social capital are both regarded as institutional support. It concludes with a summary which presents the theoretical framework and the hypotheses.

2.5. **Entrepreneurial performance**

Entrepreneurial performance in this study will be defined as a construct comprising of earnings or profit, growth, scale (number of employees), sales, outcomes, and satisfaction (Olawale and Garwe, 2010; Urban and Sefalafala, 2015).

Entrepreneurial failure becomes costly to both society and the individual in terms of financial losses, opportunity cost and psychological damage. Entrepreneurial failure has been noted to have a positive effect as entrepreneurs can learn from the failure (Naude, 2008). As such it is critical that entrepreneurial success or performance is ensured to minimise the opportunity costs of failure as well as the psychological trauma associated with failing.

2.5.1. **Measurement of Entrepreneurial Performance**

Measurement of entrepreneurial performance is an area of dispute in the literature (Naude, 2007). However, the following performance measurement parameters have gained acceptance: business survival, profitability and employment generated in by the venture (Bosma, van Praag, Thurik and de Witt, 2004). The basis of success is also determined by business continuation, with an assumption that the continuity is a function of profitability (Lekhanya and Mason, 2014). A business is thus considered to be performing well if it is profitable, generating jobs and has prospects of operating as a going concern. So businesses can generate jobs but fail to have longevity or future viability prospects. Therefore, it is prudent that all the three parameters be viewed as critical in judging the success or otherwise of the entrepreneurial ventures. The focus on business success and growth is crucial for business performance of SMEs since there are various factors impacting how the business is conceived and how it operates.

These factors also contribute to the business' effectiveness, and can either be internal or external (Miller, 2011; Miller, 1983: Covin and Slevin 1989). Internal strengths or weaknesses can be the skills, attitude and personality of the entrepreneur while the external factors are mainly economic or political factors. Accurate performance measurements are critical to understand SMEs success and failure (Murphy, Trailer and Hill, 1996). However, various SMEs seek particular assistance from development agencies and their expectations differ. It is expected of agencies to develop a baseline assessment of SMEs to assess their progress whenever support is given to them and this support should be on those ventures that are entrepreneurial since not all SMEs are entrepreneurial (Naude, 2008). Performance measurement systems are valuable if linked to the firm's strategy, financial and non-financial measures, internal and external measures and various measures of performance (Koufteros, Verghese and Lucianetti, 2014). As such, the entrepreneur's business plan and strategy is important and should be in place. It should not be only used to source funds but to steer the business towards better performance. Bosma et al. (2004) concluded that human and social capital investments somehow 'substantially and substantively' impacted entrepreneurial performance.

2.6. **Entrepreneurial capabilities**

The entrepreneurial capabilities concept is derived from the foundation of a resource-based view of the firm which proposes that entrepreneurial performance is determined by its unique capabilities which are human, social, financial and technological capital (Urban and Sefalafala, 2015). The first two are largely intangible and are a determining factor of economic performance (Camison and Villa-Lopez, 2010). This is further supported by Obrecht (2004) who argues that human and social capital are among the most essential capabilities for organisational performance. In this discussion, entrepreneurial capability is conceptualised as a multi-dimensional construct comprising of two intangible firm assets and are human and social capital. Below is a discussion of the human and social capital constructs in greater detail.

2.6.1. **Human Capital**

The UNCTAD (2012) identified six entrepreneurship policy priority areas, namely: the formulation of a national entrepreneurial strategy, optimisation of the regulatory framework, enhancement of entrepreneurial skills and education, facilitation of technology and innovation exchange, improved access to finance and the promotion of awareness and networking. Emphasis on enhanced entrepreneurial skills and education indicates the continued recognition of the importance of the cognitive abilities of the entrepreneur in venture creation and sustenance. This means that skills and training facilitation and support continue to play a critical role in entrepreneurship. The human capital theory maintains that knowledge provides individuals with increased cognitive abilities, leading to more productive and efficient potential activity (Tang, Tang, Marino, Zhang and Li, 2008). It predicts that the possession of greater knowledge, competencies and skills by individuals and groups result in superior performance outcomes (Offermann, Bailey, Vasilopoulos, Seal and Sass, 2004). It can be understood that there is a relationship between the skills, expertise and knowledge of the entrepreneur or the entrepreneurial teams and venture performance. Human capital is comprised of intellectual, social and emotional capacities. These can be viewed as cognitive intelligence, social intelligence and emotional intelligence levels.

Intellectual capital constitutes skills, knowledge and expertise, whereas social capital is comprised of a relationship network's structure and quality, and emotional capital is comprised of the courage and stamina to see things through (Urban, 2011). These dimensions of intelligence are key to the entrepreneur as they impact on the quality of relationships the entrepreneur may have with key stakeholders and this may affect business performance.

Entrepreneurial human capital is defined as a body of knowledge that an entrepreneur accumulates by devoting his own time to learning, specific job-related education and skills (Unger, Rauch, Frese and Rosenbusch, 2011). Venter et al. (2015) defines it as the knowledge and skills acquired by individuals from investment in education, on the job training, other experiential exposure and mentorship. It is this knowledge that needs to be transferred to entrepreneurs and SMEs. This investment in their business will improve businesses performance and competitiveness. Governments are increasingly concerned about the efficacy of human capital formation through the provision of entrepreneurial

education and training (EET) to create better entrepreneurs (Martin, McNally and Kay, 2013). This is in line with the recommendation of the priority areas identified by the UNCTAD. Urban (2006) postulates that entrepreneurial training increases the level of sophistication of entrepreneurs making them more adept at opportunity identification. This is premised on the understanding that the entrepreneur is a key component in the entrepreneurial equation and the more knowledgeable the entrepreneur, the higher the chances for business growth leading to the creation of more jobs, increased profitability and survival which in turn lead to meaningful and sustainable contribution to economic development. Manev, Gyoshev and Manolova (2005) postulated that there is a relationship between entrepreneurial orientation and human capital and that both positively impact on business performance. This amplifies the critical importance human capital has in improving the performance of entrepreneurs across the life cycle of the venture. Hence, there is a need to evaluate human capital impact directed programmes and to measure their effectiveness as well as adjusting them so that they remain relevant to the needs of the entrepreneurs. An analysis of small informal businesses in South Africa from 2007 – 2010 established the human factor, in particular, entrepreneurial actions and business management skills, as strong pointers of small business survival (Ligthelm, 2011). As such, skills development within the SMEs would be of paramount importance and support should continue to be directed towards these key areas.

2.6.2. **Skills development**

In South Africa a lack of resources such as human resources, managerial, marketing and financial skills has been highlighted as impacting negatively on the success, viability and development of small businesses and that there is a need for support services to close this gap (Radipere and van Scheers, 2005). Simultaneously, institutional support, which include the training, education, and mentoring of SME's has an important role in entrepreneurial development and growth in addressing skills and other resources needs (Ebadi, Motavaseli, Nikou-Nesbati and Khazra, 2012). Research has shown that skills development positively affects entrepreneurial performance (Reynolds et al., 2000; Dimov and Shepherd, 2005; Patel and D' Souza, 2009; Unger et al., 2011; Zarutskie, 2010). An individual with distinguishable skills, knowledge and resources is set apart from competitors (Venter et al., 2015).

Entrepreneurs who are trained, educated, experienced and skilled on balance yield positive entrepreneurial outputs, because a lack of skills influences SME performance (Kambwale and Chisoro, 2015; Mwania, 2015). This points to the correlation that may exist between these parameters and it is vital to continue to monitor and support skills and training. However, human capital leads to higher performance only if it is applied and successfully transferred to the specific tasks that need to be performed (Unger et al., 2011). Appropriate skills and knowledge can thus be a source of distinctive competencies and advantages for the venture and hence, improved performance may ensure long term survival prospects. The accumulation of experience and knowledge over-time is linked to an increase in human capital (Ucbasaran, Westhead and Wright, 2009). On this score, government support may be required to ensure that entrepreneurs and SMEs are equipped with relevant knowledge, training and skills (Skuras, Meccheri, Moreira, Rosell and Stathopoulou, 2005). With reference to this, the following hypothesis arises:

H_1: Skills development has a positive impact on entrepreneurial performance of SME beneficiaries of developmental agencies based in Tshwane

2.6.3. **Mentorship**

Entrepreneurs encounter multiple personal and business challenges at the inception which can be resolved through professional short-term and long-term support and advice that many of them cannot afford (van de Sidje and Weijman, 2013). Mentors are thus viewed as critical asset for a business (Cull, 2006). Through structured and unstructured mentorship programmes, entrepreneurs can benefit immensely at little or no cost.

Mentoring has been regarded as entrepreneurial action directed at creating or finding opportunities, resource mobilisation and business linkages (Engel, Kaandorp and Elfring, 2016). As such, mentoring becomes increasingly important to the entrepreneur as they chart unfamiliar territory. Mentoring can be viewed in this regard as a risk management mechanism that can reduce and mitigate risks posed to the entrepreneur and the venture through acquisition and the utilisation of guidance and advice. Robust mentoring programmes have been noted to raise entrepreneurial performance through the transfer of knowledge from mentors to mentees (Chebii, Bwisa and Sakwa, 2016).

The authors from their research findings recommended that the Kenyan government offer legislative support for the mentoring of entrepreneurs. This highlights the significant impact that mentorship can have in fostering entrepreneurial development in the context of developing countries. As such, it is vital for mentoring to be part and parcel of an effective institutional framework. Mentoring is conceptualised as nurturing and supporting entrepreneurs by providing them with professional skills development and moral support in order to positively impact on the business' sustainability (Kram, 1985; Sullivan 2000). Mentoring is also viewed by St-Jean and Audet (2012) as a supportive relationship which transfers knowledge from established entrepreneurs (mentors) to amateur entrepreneurs (mentees). The effect of this is to leap frog the learning curve and close the knowledge gap that typically characterises new ventures and their creators. Mentoring can also take the form of guidance through difficulties and capacity building initiatives that add value to the person and the business (Fletcher, 2000). Value addition can be in terms of improved cognitive, social and intellectual capital dimensions on the entrepreneurs' behalf as well as business process engineering, management and competitiveness. It is important that mentors understand that different entrepreneurs will need different mentoring support and skills depending on their needs and stage of business (Memon, Rozan, Ismail, Uddin and Daud, 2015). Mentors are viewed as knowledgeable and often more successful entrepreneurs themselves. This provides them with relevant insights that are useful to entrepreneurs which can mitigate risk and reduce chances of failure and increase performance. Considering this, the following hypothesis arises:

H_2 Mentorship has a positive impact on entrepreneurial performance of SME beneficiaries of developmental agencies based in Tshwane

2.6.4. **Social Capital**

Social capital is defined as the norms and social relations embedded in the social structures of society that enable people to coordinate action and to achieve desired goals (Bauernschuster, Falck and Heblich, 2010). The first definition of the concept social capital by Hanifan (1916) is stated as those intangible assets that count for most in the daily lives of people which are goodwill, fellowship, sympathy and social intercourse, among families and individuals that make up a social unit (Putman 2000 , OECD: 102). Therefore, social capital is an important resource that has a positive impact on business performance (Manev et al., 2005).

It is viewed as the norms and networks which enables collective action (Woolcock and Narayan, 2000). Social capital is hence viewed in the context of social interactions and the benefits the entrepreneur can derive from them. Social capital theory explains the abilities of actors to extract benefits from their social structures, networks and memberships and can be used to supplement the effects of education, experience and financial capital (Venter, Urban and Rwigema, 2008). Consequently, there is a need to interrogate this concept further, giving it the seriousness that equals its importance as well as facilitating the development of social capital among entrepreneurs. There are four broad perspectives of social capital and economic development, namely:

(1) communitarian,

(2) networks,

(3) institutional and

(4) synergistic views (Woolcock and Narayan, 2000). Below is a discussion of these:

2.6.4.1.Communitarian View

This view states that social capital is akin to local, community based civic groupings that impact positively on society's welfare. Communities with more groupings are deemed to have more social capita than those with fewer ones (Bayat, 2015; Lin, 2002; Agnitsch, Flora and Ryan, 2006; Woolcock and Narayan, 2000).

2.6.4.2.Networks View

This highlights vertical and horizontal associations among people and relationships that are found in organisations such as community groups and firms. Emphasis is on the importance of networks arising from and within the groupings (Harper, 2015; Murphy, 2007; Brass, Galaskiewicz, Greve and Tsai, 2004; Woolcock and Narayan, 2000).

2.6.4.3.Institutional View

This view posits that the strength of community or civic networks is largely a function of the political, legal and economic environment (Woolcock, 2001; Woolcock and Narayan, 2000). This view is laudable and persuasive to the authors in that in the African context central government plays a pivotal role in engineering networks through formal organisations or groupings that may assist entrepreneurship to thrive through a supportive legal, political and economic framework (Davids, 2015; Nwosu, 2010; Tesfayohanness et

al., 2009). These build up on the extended family network that characterised the family institutions in the African context. As such, external institutional support has greater acceptance and is not viewed as interference or a sign of personal failure or weakness by the individual but as complementary to individual action (Woolcock and Narayan, 2000).

2.6.4.4.Synergy View

This view recognises that central government cannot do it alone in the development of robust social networks and therefore there is need to complement governmental efforts through the action of civil and community organisations (Azfar, Kahkonen, Lanyi, Meagher and Rutherford, 1999). This view has seen governments encouraging an active role by non-governmental organisations (NGOs) in supporting SMEs through donor funds or funds channelled from central government as well as building capacity at the community level (Biekpe, 2004; Woolcock and Narayan, 2000).

2.6.5. **Social networking**

There is recognition that social networking is primary across all the phases of the entrepreneurial process, that is, from the identification or creation of the opportunity, to resource mobilisation and venture growth (Hoang and Antoncic, 2003). Olawale and Garwe (2010) argued that networking is important to SMEs growth at the various levels of development for reasons including improved access to finance and external resources, gaining legitimacy among stakeholders, debtor creditor relationships, brand or venture recognition and awareness.

Networking is thus a critical and important activity for the entrepreneurs. Networking can and does unlock access to capital (Ferrari, 2016) which is one of the major entrepreneurial constraints in the South African milieu (Urban and Hwindingwi, 2016; Urban and Kujinga 2017). Entrepreneurs have been noted to use relationships to exploit opportunities (Kor et al., 2007) including funding options. These arguments make networking a vital, if not indispensable platform, for establishing relationships for opportunity identification and exploitation as well as funding the ventures emanating from those opportunities. Networking also proves useful in accessing markets for the finished product or services. Market knowledge and accessing the market can be gained by deliberate networking in search for market information as well as the diffusion of the entrepreneur's products or services and the needs that they satisfy in the market.

Some authors view networking as the specific behaviour directed towards goals (Porter and Woo, 2015) which is interactive and pro-social (Shepherd, 2015). This means that entrepreneurs use their interactions to achieve certain objectives as well as set out opportunistic goals from the same interactions. The entrepreneur has been noted to be proactive and this applies in networking as well.

The literature establishes a positive relationship between social networks and innovation. What this means is that closeness facilitates and spurs this innovation (Griffin, 2014). As such social networks are critical to the entrepreneurship process as well as the establishment and attainment of entrepreneurial goals and the diffusion of innovation. There is recognition that networking among entrepreneurs fosters entrepreneurial success for related economic benefits and is essential to get new businesses on the right footing (Lal and Clement, 2005). Networking becomes increasingly important under conditions of uncertainty for opportunity creation, opportunity discovery, resource mobilisation and forming business linkages (Engel, Kaandorp and Elfring, 2016). It can be inferred that networking may reduce uncertainty.

Following their Ghanaian studies, Naude and Havenga (2005) identified two types of networks, namely: the innovation and solidarity networks. Wherein the innovation networks improved organisational performance through information sharing and the solidarity network was used for uncertainty mitigation. The latter being the dominant form of networking in Africa. This finding suggests a need to encourage innovation networks within the African context as this directly impacts business performance.

Bruderl and Preisendorfer (1998) allude to the prominence of the "network approach to entrepreneurship" in entrepreneurial literature which views network related resources, such as activities and support, which are normally relied upon in the establishment of new ventures. Hence, the provision of a platform upon which social networking thrives at the institutional level becomes an enabler for entrepreneurial process and the success of the same. Entrepreneurs can share experiences and learn from those of other established entrepreneurs. Social capital provides networks that facilitate the discovery of opportunities, identification, collection and allocation of scarce resources, advice and emotional support (Davidsson and Honig, 2003 in Urban and Shaw, 2010; Batjargal et al, 2013). Networking is viewed as extending the reach and abilities of the individual to leverage resources that are held by others (Sefalafala, 2013). Anderson, Dodd and Jack

(2010) acknowledged that social capital created within networks and through social interaction is related to the growth of new and small business ventures. Networking then is key for development of social capital, synergies and support for the entrepreneur. Indications are that entrepreneurs that have a large and diverse social network and receive support from it are more successful (Bruderl and Preisendorfer, 1998). As such, networking is critical and government has the capacity to create extensive networking institutions that fulfil the requirements of diverse entrepreneurs. In recognition of the importance of networking, the UNCTAD (2012) indicated awareness and networking among entrepreneurs as a priority area and governments have to engender this if this goal is to be achieved. From the foregoing, it may therefore seem safe to conclude that on balance, the overall evaluation is that social networks are vital for entrepreneurs and frameworks that facilitate these networks are critical and have to be actively initiated, facilitated and cultivated. If the frameworks are in place there is a need to continuously interrogate their relevance in light of environmental dynamism and modify them accordingly so that they continue to play an indispensable role of providing opportunities and building entrepreneurial capacities for improved performance.

2.6.5.1.Measuring Social Capital

According to Woolcock and Narayan (2000) several studies have endeavoured to measure social capital's contribution to economic development, but obtaining a single measure has remained a mirage. This is due to the multidimensional definition and fluidity of the forms and nature of social capital. As such, there is no universal measurement for social capital. There is, however, convergence in underdeveloped countries due to persistent introduction of technology and continuous capital investment, allowing accessibility and suscepitibility to international markets. Technological innovation is responsible for more than half of the growth in advanced economies by most accounts impacting on social relationships that contributes to the economic and social development, including entrepreneurial performance (Hoffman and Furcht, 2014). This is arguable as it implies the need in the South African context for further exploration of this phenomenon as well as development of possible instruments that actually measure the contribution of social capital to economic development. Therefore, the following hypothesis arises:

H_3 Social networking has a positive impact on entrepreneurial performance of SME beneficiaries of developmental agencies based in Tshwane

2.7. Conclusion of literature review

The literature argues that human and social capital, particularly skills development, mentorship and networking, are critical for entrepreneurial performance. Literature also seems established on the proposition that the relationship is positive and is vital at all phases of the entrepreneurial process. The challenge is that entrepreneurs in small firms, especially in developing countries, have constraints emanating from their lack of resources. There may be the need for stronger institutional support, specifically government support, for human and social capital development and capacity building. There is a strong case that government intervention would result in improved entrepreneurial performance through addressing market failures that bedevil entrepreneurial ventures (Naude, 2008; Acs and Naude, 2013). An important relationship has been noted to exist between institutions and entrepreneurship (Stenholm et al., 2013) with entrepreneurial activities thriving under strong institutional frameworks (Estrin, Mickiewicz and Stephan, 2013, Caree and Thurik, 2005; Urban, 2005). Government plays a significant role in developing this framework and seeing that the framework can trigger entrepreneurship. Cooke and Wills (1999) found evidence that a significant component of institutionally funded social capital initiatives improved business, innovativeness, knowledge and performance. Thus, the following theoretical model as illustrated in Figure 2- and associated hypotheses can be credibly derived from the extant literature.

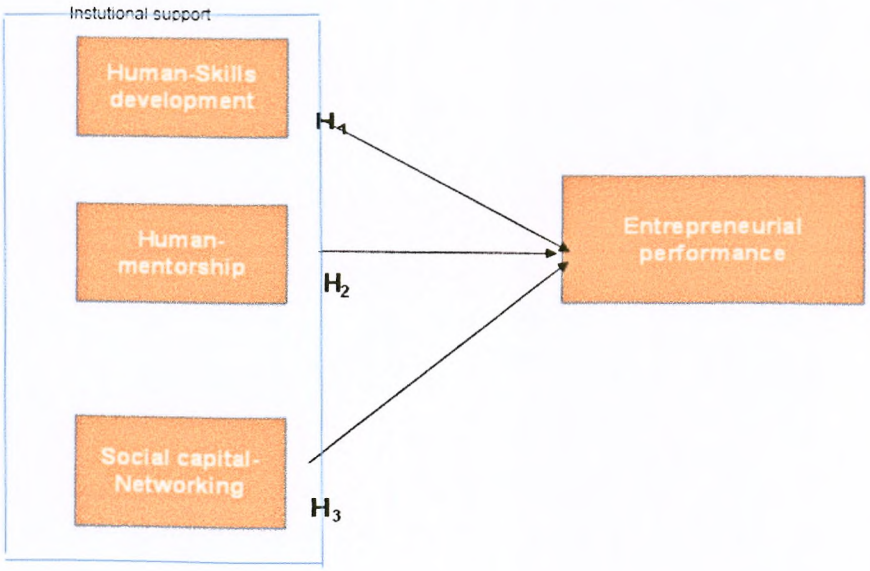


Figure 2-4: Theoretical model

H_1 Skills development has a positive impact on entrepreneurial performance of SME beneficiaries of developmental agencies based in Tshwane

H_2 Mentorship has a positive impact on entrepreneurial performance of SME beneficiaries of developmental agencies based in Tshwane

H_3 Social networking has a positive impact on entrepreneurial performance of SME beneficiaries of developmental agencies based in Tshwane

Chapter 3. : Research Methodology

3.1. Introduction

This section discusses the research methodology that was followed to conduct this research study. The chapter discusses the research paradigm, followed by the research approach and the research design, which is followed by a discussion of the population, sampling method and the methods used for data collection are explained. Thereafter, there is a discussion of instrument used to measure and analyse the data to achieve the study's objective (Cooper and Schindler, 2014). This chapter also describes the validity and reliability of the design and ends with the limitations to the study.

3.2. Research Methodology

The study followed a quantitative method in obtaining data through completed structured questionnaires. This method was utilised to test theory and to answer questions relating to the relationship between entrepreneurial performance as a dependent variable and human capital and social capital as independent variables, and has its basis on human capital theory, social capital theory and resource based theory. This is the appropriate approach for this research as it aims to test hypotheses that were formulated from the constructed theories (Creswell, 2015). Its intent was to obtain an unbiased data that is precise in order to establish and ascertain relationships between the independent and dependent variables and to allow the generalization of findings. Onwuegbuzie, Johnson and Collins (2011) recommend a quantitative approach simply due to its high credibility for both practitioners and policy-makers; and because it allows it to be congruent with the aims of this study.

3.2.1. Paradigm/ Philosophical foundation

The epistemology of this study is positivist which focuses on explaining and predicting casual relationships between variables and constructs (Cohen, Manion and Morrison, 2013). This positivist paradigmatic approach is considered in instances where the intention is to predict reality in the social world through a set of predetermined variables and constructs. Additionally, it adopts traditional approaches of natural science to comprehend, evaluate and analyse the interrelationships among variables and constructs.

Lastly, positivists assume that the reality in a social world and its subsequent meaning may be identified, explored, measured and analysed using the various approaches of natural science (Cohen, Manion and Morrison, 2013). The ontological perspective is an objectivist one, in which the reality or observations in the social world are independent of the researcher (Cohen, Manion and Morrison, 2013; Cooper and Schindler, 2014). The researcher maintained independence from the observations in the social world through the sourcing of data from managers and business owners of SMEs in Tshwane using a predetermined research instrument. Based on both the epistemological and ontological perspective, the study followed a quantitative approach and adopted a research process (Olsen, 2004; Zawawi, 2007) as illustrated in Figure 3-1, below.

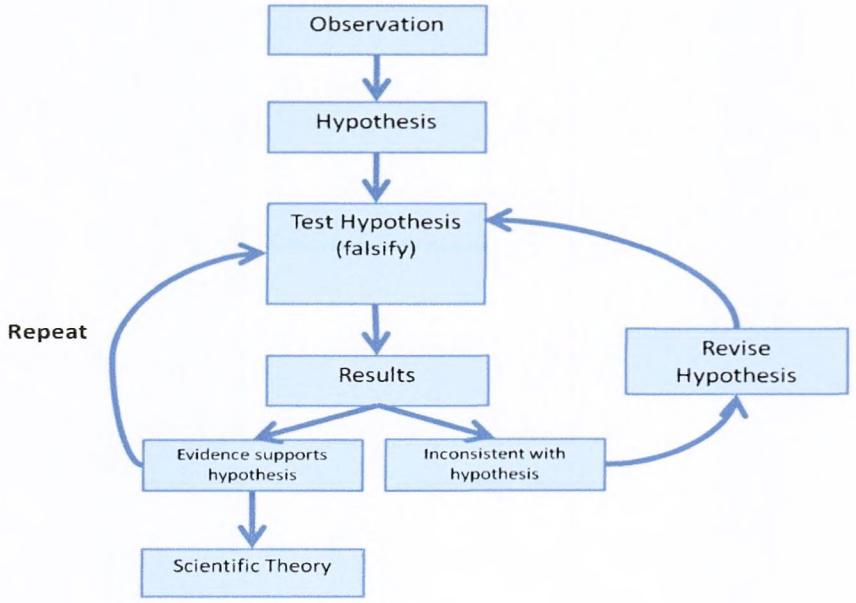


Figure 3-1: Quantitative approach

Empirical research studies on governmental support in South Africa have focused mainly on the investigation, evaluation and understanding of causal relationships among human capital, social capital and entrepreneurial performance (Martin, McNally and Kay, 2013; UNCTAD, 2012). This methodological approach has been consistent with data collection following a simple random non-probability sampling technique, where all subjects had equal opportunity to participate. The population of entrepreneurs had all equal probabilities of being chosen. This method is considered as a fair way of selecting a sample from a given population since every member is given equal opportunities of being selected. Due to the representativeness of a sample obtained by simple random sampling, it is reasonable to make generalizations from the results of the sample back to the population.

Simple random sampling (also referred to as random sampling) is the purest and the most straightforward probability sampling strategy. It is also the most popular method for choosing a sample among population for a wide range of purposes. In simple random sampling each member of population is equally likely to be chosen as part of the sample. Many dissertation supervisors advice the choice of random sampling methods due to the representativeness of sample group and less room for researcher bias compared to non-random sampling techniques. However, application of random sampling methods in practice can be quite difficult due to the need for the complete list of relevant population members and a large sample size.

The development of hypotheses from existing literature based on theories of competitiveness and entrepreneurship provided an opportunity for a reconfiguration of the theoretical framework including determining which theory has significant predictive power. This study provides an opportunity to implement theoretical and methodological processes to identify, investigate and analyse the extent and impact of governmental support in enhancing entrepreneurial performance of SMEs in Tshwane. Furthermore, this study intends to reconfigure and close these knowledge gaps through investigating and elucidating which theory has major predictive influence.

3.3. **Research design**

Research design is conceptualized as the plan to extract data or information required to answer the research (Cooper and Schindler, 2014). This study adopted a cross sectional study using a structured questionnaire. A cross sectional study is a descriptive study that analyses situations at a specific time to depict the present conditions (Creswell, 2015). A survey method includes the sampling of individual units from a populace and the related survey data collection techniques. A survey refers to a measurement process of collecting data using a structured questionnaire where respondents are asked questions (Field, 2009). The idiosyncratic feature of survey is a request for information from respondents, who are a sample of the population, through online survey, email, telephone interview and face-to-face. This research study adopted the survey-type design because it provided answers to the research questions on how and to what extent government institutions' impact on human capital, social capital and the entrepreneurial performance of SMEs in Tshwane (Field, 2009).

3.3.1. **Research approach**

There are two approaches for conducting research:

(1) inductive, and

(2) deductive (Cooper and Schindler, 2014)

The inductive approach focuses on theory building using exploratory techniques to define relationships and patterns among constructs, whilst the deductive approach focuses on analysing theory through the use of explanatory techniques. This study followed a quantitative research conceptual framework, applying deductive reasoning, with the objective of testing whether the characteristics of the empirical social world are compatible with the defined theory (Field, 2009).

3.4. **Population and sample**

3.4.1. **Population**

A population is the general sum of components about which findings or theories can be made (Cooper and Schindler, 2014; Field, 2009). The target population of the research-study was SMEs enrolled on the database of developmental agencies in Tshwane. The initial focus or plan was to study a single agency in Tshwane, TEDA. However, the gate-keepers delayed access to conduct research in their institution. Time was wasted and the first four months were unfruitful, spent negotiating approval for data collection. Attaining access to a database of SME's in Tshwane remained a challenge as the organizations and institutions were not supportive, unaccommodating and unwilling to assist. Focus and attention was drawn to Tshwane SMEs registered on the database of government institutions (SEDA, GEP).

The targeted population was sole owners, shareholders and/or managers of SMEs in Tshwane. General workers were excluded from completing the structured questionnairres because they would not be able to provide adequate, reliable and credible answers to questions posed, thus compromising the validity of the research results and increasing measurement error (Thindisa, 2014). The anticipated sample return was about 300 with the minimum sample return expected to be 150. This was based on the average rate of empirical studies on government support on SMEs in South Africa.

Cognisance was taken of the principle that the bigger the sample, the lower the probability of small sampling error (Cooper and Schindler, 2014; Field, 2009). Literature indicates that once the sample size reaches a certain level the saturation point is reached (Cooper and Schindler, 2014; Field, 2009). Henceforth, attainment of statistical control was the other consideration. The return rate was lower than anticipated, with a total of 600 copies distributed, (both soft copies and hard copies). Of the 450 surveys that were sent out on line, via surveymonkey, only 51 responses were returned, and of the 150 hard copies of questionnaires that were printed and circulated by hand to individuals, only 90 were returned. The process of data collection has been one of the hardest in this research progress, as the realisation of the final 141 responses was mainly through the participation and contribution of entrepreneurs who attended a meeting in Tshwane municipality arranged by SMEs in Tshwane, working together with TEDA.

The cooperation of entrepreneurs and the exhibitors and their assistance led to most collection and responses. The experience in this data collection is that there was no pressure put on entrepreneurs to complete the questionnaires, that is why the collection rate was low in the beginning, and that the survey was completed voluntarily, that which rose respondents that were uncooperative. Uncooperative respondents led to a lower response rate (Cooper and Schindler, 2014; Field, 2009).

3.4.2. **Sample and sampling method**

Sampling incorporates adopting components in the population whereupon conclusions are made about the gross populace (Cooper and Schindler, 2014). Simple random probability sampling, was a suitable method to gather data from SMEs that were accessible and present during the gatherings and meetings at the time of collecting data (Cooper andSchindler, 2014). This sampling method would indicate a probable bias because the SMEs that participated in the study were the invited entrepreneurs that regularly attend these meetings. However, the bias was removed by the fact that the turnout to the meeting by membership was voluntary and not influenced by the researcher. The population sample was extracted based on the National Small Business Amendment Act that SME's employ between one and 100 people, with a maximum turnover of less than R10 million per annum (Government Gazette of the Republic of South Africa, 2017).

3.5. **Research instrument**

The measuring instrument was a structured survey planned as a questionnaire. A questionnaire is an arrangement of documented fixed questions (Cooper and Schindler, 2014). This instrument was informed by past literature. It was modelled on the basis of the existing tools (Crompton, 2012; Shree and Urban, 2012; Urban and Sefalafala, 2015). The instrument consisted of introductory information, instructions, a confidentiality clause, background and characteristics of the SMEs, including constructs according to literature of the study. The constructs contained in the measuring instrument took into consideration the definition of construct as posited in theory which depicts specific unit of analysis to ensure construct validity, both in terms of convergent and divergent validity (Field, 2009). Therefore, theoretical concepts were translated into empirical concepts and linked to observable events for ease of measurement.

A statistician was also involved in formulating, articulating and structuring the instrument. Some of the questions were binary, or in trio form, and some questions required missing spaces to be filled in, whilst other questions were formulated on a 5-point likert scale. The use of likert scales was to quantify responses on the items within the research instrument and the optimal number of points on each item was influenced by the content of the measurement of each construct of the study (Vagias, 2006). The choice of likert scales ought to make a contribution in ensuring that respondents make a definite choice rather than have an inclination to select a neutral answer. Respondents often select answers which take less effort and therefore select the median responses (Cooper and Schindler, 2014). Though, in dynamic and intricate circumstances, the mid-point scale is assumed to increase the reliability and validity of the construct (Field, 2009). The instrument's target was to collect a precise scope of data that considers the correlation between entrepreneurial performance, as a dependent variable, and the independent variables which are skills development, mentoring and social networking. To facilitate the measurement of each construct, a multiple item approach was considered with 7 to 18 items for each construct respectively (Cooper and Schindler, 2014). A sample of a consistency matrix and the questionnaire are attached in Appendix A and B, respectively. Furthermore, the questionnaires enclosed disclosure statements to assure respondents that the evidence delivered would not be shared nor distributed to the public without prior request.

This instrument involved referenced measures of human capital: skills development and mentoring, social capital including social networking, satisfaction, and entrepreneurial performance constructs. Satisfaction construct was incorporated into the survey, considered to support entrepreneurial performance construct, because performance is an important indicator of success for individual entrepreneurs (Hmieleski and Corbett, 2007). The adoption of previously developed scales improved and contributed to the credibility and legitimacy of the study (Cooper and Schiendler, 2014; Field, 2009). Preference was particular to individual measuring scales within the same domain theoretically and hypothetically guided by level of notion, principle and capacity, inferring that the unit of exploration should be the same (Slavec and Drnovsek, 2012). These were tested for validity and reliability, and presented no notable shortcomings, due to the strong theoretical foundation of each of these variables (Crompton, 2012; Shree and Urban 2012; Urban and Sefalafala, 2015). The questionnaire was corroborated by the supervisor, who confirmed and approved submission to faculty for endorsement and authorization. Consent to proceed with the study was granted by faculty. This commendation by the university enhanced the credibility of the study among respondents, targeted institutions which are developmental agencies/organisations where the database were requested, the forums, and gatherings for meetings.

3.6. **Data Collection**

An online survey designed using Wits Qualtrics Software was utilised to obtain the pilot data through following this link: https://wits.eu.qualtrics.com. The final data was collected using a surveymonkey, and followed the following link: https://www.surveymonkey.com/r/W5C93PN. The survey was relatively efficient, as opposed to interviewing or meeting with each respondent and it ensured that all the data were collected in a standardised manner. All the respondents could answer anonymously, at their own pace, which encouraged accurate answers. The instrument was piloted to a smaller group, before it was disseminated to a larger group, to detect, identify and alleviate replies which might not have been primarily predicted (Cooper and Schindler, 2014). Amendments and adjustments were made to the initial questionnaire after it was piloted. Following an unexpected low response, some questionnaires were printed and later distributed, during a gathering/meeting of SMEs. The researcher was accessible in the

meeting to simplify questions where respondents did not understand, and where clarity was needed.

3.6.1. **Procedure for data collection**

An introductory letter was sent to all possible respondents, detailing the purpose of the research as well as emphasising that it was a purely voluntary academic enterprise and within their right not to participate. For the surveys which were hand distributed the process and procedures were explained on delivery. Various quantitative methods were engaged to collect the data which included online distribution which was self-administered and distributed to respondents by email, text messages, social media platforms such as WhatsApp, LinkedIn and a Facebook page was generated. A simple random sampling method was used where contacts could send the questionnaires to their networks, partners, and counterparts, some were randomly sent by emails to entrepreneurs, and some were handed/ distributed to members who attended the Tshwane SME's meeting and workshops. All available SMEs had an opportunity to participate. One of the most obvious limitations of simple random sampling method is its need of a complete list of all the members of the population. An unbiased random selection and a representative sample is important in drawing conclusions from the results of a study.

The most effective collection procedure in this study was getting an opportunity to dispense the forms at a meeting and the workshop that was held by the local SMEs in the Tshwane municipality. It was arranged by the local SMEs network. A go-ahead was granted by the organisers to circulate the survey during the gathering. Pictures were taken during the meeting and attached in Appendix F. An attendance register was collected and some questionnaires were distributed after the meeting via email to the attendees. Some forms were returned on the day of the event during social networking sessions, breaks and information sharing sessions, and others were faxed, scanned and sent back via email. The benefits of collecting data through administering structured questionnaire at gatherings and/or meetings of SMEs development organisations through face-to-face administrations were:

- It was cost effective
- It alleviated failures of self-administered consultations such as challenges concerning language; and

- The process was rapid, and more reliable, taking into consideration the demanding schedules of managers and/or owners of SME's
- It is not prone to telephone interview failings of limited time and failure to pose follow-up interrogations.

3.7. **Data analysis**

The data collected was logged on an Excel worksheet and was statistically analysed by the university recommended statistician and later sent to another statistician, Professor Steve Olorunju, at the (SAMRC) South African Medical Research Council to verify the findings using a different program or software. The software used by the statisticians was SPSS software and Stata version 14.2, respectively. The outcomes were comparable, which confirmed the results.

3.7.1. **Descriptive statistics**

Descriptive statistics was useful to assess and differentiate the data collected on demographics illustrating the entire population, presenting frequencies for categorical variables. Descriptive statistics measured the centre, spread and shape of the distributions, thereby depicting the mean, mode, percentages, standard deviations and variables such as age, gender, position in the company, level of experience, and the ethnic group of entrepreneurs, including the company's age, and their numbers of employees in their organisation. Means, standard deviations and associated 95% confidence intervals are presented for continuous characteristics (Age, Years of Experience). The mean refers to common average while median splits the ordered data into two halves and finally, the mode refers to the value in data occurring most often (Cooper and Schindler, 2014). Standard deviations indicate how much a score deviated from the mean while variance indicates variance from the mean (Field, 2009). Frequencies were used to arrange data from the highest to lowest with counts and percentages and pie charts used to present a pictorial view of these frequencies.

3.7.2. **Multiple regressions**

Multiple regression was used to analyse the relationships between the variables, dependent and independent, and presented the relationship thereof. Its analysis determined the strength, direction and shape of the relationship between the dependent variables (human

and social capital), and the independent variable (entrepreneurial performance) and the extent of variation by SME's with explanatory variables. The findings of the study were analysed and presented using explanatory data analysis, a process of calculating descriptive statistics and frequencies to identify patterns, search for clues and making inferences (Hair Jr and David, 2013).

When using a regression analysis method the minimum sample requirement is 50 responses (Hair, Anderson, Babin and Black, 2010). This study anticipated soliciting a sample size of 300, however, only 141 responses were collected which was sufficient to conduct explanatory data analysis. Multiple regression analysis was appropriate for analysing the degree and character of relationships of a single dependent variable (DV) - entrepreneurial performance and independent variables (IV) - human capital (skills development and mentoring), social capital (social networking).

The insertion of multiple regressions was to exploit the independent variables to predict the dependent variable (Cooper and Schindler, 2014; Field, 2009). It was used to measure predictive accuracy by squaring each error and summing the results together. This process is known as the sum of squares which provides a measure of predictive accuracy that varies depending on the amount of error (Hair, et al., 2010).

Multiple regression analysis assumes the following factors:

- Normality of error term redistribution;
- Independence of error terms;
- Constant variance of error term; and
- Linearity of phenomenon measured.

3.7.3. **Exploratory factor analysis**

Exploratory factor analysis was used to assess the factorial validity of the constructs. Validity refers to the extent to which a scale or set of measures accurately represents the concept of interest. The convergent validity, which is shown by the factor loadings provided in factor analysis output refers to the amount of weight assigned to the factor. Prior to computing a factor analysis, the Barlett test of sphericity and the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy were determined and it was anticipated that the value would be above 0.5 (Field, 2009; Nwibo and Okorie, 2013). The Bartlett test of

sphericity tested the overall significance of all the correlations within the correlation matrix. A statistically significant Bartlett's test of sphericity, with a significance that is greater than 0.05, indicates that sufficient correlations exist, in order to proceed with the factor analysis. Following this, the normality of the distributions was examined. The Shapiro-Wilk and the Kolmogorov-Simonov Tests were used to assess the normality of the variables before hypothesis testing could be carried out. Factor analysis was conducted to determine if the empirical analysis confirms theory but also to reduce dimensions of variables within a construct. A measure's dimensionality is concerned with homogeneity of items (Slavec and Drnovsek, 2012).

3.7.4. **Cronbach alpha and Correlation analysis**

Reliability, or the internal consistency of the tool, is evaluated by the determination of Cronbach's alpha for all the data and the domains of interest in order to assess the adequacy of the tool used in capturing the data. The value of the Cronbach's Alpha ranges from zero to one; and the closer the Cronbach's alpha coefficient is to 1, the greater the internal consistency of the items in the scale (Gliem and Gliem, 2003). Correlation analysis to evaluate the domains of interest was also used. The Pearson correlation coefficient was used to examine bi-variate relations and ranges between +1 to -1.

Correlation coefficients revealed the magnitude and direction of the relationships in the model. The magnitude refers to the degree to which variables move in unison or opposition while the sign identifies the direction of the relationship (Cooper and Schindler, 2014). A correlation coefficient of any magnitude, sign or significance levels does not determine causation. Hypothesis testing for significance levels was done, using α-values. ρ- value indicated the probability of variables, and explained the relationship with others (Cohen, Manion and Morrison, 2013; Field, 2009). Significant variables are those ρ-values less than .01 or .005 meaning that variation between variables is bigger than the sample error (Cooper and Schindler, 2014).

3.8. **Validity and reliability of the research**

Validity and reliability are imperative for research quality. Validity of the measurement process is well-defined as a method of measuring variables to establish if the study is

measuring what it is supposed to measure (Field, 2009; Slavec and Drnovsek, 2012). The data was tested for validity and reliability through conducting a pilot study.

3.8.1 Reliability and validity of construct

Since the study utilised adopted referenced measures from empirical research, the reliability and validity of construct measures are critical for the generalization and legitimacy (Cooper and Schiendler, 2014; Field, 2009). Referenced measures are those that were previously adopted and utilized in other studies by researchers while adopted measures are those that were referenced and slightly modified from the original form (Slavec and Drnovsek, 2012). Construct validity relates to the extent to which questions, which make up a construct, measure what they intend to measure.

The validity of constructs was improved by ensuring items within the questionnaires mirror the latent theoretical constructs of those they intended to measure (Field, 2009). The research design of this study enforced that variation of reliability and validity and the ability to generalize measuring scales.

3.8.2. **Internal validity**

Internal validity is the degree to which the outcomes of the research study can be attributed to the measurement of the constructs considered for the study (Cooper and Schindler, 2014). The validity of the whole study refers to the standard of research process and accuracy of results. Threats to the internal validity of this research study were selection bias and the change in the instrument. Adoption of valid and referenced measures of constructs enhanced the validity of research study.

3.8.3. **External validity**

External validity is the degree to which the findings of a study can be generalized to settings or samples other than the one studied (Field, 2009). The ability and extent to which these research findings should be generalized across populations may be limited due to the collected sample size (141) resulting from the simple random sampling method applied. However, valid measures of constructs were used in this study resulting in enhanced legitimacy of the study (Slavec and Drnovsek, 2012).

3.8.4. **Reliability**

Reliability is the degree to which the technique of measurement produces similar findings on repetitive trials (Slavec and Drnovsek, 2012). Reliability is concerned with the consistency, stability and repeatability of the respondents' data and the researcher's capacity to collect and record information precisely (Creswell, Klassen, Plano Clark, Smith and Assistance, 2015; Cooper and Schiendler, 2014). Reliability testing was done using Cronbach's alpha co-efficient on factor loadings. The value of the Cronbach's Alpha ranges from zero to one; and the closer the Cronbach's Alpha coefficient is to 1, the greater the internal consistency of the items in the scale (Gliem and Gliem, 2003). The Cronbach alpha for this study was above the lower limit of acceptability for all the scales studied.

3.8.5. **Pilot test results**

The pilot study was conducted on entrepreneurs based in the east of Pretoria (Tshwane). 25 SMEs showed interest to participate, and questionnairres were distributed to them at a TEDA workshop that was held at the CSIR in Pretoria, Brummeria on the 11th of May 2016. A total of 15 responses were collected, that which determined the results of the pilot study. 10 other questionnaires were never returned. As a result of the pilot study, changes were made on the final instrument, as some questions were irrelevant, and others were too long. This could have been one of the reasons some participants did not show interest on taking the questionnairres whilst other questionnairres were never returned. It makes sense because entrepreneurs are found to be busy and rarely have time.

The data analysis was done, and the results showed a Cronbach alpha of 0,722.

H_1 Skills development is positively associated with entrepreneurial performance. Cronbach alpha was 0,755

H_2 Mentoring is positively associated with entrepreneurial perfomance , with Cronbach alpha of 0,750

H_3 Social networking is positively associated with entrepreneurial performance, with Cronbach alpha of 0,851

Results pertaining to a dependent variable, Entrepreneurial Performance, presented a Cronbach Alpha of 0,775.

3.9 **Conclusion**

In conclusion, literature on research highlights that the mind-set of using a straitjacket philosophy, positivist versus postmodern, is unrealistic (Cresswell and Tashakkori, 2007; Onwuegbuzie and Leech, 2006b; Saunders et al., 2003). This implies a preference for a balanced approach. To fulfil a comprehensive business research study, a pragmatic philosophy was selected. This in turn allowed for a predominantly quantitative methodology. In this section, a comprehensive explanation was given on the research methodology and approach. In the next section, the findings from the data collection is discussed by using descriptive and statistical analytical methods.

Chapter 4. : Presentation Of Results

4.1. Introduction

This chapter presents the results of the study. Data was collected through a structured questionnaires that were administered to entrepreneurs during data gathering process for SMEs. The questionnaires had five sections, namely demographics, human capital construct that addressed skills development and mentoring, social capital construct that addressed networking, satisfaction, and entrepreneurial construct, including recommendations and suggestions. The demographic characteristics of the respondents and the companies that the responses represent are presented. Thereafter, the measurement aspects of the model are evaluated in terms of their properties and the distributions of the variables. Finally, the model results are presented.

4.2. Demographic profile of respondents

There was a total of 141 responses, in the sample Figure 4-1 shows the gender distribution of the sample.

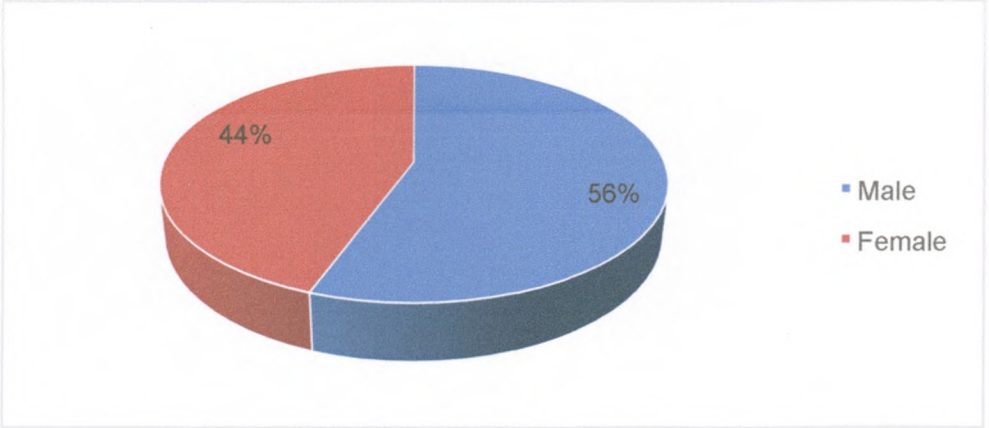


Figure 4-1: Respondent gender

It can be noted that more than half of the respondents were male (56%) and the other 44% were female.

The age distribution is summarised in Figure 4-2, below.

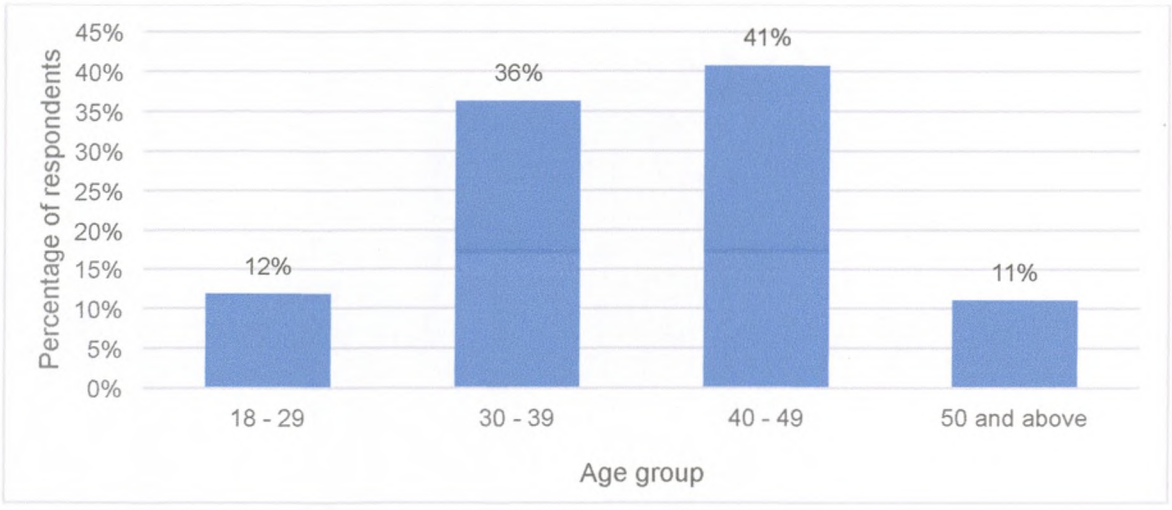


Figure 4-2: Respondent age

The results show that only 12% of the sample were aged between 18 and 29, the other 36% were 30 – 36 years old, 41% were 40 – 49 years old while the other 11% were 50 years and older.

The ethnic groups of the respondents in the sample are summarised in Figure 4-3, below.

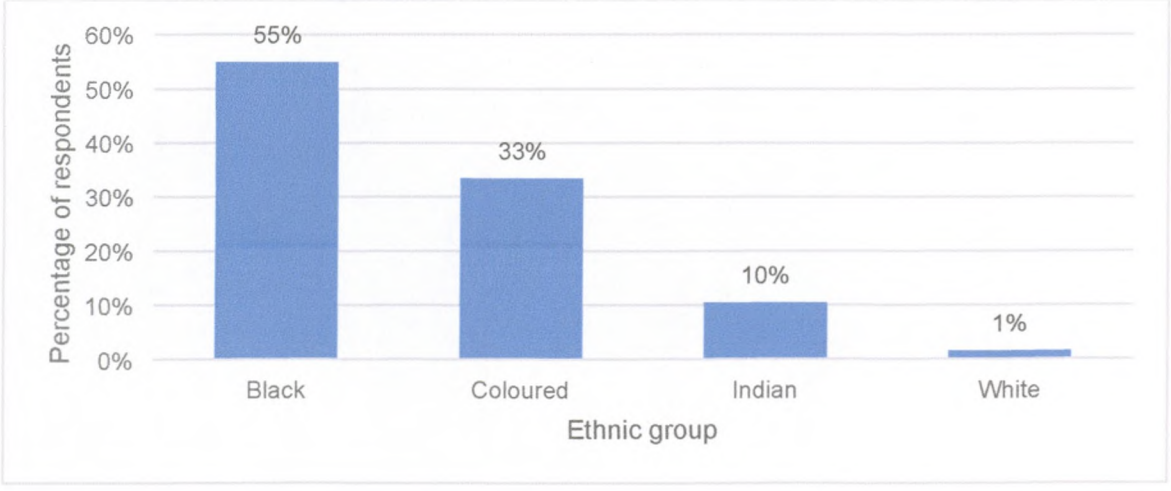


Figure 4-3: Respondent's ethnic group

More than half of the sample was made up of Black respondents (55%), this was followed by 33% Coloured, 10% Indian and the other 1% were White.

The highest level of education was also assessed and the results are shown in Figure 4-4, below.

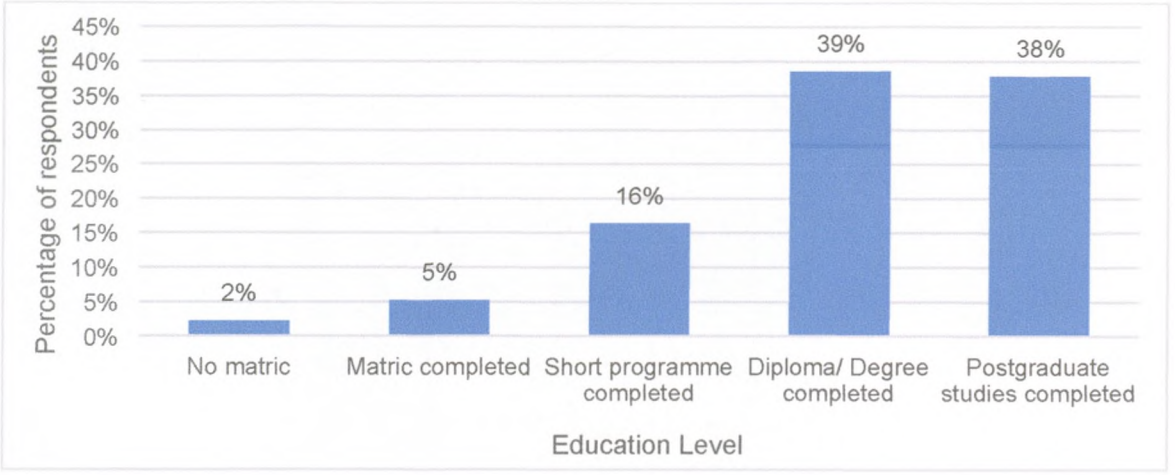


Figure 4-4: Respondent's highest level of education attained

Most of the respondents either had a diploma, a degree or a post graduate degree (77%). Only 7% had Matric or lower as their highest level of education with only 2% that had less than Matric as their highest level of education.

The positions of the respondents within their businesses are summarized in Figure 4-5 below.

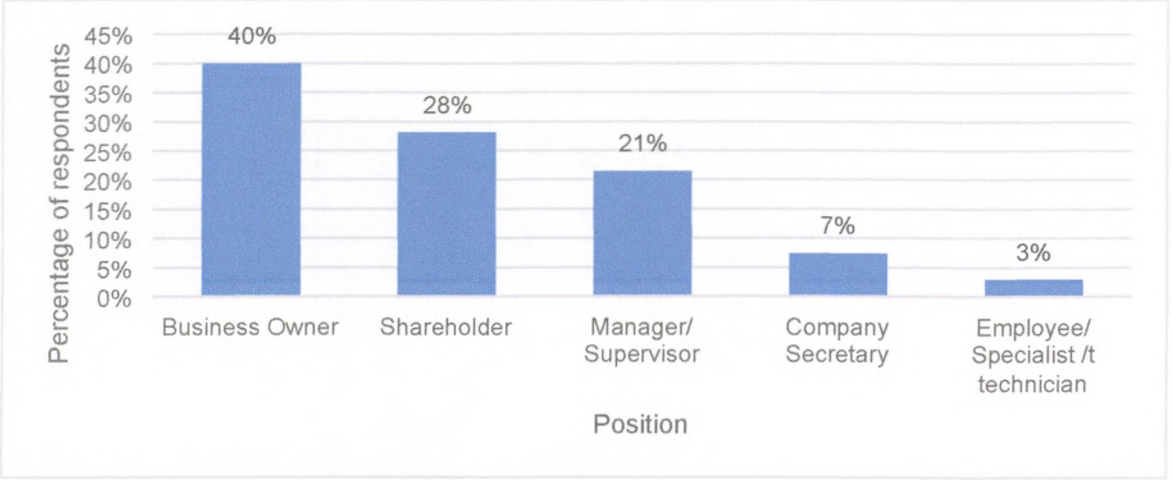


Figure 4-5: Respondent's Position

The respondents were Business owners (40%), Shareholders (28%), Managers/ supervisors (21%), company secretary (7%) or employees (3%). A pie chart below demonstrates a distribution according to the categories mentioned.

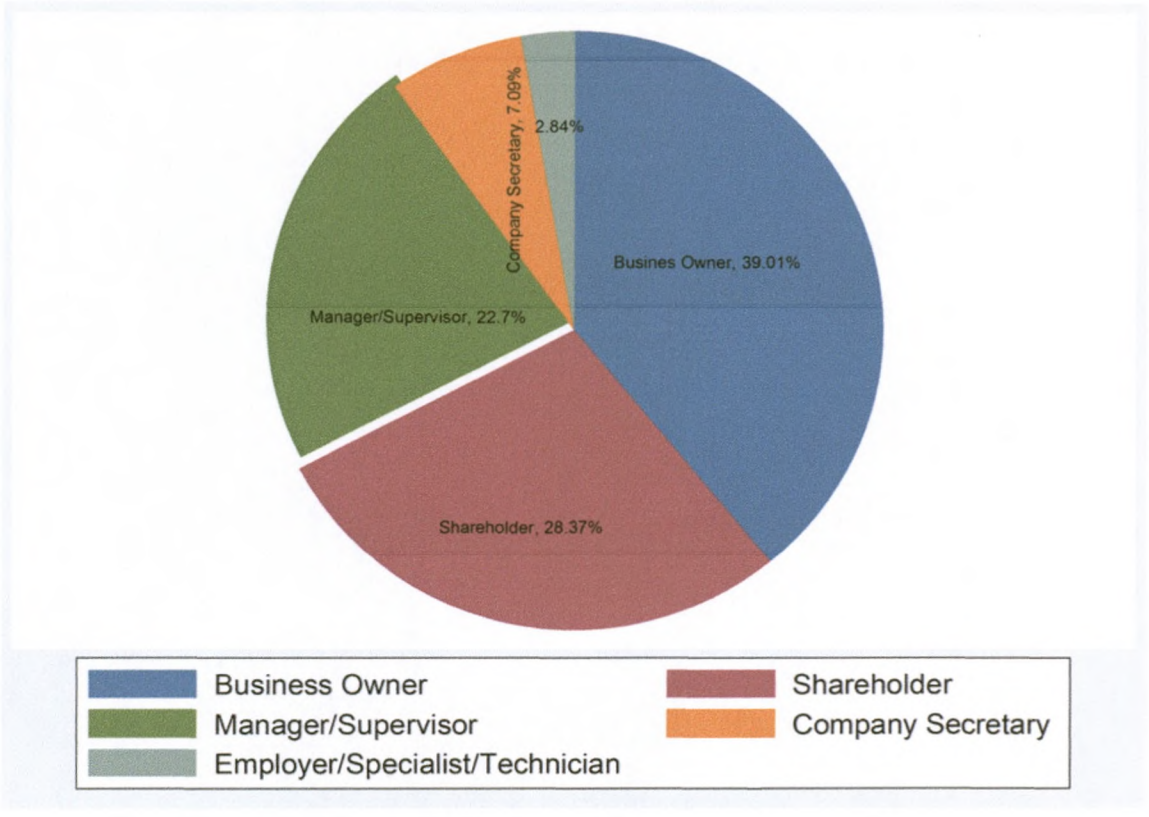


Figure 4-6: Distribution of position in the company

This chart represents the respondents, distribution according to their position in the company.

The summary presented in Table 4-1 below shows results on the characteristics of respondents, the companies represented in the sample and the views on the responses on mentoring, varying from one question to another.

Table 4-1: Results of respondents, companies and view on monitoring

Variable	Category	Frequency	Percent
Gender	Male	78	55.32
	Female	63	44.68
Participants Age (Years)	18-29	17	12.1
	30 – 39	51	36.2
	40 – 49	56	39.7
	50- 59	17	12.1
Position in the Company	Business Owner	55	39.0
	Shareholder	40	28.4
	Manager/Supervisor	32	22.7
	Company Secretary	10	7.1
	Employer/Specialist/Technician	4	2.8
Highest level of Education	No Matric	3	2.1
	Matric Completed	7	5.0
	Short Prog Completed	23	16.3
	Diploma/Degree Completed	53	37.6
	Postgraduate	55	39.0
Ethnic Group of Participant	Indian	7	4.9
	Coloured	43	33.2
	Black	55	55.9
	White	18	1.9
	Chinese	3	2.1
Indicate the Size of the Company	N/A	6	4.3
	Less than 10	57	40.43
	10 – 50	55	39.0
	51 – 200	9	6.4
	More than 200	14	9.9
Did you pay for Mentoring	Yes	70	49.7
	No	70	49.7
	No Response	1	0.6

Variable	Category	Frequency	Percent
Please Indicate the Organisation's Age	Not Applicable	4	2.8
	Less than 3 Months	15	13.5
	3 – 42 Months	71	63.8
	5 – 10 year	37	26.4
	11 – 20 Years	8	5.7
	20 Years and Above	6	4.3
Specify Your Mentor	Male	81	57.5
	Female	54	38.3
	Both	5	3.6
	Not Specified	1	0.7
Did you agree on the deliverables	Yes	120	85.1
	No	20	14.2
	No specified	1	0.7
Did you sign an agreement for the business mentoring engagements	Yes	84	59.6
	No	56	39.7
	No Response	1	0.7
How was Mentoring delivered mainly	Face to Face	114	80.9
	By Telephone	14	9.9
	Email	12	8.5
	Not Specified	1	0.7
How was your mentoring sessions	Structured	51	36.2
	Unstructured	49	34.8
	Flexible	40	28.4
	Not Specified	1	0.7

The companies represented in the sample mainly have less than 10 employees (55%) and were mainly young companies that were less than 42 months old (62%). There were also some old companies in the sample as show in Table 4-1 that 25.2% of the companies were 5-10 years old, 5.9% were 11 – 20 years old while the other 4.4% were above 20 years old.

From Table 4-1 it can be noted that 41.3% of the companies had less than 5 mentoring contact sessions from the government, 21.4 had 5 - 10 sessions and the other 37.3% had more than 10 mentoring contact sessions.

A proportion of 51.1% indicated that they had paid mentoring sessions while the other 48.9% had the sessions for free. The mentors were mainly male 59.3% while 37% had female mentors and the other 3.7% had both male and female mentors.

Most of the respondents (87.4%) indicated that they agreed on the outcome/ deliverables of mentoring at the commencement and 60.7% indicated that they had a signed agreement for the business mentoring engagement.

The mentoring sessions were mainly delivered face-to-face (83%) with only 8.1% being delivered telephonically and 8.9% by email. The mentoring sessions were either structures (37.8%), flexible from one session to another (28.9%) or Unstructured (33.3%).

The majority of the respondents (92.6%) indicated that they would engage in a skills development programme at another time with only 7.4% indicating that they will not engage in a skills development programme again. Generally, the respondents were of the view that they would recommend the workshops and training programme to other SME as indicated by 86.7% of the respondents affirming this.

4.3. **Responses of Hypotheses**

4.3.1. **Responses on Human Capital (Mentoring experience)**

Table 4-2 below presents the response on human capital relating to the question that evaluates the main reason respondents are engaging their business for mentoring experience. This table means that the texts a-h represent response summary in percentages, with the figures allocated under columns Strongly Agree towards Strongly Disagree, based on what the respondents' business were engaging for mentoring experience.

Table 4-2: Business mentoring experience response

	Response Summary in Percentages	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
a.	To increase skills and knowledge	46.1	48.2	1.4	2.1	2.1
b.	To grow the business	39.7	51.2	3.6	2.8	2.1
c.	To better manage business processes	47.5	46.8	1.4	2.3	2.1
d.	To better manage staff relationships	37.2	50.4	7.8	3.6	2.1
e.	To change your behaviour	36.2	47.5	7.1	5.7	3.5
f.	To increase your performance	42.6	48.9	5.7	0.1	2.1
g.	To develop your potential	41.8	50.4	4.3	1.4	2.1
h.	To expand your thinking	30.0	51.8	5.0	2.1	2.1

From the above Table 4-2, the business mentoring experience of respondents was good. Respondents strongly agreed, and expressed themselves positively towards the experience, scaled ranging between, 80 percent to 95 percent.

In summary, 94, 3% of the respondents agreed to engage their business for mentoring experience to increase skills and knowledge and to better manage their business processes, 92, 2 % for mentoring experience in order to to develop their potential, 91, 5% to increase their performance, 90, 9 % respondents, to grow their business and 87, 6% respondents, to better manage staff relationships, 83, 7%, to change their behaviour, 81, 8%, to expand their thinking.

It is also noted that 4, 3 % disagreed that they engage their business for mentoring experience to increase skills and knowledge, 3,5 % disagreed on the reason for developing their potential, 2,8 disagreed on the reason for increasing their performance, 5,5% disagreed on the reason to grow their business, 6,6 % disagreed with the reason to better manage staff relationships, 9,2% disagreed with the reason of changing their behaviour, and lastly, 13,2% disagreed with the reason of engaging their business to expand their thinking.

4.3.2. **Responses on Human Capital (mentoring sessions)**

Table 4-3: Responses on Human Capital (mentoring sessions)

Summary response presented in percentage	Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
a. Vision, strategy, goals, environment (1)	30.5	46.8	2.8	17.7	2.1
b. Customers (e.g. external) (2)	33.3	50.4	6.4	7.1	2.8
c. Stakeholders (e.g. Internal) (3)	22.7	44.0	8.5	21.3	3.6
d. Production (e.g. create, manufacture) (4)	20.6	44.7	9.2	19.2	6.4
e. Processes (e.g. methods, procedures) (5)	24.1	42.6	7.8	19.2	6.4
f. People (e.g. leadership, managing, culture) (6)	24.1	48.2	7.1	16.3	4.3
g. Flyer (7)	19.9	31.9	12.8	26.2	9.2
h. Business plan (8)	32.6	43.3	5.0	11.4	7.8
i. Presentation (9)	25.5	42.6	5.7	18.4	7.7

Table 4-3 above presents the response on human capital relating to the question that evaluates the main focus of their business mentoring session. This table means that the texts a-i represent response summary in percentages, with the figures allocated under columns Strongly Agree towards Strongly Disagree, based on what the respondents' focus of their business mentoring session.

83,7% respondents' main focus of their business mentoring session was on customers, 10% disagreed, 77,3 % vision, strategy, goals, and environment,20% disagreed, 75,9 business plan and 20% disagreed. 68, 1% on presentation, and 26, 1% disagreed, 66, 7% respondents' on stakeholders, and processes, whilst 25% disagreed.65,3% respondents' was on production, whilst 25,6% disagreed. Lastly 51, 8% respondents' main focus of their business mentoring session was on flyers, whilst 35% disagreed.

4.3.3. **Responses on Human Capital –Skills Development**

Table 4-4: Skills Development responses

	HUMAN CAPITAL- *SKILLS DEVELOPMENT*	Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
Q 20	I attend regularly local or foreign trade fairs	34.8	27.0	8.5	23.4	6.4
Q 21	I am actively seeking information about our suppliers/ clients in markets related to our work	27.0	46.1	11.4	12.8	2.8
Q 22	I am experienced in the business I am running/ operating	39.0	44.7	8.5	5.7	2.1
Q 23	I intend to apply what I have learnt during the workshops to my business	39.0	47.5	7.1	4.3	2.1

Table 4-4 above shows the response on human capital relating to the question that pertains to skills development. This table means that Question 20 to Question 23 represent response summary in percentages, with the figures allocated under columns: Strongly Agree towards Strongly Disagree, based on the respondents' skills development. From the responses above, there is evidence to demonstrate levels of agreement that the respondents believe in the attendance of local or foreign trade fairs (61, 8%), seek information about supplies in market related work (73, 1%) couple with the adequate experience in the operation and running of business (83, 7%) which has been taught and learnt during exposure to workshops attendance, and the intention to apply it in business (86, 5%).

4.3.4. **Response on Satisfaction**

Table 4-5: Response on Satisfaction

	SATISFACTION	Strongly Satisfied	Satisfied	Neither satisfied nor dissatisfied	Dissatisfied	Strongly Dissatisfied
Q22	To what extent were you satisfied with your skills development experience	24.8	55.3	6.4	11.4	2.1
Q23	To what extent were you satisfied with the period/ length of skills development sessions	19.2	48.9	15.6	12.1	4.3
Q24	To what extent were you satisfied with the cost of sessions	20.5	45.4	17.0	13.5	3.5
Q25	To what extent were you satisfied with the delivery methods of sessions of workshops	17.7	52.5	13.5	12.1	4.2
Q26	To what extent were you satisfied with your relationship with the development agencies	18.4	41.8	19.2	17.0	3.5
Q27	To what extent were you satisfied with the style of training conducted and their approach	18.4	53.2	14.2	10.6	3.5
Q28	To what extent were you satisfied with the role of development agencies to your business	16.3	47.5	18.4	14.2	3.5
Q29	To what extent were you satisfied with the outcome of training and development	23.4	56.0	9.9	7.1	3.5

Table 4-5, above represents the response on satisfaction to the questions that relates to skills development. This table means that Question 22 to Question 29 represent response summary in percentages, with the figures allocated under columns Strongly Agree towards Strongly Disagree, according to the respondents' level of satisfaction. Satisfaction item was analysed to determine a level of happiness on entrepreneurial performance, as well.

From Table 4-5 above, it is indicated that the level of satisfaction ranged from 60% percent to about 77% percent. This serves as an indication that generally the level of satisfaction of the skill development is good, with a distinguished lowest score of satisfaction on the relationship with the development agencies (60,2%) and the role of developmental agencies to the business (63,8%). From the above assessment, an analysis of variables linking them with Satisfaction was determined.

4.3.4.1. Relationship between Gender of Mentor and Satisfaction

Table 4-6: Anova between Gender of mentor and satisfaction

Descriptive							
SATISFACTION							
	N	Mean	Std. Deviation	95% Confidence Interval for Mean		Minimum	Maximum
				Lower Bound	Upper Bound		
Male	80	3.865	.7012	3.7090	4.021	1.30	5.00
Female	50	3.730	.752	3.5162	3.944	1.60	5.00
Both	5	3.400	1.065	2.0772	4.723	2.00	4.50
Total	135	3.798	.736	3.6726	3.92	1.30	5.00

ANOVA					
Human Capital Skills Development					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.382	2	.691	1.283	.281
Within Groups	71.107	132	.539		
Total	72.489	134			

One Way ANOVA was conducted to assess whether there was a relationship between gender of Mentor and Satisfaction. The results are shown on Table 4-6, above.There was no significant relationship between gender of mentor and Satisfaction since the p-value of the One way ANOVA (p-value = 0.281) was greater than 0.05.

4.3.4.2. Relationship between agreement with outcome/deliverables of mentoring and Satisfaction

Table 4-7: Relationship between agreement with outcome/deliverables of mentoring and satisfaction

Group Statistics									
		Agreed on the outcome/ deliverables of mentoring at the commencement		N	Mean	Std. Deviation			
SATISFACTION		Yes		118	3.93	.62013			
		No		17	2.90	.85951			
Independent Samples Test									
		Levene's Test for Equality of Variances		t-test for Equality of Means					
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
								Lower	Upper
SATISFACTION	Equal variances assumed	3.569	.061	6.058	133	.000	1.02712	.69175	1.36248
	Equal variances not assumed			4.752	18.476	.000	1.02712	.57387	1.48037

Independent Samples Test was conducted to assess whether there was a relationship between agreement with outcome/ deliverables of mentoring and Satisfaction.

The results are shown in Table 4-7, above. The respondents who agreed with the outcome/ deliverables of mentoring at the commencement were more satisfied (mean =3.93 compared to a mean of 2.90) for the respondents who did not agree with the outcome/ deliverables of mentoring at the commencement. The difference was statistically significant since the p-value was less than 0.05 (p-value = 0.000).

4.3.4.3. Relationship between signing agreement for the business mentoring engagement and satisfaction

Table 4-8: Relationship between signing agreement for the business mentoring engagement and satisfaction

Group Statistics				
	Had a signed agreement for the business mentoring engagement	N	Mean	Std. Deviation
SATISFACTION	Yes	82	3.82	.675
	No	53	3.77	.827

Independent Samples Test									
		Levene's Test for Equality of Variances		t-test for Equality of Means					
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
								Lower	Upper
SATISFACTION	Equal variances assumed	1.056	.306	.330	133	.742	.043	-.214	.300
	Equal variances not assumed			.316	95.096	.753	.043	-.227	.313

Independent Samples Test was also conducted to assess whether there was a relationship between signing an agreement for business mentoring engagement with a Satisfaction outcome. The results are shown in Table 4-8, above. The results show that there was no significant difference in the mean satisfaction for the respondents who signed agreement for the business mentoring engagement (mean = 3.82) compared to those who did not sign the contract (mean= 3.77). This is because the p-value was greater than 0.05 (p-value = 0.742).

4.3.4.4. Relationship between the delivery mentoring sessions vs Satisfaction

Table 4-9: Relationship between the delivery mentoring sessions vs satisfaction

ANOVA

SATISFACTION					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.283	2	.642	1.189	.308
Within Groups	71.206	132	.539		
Total	72.489	134			

Descriptive

SATISFACTION								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Face to face	112	3.804	.738	.070	3.666	3.943	1.30	5.00
Telephonically	11	4.009	.541	.163	3.646	4.373	2.80	4.50
Email	12	3.542	.841	.243	3.007	4.076	2.00	4.50
Total	135	3.798	.736	.063	3.673	3.923	1.30	5.00

One Way ANOVA was also conducted to assess whether there was a relationship between the delivery method and Satisfaction. The results are shown in Table 4-9, above. There is no significant relationship between delivery method and Satisfaction since the p-value of the One way ANOVA (p-value = 0.308) was greater than 0.05.

4.3.4.5. Relationship between Structured, Unstructured or Flexible mentoring session's vs Satisfaction

Table 4-10: Relationship between structured, unstructured or flexible mentoring sessions vs satisfaction

Descriptive							
SATISFACTION							
	N	Mean	Std. Deviation	95% Confidence Interval for Mean		Minimum	Maximum
				Lower Bound	Upper Bound		
Structured	51	3.882	.674	3.693	4.072	2.00	5.00
Unstructured	45	3.767	.850	3.511	4.022	1.30	5.00
Flexible from one session to another	39	3.723	.676	3.504	3.942	2.20	5.00
Total	135	3.798	.736	3.673	3.923	1.30	5.00

ANOVA					
SATISFACTION					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.626	2	.313	.575	.564
Within Groups	71.863	132	.544		
Total	72.489	134			

One Way ANOVA was also conducted to assess whether the mentoring sessions were structured, unstructured or Flexible and the Satisfaction outcome. The results are shown in Table 4-10, above. There is no significant relationship between mentoring sessions that were Structured, Unstructured or Flexible and the Satisfaction outcome since the p-value of the One way ANOVA (p-value = 0.564) was greater than 0.05.

4.3.5. **Response on Networking**

Table 4-11: Response on networking

	NETWORKING	Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
Q34	We maintain close social relationships with our key contacts	29.1	50.4	8.5	7.1	4.9
Q35	We know the names of our contacts personally	18.4	51.1	12.8	12.8	5.0
Q36	In these relationships, both sides avoid making demands that can easily damage the interests of the other	14.2	43.3	17.3	20.0	4.9
Q37	In these relationships, neither side takes advantage of the other, even if the opportunity arises	21.3	32.6	15.6	4	5
Q38	Our key contacts always keep their promises to us	13.5	47.5	14.9	19.9	4.3
Q39	We have established new contacts through our key contacts	25.5	51.1	10.6	7.8	4.9

Table 4-11, above represents the response on the construct of social capital that related to networking. This table means that Question 34 to Question 39 represent response summary in percentages, with the figures allocated under columns Strongly Agree towards Strongly Disagree, based on the respondents' networking. The level of networking ranged from 54% percent to about 80% percent. This indicates that generally entrepreneurs agreed in networking, with a good response emanating from maintaining close social relationships with key contacts (79, 5%), and establishing new key contacts (76, 6%). The average or lowest results of networking are evident on questions of relationships sides taking advantage of other if the opportunity arises (53, 9%), and both sides avoid making demands that can easily damage the interest of the other (57, 5%) and key contacts keeping their promises (61%).

Table 4-12: Response on entrepreneurial performance

	ENTREPRENEURIAL PERFORMANCE	Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
Q40	Organisation has grown in terms of Sales in the past years	24.1	47.5	5.0	16.3	7.0
Q41	Organisation has grown in terms of employees in the past years	18.4	42.6	5.7	27.7	5.7
Q42	Organisation's net income margins have grown in the past years	13.5	45.4	8.5	27.0	5.7
Q43	Our market share has improved in the last two years	12.1	44.0	9.9	27.7	6.4
Q44	Our labour expense has grown in relation to sales revenue	18.4	40.4	10.6	22.7	7.8
Q45	Our balance sheet has increased, in relation to net of assets and liabilities	15.6	42.6	9.2	25.5	7.1
Q46	In the event of a severe crisis, our company will survive	21.3	49.7	10.6	10.6	7.8
Q47	We are able to maintain the quality of our products and services	24.8	49.7	8.5	11.4	5.6
Q48	Since we started the programme, the company's independence in relation to customers, suppliers and lenders has improved	19.9	48.9	9.2	16.3	5.7

Finally on this question of entrepreneurial performance, Table 4-12 above represents the response on entrepreneurial performance. This table means that Question 40 to Question 48 represent response summary in percentages, with the figures allocated under columns Strongly Agree towards Strongly Disagree, based on the respondents' performance. It indicates that 56 to 72 percent % of companies has in the past years grown its sales (71, 6%), and the size of its employees (70%), including its income margin. The increase in sales and revenue has not reached more than 60 percent %, with its net income (58,9%), market share (56,1%), labour expenses' growth in relation to sales revenue (58,8%), and balance sheet in relation to assets and liabilities (58,2%) growing steadily.

4.4. **Measurement of variables of the model**

The construct Human Capital-Mentoring was measured using 25 items that were measured on a 5-point Likert scale (17 items) where 1 was strongly disagree and 5 was strongly agree, thus, a low score indicating disagreeing and a high score implying agreement with the scale. Some of the questions were, ternary (2 items) and binary (4 items), and there were (2 items) questions to be completed by filling in. The variables Human Capital- Skills Development (10 items), had 2 items that were completed by filling in, and 2 binary items, Social Capital-Networking had 6 items, and Entrepreneurial Performance (9 items) was also measured using items rated on a 5-point Likert scale, followed by questions to addressing a list of recommendations and suggestions, including the hindrances.

4.4.1. **Validity of scale**

With respect to the response on the question on "Would you engage in skills development program at another time", there was an overwhelming response of 89.4 percent confirming that they will, compared to 7 percent who said no and just 3.5 percent who were neutral, or not sure. On asking if the participants will recommend the workshops and training on SME, about 83 percent confirmed that they will recommend such in future compared to 13 percent who declined and 4 percent gave no response. Exploratory factor analysis (EFA) was used to assess the validity of the scale for the 4 constructs. The variables "I attend regularly local or foreign trade fairs" and "I am actively seeking information about our suppliers /clients in markets related to our work" were removed from the Human Capital-Skills Development construct as they had factor loadings that were less than 0.4. The EFA results are summarized in Table 4-14.

Table 4-13: KMO and Bartlett's test

Human Capital- Mentoring		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.881
Bartlett's Test of Sphericity	Approx. Chi-Square	1242.023
	df	136
	Sig.	.000
Human Capital- Skills Development		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.879
Bartlett's Test of Sphericity	Approx. Chi-Square	876.839
	df	45
	Sig.	.000
Social Capital- Networking		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.837
Bartlett's Test of Sphericity	Approx. Chi-Square	480.443
	df	15
	Sig.	.000
Entrepreneurial Performance		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.879
Bartlett's Test of Sphericity	Approx. Chi-Square	839.016
	df	36
	Sig.	.000

The Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) in Table 4-13 above shows that all the KMO values were greater than the minimum required value of 0.5. This implies that the sample was adequate to conduct factor analysis.

The Bartlett's Test of Sphericity had p-values less than 0.05 as required for all the constructs. This means that there is some relationship between variables in each construct. Table 4-14 summarises the final constructs, the factor loadings and the Total variance in the items within each construct that is explained by the retained construct.

Table 4-14: Final constructs, factor loadings and the total variance

Construct	Items	Factor Loading	Total Variance Explained
Human Capital-Mentoring	Engaged business for mentoring to expand your thinking	.751	40%
	Engaged business for mentoring to develop your potential	.747	
	Engaged business for mentoring to better manage business processes	.742	
	Engaged business for mentoring to grow the business	.689	
	Engaged business for mentoring to better manage staff relationships	.683	
	Engaged business for mentoring to change your behaviour	.679	
	Main focus of your business mentoring was on Presentation	.642	
	Main focus of your business mentoring was on Vision, strategy, goals, environment	.632	
	Main focus of your business mentoring was on Customers (e.g. external)	.627	
	Main focus of your business mentoring was on Flyer	.624	
	Main focus of your business mentoring was on People (e.g. leadership, managing, culture)	.621	
	Engaged business for mentoring to increase your performance	.605	
	Engaged business for mentoring to increase skills and knowledge	.571	
	Main focus of your business mentoring was on Production (e.g. create, manufacture)	.541	
	Main focus of your business mentoring was on Stakeholders (e.g. Internal)	.531	
	Main focus of your business mentoring was on Processes (e.g. methods, procedures)	.525	
	Main focus of your business mentoring was on Business plan	.514	
Human Capital- Skills Development	Satisfaction with the style of training conducted and their approach	.836	56%
	Satisfaction with the delivery methods of sessions of workshop	.826	
	Satisfaction with the period/ length of skills development sessions	.812	
	Satisfaction with the outcome of training and development	.801	
	Satisfaction with the cost of sessions	.793	
	Satisfaction with the role of development agencies to your business	.767	
	Satisfaction with your relationship with the development agencies	.766	
	Satisfaction with your skills development experience	.759	
	I am experienced in the business I am running or operating	.537	
	I intend to apply what I have learnt during the workshops to my business.	.530	
Social Capital-Networking	In these relationships, neither side takes advantage of the other, even if the opportunity arises	.889	65%
	In these relationships, both sides avoid making demands that can easily damage the interests of the other	.886	
	Our key contacts always keep their promises to us	.834	
	We know the names of our contacts personally	.789	
	We have established new contacts through our key contacts	.718	
	We maintain close social relationships with our key contacts	.710	
Entrepreneurial Performance	Organisation's net income margins have grown in the past years	.848	63%
	Our balance sheet has increased, in relation to net of assets and liabilities	.839	
	Organisation has grown in terms of employees in the past years	.820	
	Our labour expense has grown in relation to sales revenue	.820	
	Since we started the programme, the firm's independence in relation to customers, suppliers and lenders has improved	.802	
	Our market share has improved in the last two years	.801	
	In the event of a severe crisis, our firm will survive	.774	
	Organisation has grown in terms of Sales in the past years	.756	
	We are able to maintain the quality of our products and services	.658	

The EFA results shows that the items within the Human Capital- Mentoring could be reduced into one factor as initially hypothesised. The retained factor could explain 40% of variation in the original items. All the items loaded highly onto the retained factor with a minimum factor loading of 0.514 and a maximum factor loading of 0.751.

The Human Capital- Skills Development construct items could also be reduced into one factor that is explained 56% of variation in the items within the retained factor. The factor loading ranged from 0.530 to 0.836.

Social Capital- Networking items were also reduced to one factor that is explained 65% of variation in the items within the retained factor. There was very high factor loading ranging from 0.710 to 0.889.

The Entrepreneurial Performance construct also had one factor explaining 63% of the items within the retained factor. The factor loading ranged from 0.658 to 0.848.Since all the items loaded highly on to their respective factors, it can be concluded that there is an evidence of construct validity for each of the constructs.

4.4.2. **Reliability of scale**

Cronbach's Alpha was computed for the items retained in each construct to assess the reliability (internal consistency) of the construct. The overall level of Cronbach reliability of the tool is (α =0.924) and the corresponding KMO for the entire data is 0.879, which showed an excellent reliability since the Cronbach Alpha values were greater than 0,9.

The results show that Entrepreneurial Performance (9 items, α = 0.9254) and the corresponding KMO score is 0.879. Human Capital- Mentoring (17 items, α = 0.875) and Social Capital- Networking (6 items, α = 0.894) had a good level of reliability since the Cronbach's Alpha values were greater than 0.8. The corresponding values for the others are indicated in the table below. Alpha values greater than 0.8 is generally accepted as a very good indication of the outcome of the tool. The table below summarises the level of reliability for each construct in comparison Cronbach's alpha and Kaiserr-Meyer-Olkin.

Table 4-15: Comparison of reliability measure between Cronbach's alpha and Kaiser-Meyer-Olkin

Domain (59 items)	Number of Items	Cronbach alpha	KMO-Measure of Sampling adequacy	Bartlett test of sphericity	KMO measure indicate
All Data		0.9404	0.8116	0.000	Meritorious
Entrepreneurial Performance	(9 items)	0.9254	0.879	0.000	Meritorious
Human Capital Mentoring	(8 items)	0.875	0.842	0.000	Meritorious
Human Capital– Skills Development	(4 items)	0.893	0.848	0.000	Meritorious
Social capital- Networking	(6 items)	0.894	0.825	0.000	Meritorious

KMO takes values between 0 and 1, with small values indicating that the overall variables have much in common to warrant use of Principal Component Analysis (PCA). The Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) in Table 4-13 shows that all the KMO values were greater than the minimum required value of 0.5. This implies that the sample was adequate to conduct factor analysis.

The Bartlett's Test of Sphericity had p-values less than 0.05 as required for all the constructs. This means that there is some relationship between variables in each construct. The summated scale for each construct was arrived at by computing the average of the items within the construct.

A table below indicates a correlation between Domains and Entrepreneurial Performance Score

Table 4-16: Correlation between constructs and entrepreneurial performance

	Entrepreneurial Perf	Social Capital	Human Capital	Satisfaction	Mentorin Expr	Mentoring Ses
Entr_perform	1.0000					
	135					
Social Capital	0.6370*	1.0000				
	0.0000					
	135	135				
Human Capital	0.2748*	0.3199*	1.0000			
	0.0188	0.0023				
	135	135	140			
Satisfaction	0.5801*	0.5850*	0.3774*	1.0000		
	0.0000	0.0000	0.0001			
	135	135	140	140		
Mentorin Expr	0.2076	0.2039	0.1733	0.2726*	1.0000	
	0.2354	0.2651	0.6089	0.0168		
	135	135	140	140	140	
Mentoring Ses	0.4087*	0.4166*	0.1994	0.3972*	0.3679*	1.0000
	0.0000	0.0000	0.2724	0.0000	0.0001	
	135	135	140	140	140	140

From Table 4-16, there is positive association between Entrepreneurial Performance and Human capital skills development (r=0.2748, p=0.019), Satisfaction (r=0.5801 p=0.000) and Business Mentoring Session (r=0.4087; p=0.0000). Human Capital Skill development is positively associated with Social Capital Networking (r=0.3199; p=0.002). From Table 4-16 there is the evidence to show that:

H_1: Skills development is positively associated with Entrepreneurial Performance.

H_2: Mentorship has positive impact on Entrepreneurial Performance[1].

H_3: Social Networking has a positive impact on Entrepreneurial Performance by the high correlation between the two (0.6370) which is highly significant (pr=0.000).

[1] This is only true if main focus of your business is on mentoring session(r=0.2076; p=0.2354)

4.4.3. **Multiple Regression Analysis**

Multiple Regression was conducted to assess the three hypotheses. The model had Entrepreneurial Performance as the dependent variable and Human Capital Mentoring, Human Capital Skills Development, and Social Capital Networking as the independent variables as shown in Table 4-17.

Table 4-17: Variables in the model

Variables Entered/Removed[a]			
Model	Variables Entered	Variables Removed	Method
1	Social Capital Networking, Human Capital Mentoring, Human Capital Skills Development[b]	.	Enter
a. Dependent Variable: Entrepreneurial Performance			
b. All requested variables entered.			

Table 4-18 shows the model summary.

Table 4-18: Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.771[a]	.594	.585	.55342
a. Predictors: (Constant), Social Capital Networking, Human Capital Mentoring, Human Capital Skills Development				

Results shows that the constructs Social Capital-Networking, Human Capital Mentoring, Human Capital Skills Development explained 59.4% of variation in Entrepreneurial Performance as shown by an r-square value of 0.594. The ANOVA table shown in *Table 4-19* below has results assessing the null hypothesis that none of the independent variables is significant in predicting Entrepreneurial Performance. This is against the alternative hypothesis that at least one of Social Capital Networking, Human Capital Mentoring, and Human Capital Skills Development is significant in predicting Entrepreneurial Performance.

Table 4-19: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	58.709	3	19.570	63.897	.000[b]
	Residual	40.122	131	.306		
	Total	98.831	134			
a. Dependent Variable: Entrepreneurial Performance						
b. Predictors: (Constant), Social Capital Networking, Human Capital Mentoring, Human Capital Skills Development						

The F -value of 63.897 and a p-value of 0.000 indicates that the null hypothesis of no relationship between the independent variables and the dependent variables is rejected. This means that at least one of the variables Social Capital Networking, Human Capital Mentoring, Human Capital Skills Development is significant in predicting Entrepreneurial Performance. The results summarised in the coefficients table in Table 4-20 shows the specific variables that are significant in predicting Entrepreneurial Performance.

Table 4-20: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.461	.332		-1.388	.168
	Human Capital Mentoring	.200	.091	.145	2.203	.029
	Human Capital Skills Development	.370	.082	.317	4.494	.000
	Social Capital Networking	.502	.075	.458	6.694	.000
a. Dependent Variable: Entrepreneurial Performance						

Using Regression analysis approach, the model tables are presented below, predicting the Entrepreneurial Performance from Social Capital, Human Capital Skills development and Human Capital- Mentorship and Satisfaction perspectives.

4.4.3.1. Multiple Regression analysis of all the domains in the prediction of Entrepreneurial Performance

The tables below present individual variables in relation to Entrepreneurial performance.

H_1: Human Capital skills development is positively associated with Entrepreneurial Performance via regression approach

Table 4-21: Multiple Regression (Human Capital) Skills development in relation to entrepreneurial performance

Source	SS	df	MS	Number of obs	=	135
Model	13740.6734	1	13740.6734	F (1, 133)	=	10.87
				Prob > F	=	0.0013
Residual	168157.475	133	1264.34192	R-squared	=	0.0755
				Adj R-squared	=	0.0686
Total	181898.148	134	1357.44887	Root MSE	=	35.558

Entre_perf_pct	Coef.	Std. Err.	t	P>|t|	[95% Conf. Interval]	
Human capital	0.35481	0.1076277	3.30	0.001	0.1419265	0.5676934
cons	39.13302	8.763321	4.47	0.000	21.79951	56.46653

H_2: Social Capital is positively associated with Entrepreneurial Performance via regression approach

Table 4-22: Multiple Regresion social capital -networking in relation to entrepreneurial performance

Source	SS	df	MS	Number of obs	=	135
Model	73809.3057	1	73809.3057	F (1, 133)	=	90.82
				Prob > F	=	0.0000
Residual	108088.842	133	812.698064	R-squared	=	0.4058
				Adj R-squared	=	0.4013
Total	181898.148	134	1357.44887	Root MSE	=	28.508

Entre_perf_pct	Coef.	Std. Err.	t	P>|t|	[95% Conf. Interval]	
Social Capital	0.682922	0.071661	9.53	0	0.54118	0.824664
cons	18.90504	5.536506	3.41	0.001	7.95405	29.85604

Entrepreneurial Performance is positively and significantly associated with Social Capital. Human Capital is positively associated with Entrepreneurial Performance via regression approach.

Table 4-23: Multiple Regression Human capital in relation to entrepreneurial performance

Source	SS	df	MS	Number of obs	=	135
Model	13740.6734	1	13740.6734	F (1, 133)	=	10.87
				Prob > F	=	0.0013
Residual	168157.475	133	1264.34192	R-squared	=	0.0755
				Adj R-squared	=	0.0686
Total	181898.148	134	1357.44887	Root MSE	=	35.558

Entre_perf_pct	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
Human Capital	0.35481	0.1076277	3.30	0.001	0.1419265	0.5676934
cons	39.13302	8.763321	4.47	0.000	21.79951	56.46653

Entrepreneurial Performance is positively and significantly associated with Human Capital.

Satisfaction is positively associated with Entrepreneurial Performance via regression approach.

Table 4-24: Multiple Regression satisfaction in relation to entrepreneurial performance

Source	SS	df	MS	Number of obs	=	135
Model	61210.8263	1	61210.8263	F (1, 133)	=	67.46
				Prob > F	=	0.0000
Residual	120687.322	133	907.423472	R-squared	=	0.3365
				Adj R-squared	=	0.3315
Total	181898.148	134	1357.44887	Root MSE	=	30.123

Entre_perf_pct	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
Satisfaction_pct	0.617036	0.0751279	8.21	0.000	0.4684359	0.7656361
cons	23.18258	5.844587	3.97	0.000	11.62222	34.74295

Entrepreneurial Performance is positively related to Satisfaction. The model explains 33% percent of the variability.

Regression analysis of entrepreneurial performance, Human Capital and Satisfaction.

Table 4-25: Regression Analysis of entrepreneurial performance, Human capital and satisfaction

Source	SS	df	MS	Number of obs	=	135
Model	62038.6599	2	31019.3299	F (2, 132)	=	34.16
				Prob > F	=	0.0000
Residual	119859.488	132	908.026426	R-squared	=	0.3411
				Adj R-squared	=	0.3311
Total	181898.148	134	1357.44887	Root MSE	=	30.133

Entre_perf_pct	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
Human_Capi_pct	0.0935644	0.0979915	0.95	0.341	-.1002724	0.2874012
Satisfaction_pct	7.360684	1.00926	7.29	0.000	5.364269	9.357099
Cons	18.00883	7.971365	2.26	0.026	2.24068	33.77698

Entrepreneurial Performance is positively and significantly associated with Human Capital and Satisfaction.

Regression analysis of entrepreneurial performance, and Business Mentoring Experience.

Table 4-26: Regression Analysis of entrepreneurial performance and business mentoring experience

Source	SS	df	MS	Number of obs	=	135
Model	7838.60051	1	7838.60051	F (1, 133)	=	5.99
				Prob > F	=	0.0157
Residual	174059.548	133	1308.7184	R-squared	=	0.0431
				Adj R-squared	=	0.0359
Total	181898.148	134	1357.44887	Root MSE	=	36.176

Entre_perf_pct	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
Bus_men_exp_pct	0.3969842	0.1622098	2.45	0.016	0.0761395	0.7178289
cons	29.77673	15.20642	1.96	0.052	-0.3009797	59.85443

Entrepreneurial Performance is positively and significantly associated with Business Mentoring Experience.

Regression analysis of entrepreneurial performance, and Business Mentoring Session

Table 4-27: Regression Analysis of entrepreneurial performance, and business mentoring session

Source	SS	df	MS	Number of obs	=	135
Model	30388.9245	1	30388.9245	F (1, 133)	=	26.68
				Prob > F	=	0.0000
Residual	151509.224	133	1139.16709	R-squared	=	0.1671
				Adj R-squared	=	0.1608
Total	181898.148	134	1357.44887	Root MSE	=	33.752

Entre_perf_pct	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
Bus men sess	0.4697898	0.0909577	5.16	0.000	0.2898789	0.6497007
cons	33.41508	6.981369	4.79	0.000	19.6062	47.22396

Entrepreneurial Performance is positively and significantly associated with Business Mentoring Session.

Table 4-28: Regression Analysis of entrepreneurial performance, social capital, and satisfaction

Source	SS	df	MS	Number of obs	=	135
Model	85712.6434	2	42856.3217	F (2, 132)	=	58.81
				Prob > F	=	0.0000
Residual	96185.5048	132	728.678067	R-squared	=	0.4712
				Adj R-squared	=	0.4632
Total	181898.148	134	1357.44887	Root MSE	=	26.994

Entre_perf_pct	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
social_Capi_pct	0.4851286	0.0836615	5.80	0.000	0.3196379	0.6506193
Satisfaction_sc	4.193562	1.037568	4.04	0.000	2.14115	6.245974
Cons	9.2133	5.764887	1.60	0.112	-2.190215	20.61682

Entrepreneurial Performance is positively associated with Social capital and Satisfaction

The following is multiple Regression analysis of all the domains in the prediction of Entrepreneurial Performance.

Table 4-29: Regression Analysis of entrepreneurial performance, human and social capital, business mentoring experience and business mentoring session and satisfaction

Source	SS	df	MS	Number of obs	=	135
Model	87875.2275	5	17575.0455	F (2, 132)	=	24.11
				Prob > F	=	0.0000
Residual	94022.9207	129	728.85985	R-squared	=	0.4831
				Adj R-squared	=	0.4631
Total	181898.148	134	1357.44887	Root MSE	=	26.997

Entre_perf_pct	Coef.	Std. Err.	t	P>|t|	[95% Conf. Interval]	
SocialCapi_pct	0.445567	0.087215	5.11	0	0.273009	0.618125
HumanCapi_pct	0.019692	0.088948	0.22	0.825	-0.15629	0.195678
Satisfaction_pct	0.302317	0.087606	3.45	0.001	0.128986	0.475647
Bus_men_exp_pct	-0.00537	0.132241	-0.04	0.968	-0.26701	0.256275
Bus_men_ses_pct	0.140247	0.085495	1.64	0.103	-0.02891	0.309402
_cons	3.467413	12.22372	0.28	0.777	-20.7175	27.65234

From the above only the two characteristics highlighted can be used in predicting entrepreneurial performance. From this study, it is clear that performance can better be predicted using the social capital networking and satisfaction domains, generally with the adjusted R-square 46 percent.

Table 4-30: Regression analysis

Table 4-31: Regression analysis : Stepwise, pr (0.05): regression analysis : Entrepreneurial performance, Social Capital, Human Capital, Satisfaction, Business Mentoring Experience, Business Mentoring Session

p = 0.9677 >= 0.0500 removing Bus_men_exp_pct

p = 0.8264 >= 0.0500 removing Human_Capi_pct

p = 0.0876 >= 0.0500 removing Bus_men_ses_pct

Table 4 30: Regression analysis : Stepwise, pr (0.05): regression analysis : Entrepreneurial performance, Social Capital, Human Capital, Satisfaction, Business Mentoring Experience, Business Mentoring Session

Source	SS	df	MS		
Model	85712.6434	2	42856.3217	F (2, 132)	= 58.81
				Prob > F	= 0.0000
Residual	96185.5048	132	728.678067	R-squared	= 0.4712
				Adj R-squared	= 0.4632
Total	181898.148	134	1357.44887	Root MSE	= 26.994

Entre_perf_pct	Coef.	Std. Err.	t	P>|t|	[95% Conf. Interval]	
social_Capi_pct	0.4851286	0.0836615	5.80	0.000	0.3196379	0.6506193
Satisfaction_sc	0. 335485	0.0830054	4.04	0.000	0.171292	0.4996779
Cons	9.2133	5.764887	1.60	0.112	-2.190215	20.61682

Stepwise, pr(0.05):regr Entre_perf_pct social_Capi_pct Human_Capi_pct Satisfaction_pct Bus_men_exp_pct Bus_men

> _ses_pct, robust

begin with full model

p = 0.9705 >= 0.0500 removing Bus_men_exp_pct

p = 0.8368 >= 0.0500 removing Human_Capi_pct

p = 0.1499 >= 0.0500 removing Bus_men_ses_pct

Table 4-32: Linear Regression

Number of obs	=	135
F (2, 132)	=	85.82
Prob > F	=	0.0000
R-squared	=	0.4712
Root MSE	=	26.994

Entre_perf_pct	Robust Coef.	Std. Err.	T	P>|t|	[95% Conf. Interval]	
social_Capi_pct	0.4851286	0.0954602	5.08	0.000	0.296299	0.6739582
Satisfaction_pct	0.335485	0.1050333	3.19	0.002	0.1277186	0.5432513
Cons	9.2133	5.381415	1.71	0.089	-1.431671	19.85827

Scale reliability coefficient is 0,9404, indicating the efficiency of the questionnaire. This is very good, and it implies high reliability.

4.5.Conclusion:

On the basis of the theoretical Model formulations, here are the conclusion.

Table 4-33: Theoretical model formulation

Hypothesis	Statement	Outcome
H_1	**Skills development has a positive impact on** Entrepreneurial Performance	**True**
H_2	**Mentorship has a positive impact on** Entrepreneurial Performance	**True**
H_3	**Social Networking has a positive impact on** Entrepreneurial Performance	**True**

The three hypotheses have been proven using either correlation analysis of the scores or through use of regression analysis. It must be stated that in the prediction of Entrepreneurial Performance, Social Capital networking and Satisfaction can be used in general.

4.5.2. **Results pertaining to Hypothesis 1**

H_0: There is no relationship between skills development and entrepreneurial performance

H_1 Skills development has a positive impact on entrepreneurial performance.

The results show that Skills development (B = 0.370, β = 0.317, p-value = .000) has a significant and positive relationship with entrepreneurial performance. This is because the coefficient for Skills development was positive and the p-value was less than 0.05. This means that the null hypothesis is rejected in favour of the alternative hypothesis. This implies that skills development has a positive impact on entrepreneurial performance. Thus, hypothesis 1 is supported.

4.5.3. **Results pertaining to Hypothesis 2**

H_0: There is no relationship between mentorship and entrepreneurial performance

H_2: Mentorship has a positive impact on entrepreneurial performance.

It can be noted from the coefficients tale that that Mentorship (B = 0.200, β = 0.145, p-value = .029) has a significant and positive relationship with entrepreneurial performance. This is because the coefficient for Mentorship was positive and the p-value was less than 0.05.

This means that the null hypothesis is rejected in favour of the alternative hypothesis. This implies that Mentorship has a positive impact on entrepreneurial performance. Thus, hypothesis 2 is supported.

4.5.4. **Results pertaining to Hypothesis 3**

H_0: There is no relationship between Social networking and entrepreneurial performance

H_3: Social networking has a positive impact on entrepreneurial performance.

The results show that Social networking (B = 0.502, β = 0.458, p-value = .000) has a significant and positive relationship with entrepreneurial performance.

This is because the coefficient for Social networking was positive and the p-value was less than 0.05. This means that the null hypothesis is rejected in favour of the alternative hypothesis. This implies that Social networking has a positive impact on entrepreneurial performance. Thus, hypothesis 3 is supported.

The summary of hypotheses tested are shown in Table 4-34.

Table 4-34: Summary of hypotheses

Hypothesis		**Outcome**
H1	Skills development has a positive impact on entrepreneurial performance	Supported
H2	Mentorship has a positive impact on entrepreneurial performance	Supported
H3	Social networking has a positive impact on entrepreneurial performance.	Supported

To proceed on the aspect of the hypothesis testing, new scale of measure of scores were computed based on those who agreed to the questions. These scales were expressed in percentages of each of the domains.

Table 4-35 presents the scores accordingly as presented in the summary table below. Thereafter, correlation coefficients and the level of significance is also presented.

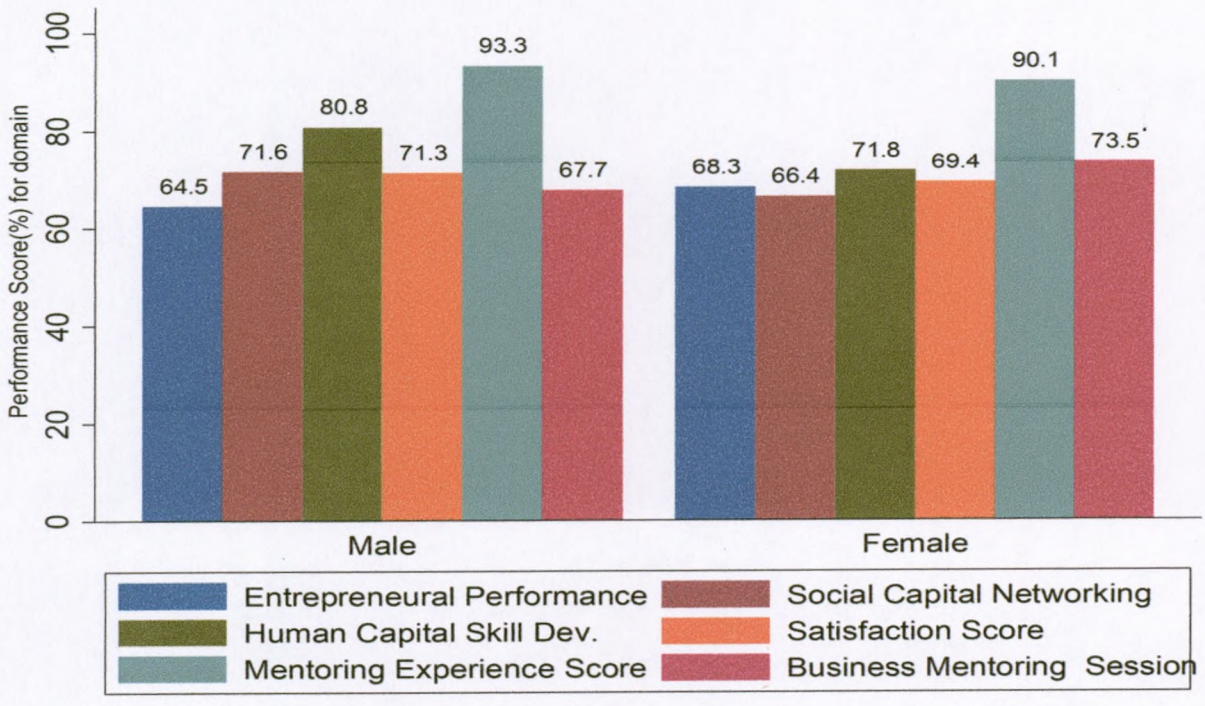
Figure 4-7 below, presents responses by gender, indicating the performance of various domains, in percentages. We can deduce from the above that the mentoring experience scored the highest for both genders, whilst social networking scored lowest for the female category. The male category's lowest score is represented on the entrepreneurial performance domain, followed by business mentoring session.

Table 4-35: Summary of domains

Gender	Stats	Entre_~t	social~t	Human~t	Satisf~t	Bu~p_pct	Bu~s_pct
Male	N	75.0	75.0	78.0	78.0	78.0	78.0
	mean	64.5	71.6	80.8	71.3	93.3	67.7
	sd	38.3	33.4	27.3	35.1	17.1	32.7
	min	0.0	0.0	0.0	0.0	0.0	0.0
	max	100.0	100.0	100.0	100.0	150.0	100.0
	p50	75.0	83.3	100.0	87.5	100.0	77.8
Female	N	60	60	62	62	62	62
	mean	68.3	66.4	71.8	69.4	90.1	73.5
	sd	35.1	35.6	29.2	33.6	21.1	30.3
	min	0	0	0	0	0	0
	max	100	100	100	100	100	100
	p50	87.5	66.7	75	75	100	88.9
Total	N	135	135	140	140	140	140
	mean	66.2	69.3	76.8	70.4	91.9	70.2
	sd	36.8	34.4	28.4	34.3	19	31.7

	min	0	0	0	0	0	0
	max	100	100	100	100	150	100
	p50	75	83.3	100	87.5	100	77.8

Figure 4-7: Performance score percentage for domain



Chapter 5. : Discussion of Results

5.1. Introduction

This chapter discusses and interpretes the results of the study following the findings presented in chapter 4. The results of this quantitative study are explained through integrating them with the literature review and other relevant sources. Insights that emerged are also discussed in terms of the three hypotheses emanating from the theoretical model and the literature reviewed. Firstly, the demographic profile of respondents is discussed, describing the characteristics of entrepreneurs and the characteristics of SMEs. The discussion followed by the review of the results of hypotheses and finally discussion about the implications of findings. The chapter is concluded with a summary of key findings. Before proceeding with the discussion it will be prudent to recall the three hypotheses;

(1) That skills development had a positive impact on entrepreneurial performance
(2) That mentorship had a positive impact on entrepreneurial performance
(3) That social capital had a positive impact on entrepreneurial performance

The research affirmed these hypotheses and asserts the credibility of the theoretical model in Figure 2-. The research also affirmed that essential to entrepreneurial success is an enabling ecosystem or supportive framework among these financing of entrepreneurial ventures and government's role as an enabler and catalyst. Below is a comprehensive discussion of these.

5.2. Demographic Profile of Respondents

5.2.1. Profile of Respondents

This discussion of demographics of the respondents takes account of their age, gender, ethnicity, position in the company and their level of education. The total number of entrepreneurs who responded was 141, of which 56 % were male and 44% were female. The sample size specifies that men are more than women in Tshwane business, however, the size difference is insignificant. This potentially leads to a discussion of women empowerment, contributing to the economic development achieved through entrepreneurial performance. Duflo (2012) confers that development alone can play a major role in driving down inequality between men and women; in another direction, whereas empowering women may benefit development, which is nation changing. It would be interesting to analyse a larger sample in pursuit of studies on women and establish the dominance of genders of SMEs around Tshwane.

The age of respondents varied, with 76% between the ages 30-49, 12% between the ages 18-29, and the ages 50-59, at 12%. This indicates that most of the respondents were middle-aged entrepreneurs and fewer youth represented in the sample, pointing out a need to initiate youth programmes to encourage youth doing business.

These youth development programmes aid in preventing youth from being unproductive and facilitate their participation in skills that affect their own lives, mostly their passions and hobbies they desire (Wilson et al., 2007). When power is reassigned to the youth, they learn to be responsible by voicing their concerns and making their own decision. Youth programmes become imperative to drive a positive change in our youth affecting their development and their social integration into the community. This empowerment develops as a transactional partnering process between adults and youth that affects entrepreneurial performance and improves economic development (Cargo, Grams, Ottoson, Ward and Green, 2003).

More than half of the responses were from a black population (55%), followed by coloureds (33%), Indians (10%), and (1%) white. This is largely because of the fact that the organiser is coloured by race and the meeting was held in the coloured community, and it could have been that the most invited people were also of the coloured race.

This is insignificant and is not representative of all entrepreneurs in Tshwane. However, it is noted that Broad-Based Black Economic Empowerment (BBBEE) is well represented. It is noted that there is 98% BBBEE representation with a black race (55%) dominating the sample population, folowed by coloured race (33%). Black owned firms have been marginalised (Hiam, Eshghi and Eshghi, 2017), accounting for just 2,1% of the nation's companies, with at least one employee in 2014 (Tangri and Southall, 2008). This representation is possibly some sort of proof that black empowerment is practised and accomplished, a system of economic empowerment initiated by the South African government in response to criticism against narrow-based empowerment instituted in the country during 2003/2004 (Broad-Based Black Economic Empowerment Act [BBBE Act] 53/2013). Ponte, Roberts and Van Sittert (2007), further states that BBEEE has been a process providing opportunities for black individuals to improve their position via affirmative action. This is through allocating extra resources created by higher economic growth rather than by redistributing existing resources, generally to women, youth and disabled people, whilst the ANC interpret it to relate particularly to the need for empowering 'Africans' (ANC, 2002). The population sample represents the majority of the marginalised group, this is according to the BBBEE codes. Given South Africa's specific history of apartheid, which meant the exclusion of the majority of potential entrepreneurs from proper education and access to property and/or financial resources, it is important to know to what extent and in what forms previously disadvantaged individuals (PDIs) are able to take their part in business.

77% of respondents had a diploma, degree or a post graduate degree, and 16% had completed a short course or programme. 2% had no matric, and 5% had matric as their highest level of education. This population sample represents educated entrepreneurs who are business owners, shareholders or managers. This skilled group of people have the potential to grow their business because of their improved understanding that aids them to have control and influence over decisions affecting other people's lives. They have abilities to understand multiple perspectives that improves problem-solving and decision making skills (Zimmerman, 2000). It is an unexpected observation and finding, since South Africa is ranked 86th out of 144 countries in the 2014-15 World Economic Forum's Global Competitive index, signifying that the country lacks high levels of education.

This improvement indicates an expected traction in respect of improving educational levels leading to entrepreneurial activity and performance.

It is evident in the GEM reports that there is a correlation between education and training, and opportunity-driven entrepreneurial activity (GEM, 2016). It is from these findings that SMEs with educational intensities, that is those with more than matric, are found to be considered more competent in terms of entrepreneurial skills. This study targeted owners, shareholders and the elected managers as a source of information to influence validity of information, and 98% of the respondents had matric or more, confirming the correct targeted population.

The discussion above addressed the entrepreneurial characteristics and confirmed the specified population that was targeted whilst the following discussion addresses the organisational characteristics.

5.2.2. **Profile of organisation**

The organisation's demographics is differentiated by age and size, with outcomes that almost 80 % of the sample represented young companies, less than 3 months (14%) and 3-42 months (64%). These SMEs number of staff comprised of fewer than 10 employees, and only 40 percent % of these SMEs had fewer than 10 employees, and 39 percent % had 10 – 50 employees (80%). The population sample was collected from the correct target group, which were SMEs from Tshwane municipality. SMEs are defined as the organisations that have not more than 50 employees (National Small Business Act [No. 29 of 2004]). This institutional support study of human and social capital that impacts entrepreneurial performance is significant to this population sample of young companies. Social networking, mentoring, skills development through training will equip them to face challenges young companies usually face, mostly that of failing in their first two years (Evans and Leighton, 1989; Bruno, Leidecker and Harder, 1987). It is noted that most young SMEs, due to lack of motivation or mentoring, lack patience, spin out of control, short-term business results are jeopardised, and they present with fear of failure (Vaillant and Lafuent, 2007). There is a similarity of results of Shree and Urban' s (2012) study that included both men and women, with findings that 59% of firms were 10 years or younger.

In the midst of recent societal crises, new companies emerge continuously, as other SMEs develop in age and size, whereas some dissolve or disband (Mitroff, 2005).

In line with the resource-based theories, SMEs that grow venture into markets in search of critical resources (Ibrahim, Soufani, Poutziouris and Lam, 2004) with smaller entrepreneurial firms' pursuit and exploitation of existing and new markets, employing their ingenuous techniques to overcome their initial conditions of lack of resources. They survive by focusing on a set of capabilities, competencies, knowledge and skills that are needed by the market (Sefalafala, 2013).

5.2.3. **Measurement of variables of the model**

The overall level of Cronbach reliability of the tool is (α =0.924) and the corresponding KMO for the entire data is 0.879, which showed an excellent reliability since the Cronbach Alpha values was greater than 0, 9. Human Capital-Mentoring (17 items, α = 0.875) and Social Capital-Networking (6 items, α = 0.894). This was an expected value because an existing instrument was used for this study. It was then adjusted to fit these constructs and finally the internal consistency for all the data and the tool used in capturing the data resulted in an adequate and an excellent value. Kaiser-Meyer-Olkin (score of 0.879) tests measured how suited data was for factor loading by measuring sampling adequacy for each variable in the model and for the complete model, (see Table 4-13, Table 4-14, Table 4-15 and Table 4-16). The proportion of variance among Human Capital Mentoring, Human Capital-Skills development and Social capital-Networking variables was lower and suited to factor analysis, results were KMO> 0,5 , with values between 0,8 and 1 indicating an satisfactory sample that was found to be meritorious.

5.3. **Discussion of Hypothesis 1 Skills Development**

The objective of this research study in relation to this hypothesis is to establish the role that skills development has on entrepreneurial performance and to determine whether knowledge and experience impacts entrepreneurial performance.

H_0: There is no relationship between skills development and entrepreneurial performance
H_1: Skills development has a positive impact on entrepreneurial performance.

The results show that Skills development (B = 0.370, β = 0.317, p-value = .000) has a significant and positive relationship with entrepreneurial performance. This is because the coefficient for Skills development was positive and the p-value was less than 0.05. This means that the null hypothesis is rejected in favour of the alternate hypothesis.

This implies that skills development has a positive impact on entrepreneurial performance. Thus, hypothesis 1 is confirmed. The reliability and validity tests was adequate to the research questions and the results suggested a significant positive correlation as expected based on the literature review. Literature had indicated that skills development positively affects entrepreneurial performance (Reynolds et al., 2000, Dimov and Shepherd, 2005; Patel and D'Souza, 2009; Unger et al., 2011; Zarutskie, 2010). This positive correlation between these parameters has been expected. Venter et al. (2015) further states that an individual with distinguishable skills, knowledge and resources is set apart from competitors. Entrepreneurs who are trained, educated, experienced and skilled, on balance, yield positive entrepreneurial outputs because a lack of skills influences SMEs performance (Kambwale and Chisoro, 2015). This skilled group of people have the potential to grow their business because of their improved understanding that supports them in having control and influence over decisions affecting other people's lives. From the data collected, 92% percent of respondents had matric, diploma, degree or a post graduate degree, which has a great influences on this study. Radipere and van Scheers (2005) highlighted the lack of resources and managerial skills that is impacting negatively on the success and development of SMEs. Institutional support of skills development closes this gap and impacts positively on entrepreneurial performance if it is executed appropriately. Skills development (human capital) can lead to higher performance only if it is applied and successfully transferred to the specific tasks that need to be performed (Unger et al., 2011). Appropriate skills and knowledge can thus be a source of distinctive competencies and advantages for the venture and hence, improved performance may ensure long term survival prospects. On this mark, government support is required to ensure that entrepreneurs and SMEs are equipped with relevant knowledge, training and skills (Skuras et al., 2005).

The level of satisfaction was assessed, and ranged from 60% percent to about 77% percent. This served as an indication to describe the level of satisfaction of entrepreneurs in their experience, networking, and performance with involvement of the skills development.

The responses varied, implying that different individuals require different skills for their own development. From the analysis, only 61, 8% percent of the respondents agreed in the attendance at local or foreign trade fairs, whereas 73,1% percent agreed to actively seeking information about suppliers in the markets related to their work, whilst 73% percent agreed to have adequate experience in the operation and running of their own businesses.

It is also noted that 83, 7% percent of respondents agreed to having been taught during exposure to workshops attendance, whilst 86,5% percent of them intend to apply what they learnt in their own businesses. Human capital theory maintains that knowledge provides individuals with increased cognitive abilities leading to more productive and efficient potential activity (Tang et al., 2008). It predicts that possession of greater knowledge, competencies and skills by individuals and groups result in superior performance outcomes (Offermann et al., 2004).

Human capital skills development (r=0.2748, p=0.019), Satisfaction (r=0.5801 p=0.000) therefore,

H_1: Human skills development is positively associated with Entrepreneurial Performance

5.4. **Discussion of Hypothesis 2 Mentoring**

The objective of this study discussing the above hypothesis was to determine a relationship between human capital-mentoring and entrepreneurial performance. This was to establish the impact that government support has on mentoring entrepreneurs and their entrepreneurial performance. It can be noted from the coefficients relation that Mentorship (B = 0.200, β = 0.145, p-value = .029) has a significant and positive relationship with entrepreneurial performance.

This is because the coefficient for Mentorship was positive and the p-value was less than 0.05. This means that the null hypothesis is rejected in favour of the alternate hypothesis, and implies that Mentorship has a positive impact on entrepreneurial performance. Thus, hypothesis 2 is supported.

H_2: Mentorship has positive impact on Entrepreneurial Performance.

From the statement above, it should be noted that this is only true if main focus of business is on mentoring session (r=0.2076; p=0.2354). Literature confirms existing evidence that mentoring interventions at the start-up level is favourable to the survival and development of young enterprises (Deakins and Freel, 1998; Sullivan, 2000), by improving their self-confidence, managerial skills (St-Jean, 2012; Wikholm et al., 2005). St-Jean and Audet (2012) suggest mentoring is a supportive relationship which transfers knowledge from established entrepreneurs (mentors) to amateur entrepreneurs (mentees).

This is usually accomplished by nurturing and supporting entrepreneurs, thereby providing them with professional skills and moral support in order to positively impact on the business's sustainability (Kram, 1985; Sullivan, 2000). The effect of this is to leapfrog the learning curve and to close the knowledge gap that typically characterises new ventures and their creators. One Way ANOVA was conducted to assess whether there was a relationship between gender of Mentor and Satisfaction. ANOVA was linked between satisfaction and most items of the mentoring construct. There was no significant relationship between gender of mentor and Satisfaction. (p-value = 0.281 ,was greater than 0.05) . There was no significant difference in the mean satisfaction for the respondents who signed agreement for the business mentoring engagement (mean = 3.82) compared to those who did not sign the contract (mean= 3.77), p-value was greater than 0.05 (p-value = 0.742), and there was no significant relationship between delivery method and Satisfaction, because the p-value (p-value = 0.308) was greater than 0.05. There was also no significant relationship between mentoring sessions that were Structured, Unstructured or Flexible and the Satisfaction outcome, since the p-value (p-value = 0.564) was greater than 0.05. Literature states that through structured and unstructured mentorship programmes entrepreneurs can benefit immensely at little or no cost (Sanyal, 2017). It is noted, gathering from the instrument and data analysis, that 50% of the respondents did not pay for mentoring sessions and another 50% paid for it. This allows us to say that paying for mentoring or not does not affect one's mentoring decision. If training is provided for free, training is sometimes assumed to be less valuable, or of low standard or quality (Porter, 1996). There is a positive link between satisfaction and the signing of an agreement to commit before initiating mentoring sessions. The results (mean =3.93) compared to results (mean of 2.90) for the respondents who did not agree with the outcome/ deliverables of mentoring at the commencement, were statistically significant since the p-value was less than 0.05 (p-value = 0.000).

This indicates that people believe in themselves and want to have choices in dealing with others. Rousseau (1996) says when a person voluntarily signs a contract, or is bound by an agreement, he gives up his measure of freedom. It is from this study that we recognise 60% had signed agreements on mentoring sessions, whilst only 85, 1% percent only agreed on deliverables. One Way Anova confirmed a level of satisfaction of those who agreed on deliverables rather than those who signed agreements.

Responses to the main reason respondents were engaged to business for mentoring experience was good. Literature review in chapter 2 confirms that robust mentoring programmes are renowned to raise entrepreneurial performance through the transfer of knowledge from mentors to mentees (Chebii, Bwisa and Sakwa, 2016), providing significant understanding that is useful to entrepreneurs and can mitigate risk, hence reducing chances of failure and increasing performance. Mentoring can also take the form of guidance through difficulties and capacity building initiatives that add value to the person and the business (Fletcher, 2000). It has also been established from the findings that 83,7% percent of respondents' main focus of their business mentoring session was on vision, strategy, goals and environment, and external customers, whilst 51,8% percent's focus was on flyers. This confirms that people are mentored for different reasons, and not everybody needs the same kind of mentoring. It is important that mentors should understand that different entrepreneurs will need different mentoring support and skills, depending on their needs and stage of business (Memon et al., 2015).

5.5. **Discussion of Hypothesis 3 Networking**

The objective of this report in relation to the hypothesis is to understand the relationship between social networking and entrepreneurial performance. In our literature review, it is noted that networking is a critical and important activity for the entrepreneurs that unlocks access to capital and exploiting opportunities (Ferrari, 2016). It was expected that the positive relationship will be presented, based on previous literature that established a positive relationship between social networks and innovation, and that facilitation spurs innovation (Griffin, 2014). The results indicate that Social networking (B = 0.502, β = 0.458, p-value = .000) has a significant and positive relationship with entrepreneurial performance.

This is because the coefficient for Social networking was positive and the p-value was less than 0.05. This means that the null hypothesis is rejected in favour of the alternate hypothesis and this implies that Social networking has a positive impact on entrepreneurial performance. Thus, hypothesis 3 is supported.

H_0: There is no relationship between Social networking and entrepreneurial performance

H_3: Social networking has a positive impact on entrepreneurial performance.

From the data collected, the level of networking ranged from 54% percent to about 80% percent. This indicates that generally entrepreneurs agreed in networking, with a good response emanating from maintaining close social relationships with key contacts (79, 5%) and establishing new key contacts (76, 6%). Entrepreneurs have been noted to use relationships to exploit opportunities (Kor et al., 2007) including funding options, and it has proved useful in accessing markets. The respondents who disagreed with the importance of networking indicated that entrepreneurs take advantage of each other if the opportunity arises (53, 9%) and both sides make demands that can easily damage the interest of one another (57,5%) with only 61% percent key contacts keeping their promises. Since 53% percent of respondents do not know each other by name, nor take advantage of each other, this gives a reason why networking becomes increasingly important under conditions of uncertainty for opportunity creation, opportunity discovery, resource mobilisation and forming business linkages (Engel, Kaandorp and Elfring, 2016). This means that entrepreneurs use their interactions to achieve certain objectives as well as set out opportunistic goals from the same interactions with some authors viewing networking as the specific behaviour directed towards goals (Porter and Woo, 2015).

5.6. **Conclusion of Discussion of Results**

This chapter discussed the main findings of the empirical study. In this chapter the demographics of the respondents, and relevant information was obtained and explained by means of descriptive and inferential statistics. The personal demographic information indicated a sample size with more men than women and fewer youth in Tshwane (SMEs) businesses. More than half of the responses were from a black population, and the population sample represented educated entrepreneurs who are business owners, shareholders, or managers, with almost 80 % percent of the sample representing young companies, younger than three months (14%) and 3-42 months (64%).

The overall level of Cronbach reliability of the tool was (α =0.924) and the corresponding KMO for the entire data was 0.879, which showed an excellent reliability.

The results showed that Skills development (B = 0.370, β = 0.317, p-value = .000) has a significant and positive relationship with entrepreneurial performance. This is because the coefficient for Skills development was positive and the p-value was less than 0.05. It was noted that from the coefficients relation, Mentorship (B = 0.200, β = 0.145, p-value = .029) had a significant and positive relationship with entrepreneurial performance. This is because the coefficient for Mentorship was positive and the p-value was less than 0.05. The results also indicated that Social networking (B = 0.502, β = 0.458, p-value = .000) has a significant and positive relationship with entrepreneurial performance. This is because the coefficient for Social networking was positive and the p-value was less than 0.05. The main findings of the study were that the relationships between (human capital) skills development, mentoring, and (social capital) networking and entrepreneurial performance is positive and significant, therefore, H_1: Skills development has a positive impact on entrepreneurial performance, H_2: Mentorship has positive impact on Entrepreneurial Performance, and H_3: Social networking has a positive impact on entrepreneurial performance.

H_1: Skills development has a positive impact on entrepreneurial performance,

H_2: Mentorship has positive impact on Entrepreneurial Performance, and

H_3: Social networking has a positive impact on entrepreneurial performance.

Chapter 6. Conclusion

6.1. Introduction

This chapter discusses the conclusion of the study derived from the empirical evidence and it proposes recommendations, by summarising the hypotheses, and contributions that the research has found, following the statistical analysis of results in the fourth chapter. The discussion is followed by the implications and recommendation, ended by a description of suggestions for further research and the limitations of the study.

6.2. Conclusion of the study

The purpose of this study was to measure the impact of government support on entrepreneurial capabilities and their performance that influences, and promotes entrepreneurial development, specifically focusing on government (entrepreneurial development agencies) support structures to SMEs. The study was to provide insights on the impact of these governmental (developmental) agencies' interventions in dealing with entrepreneurial challenges in South African SMEs, looking at the city of Tshwane. The study thus focused on the government (developmental agencies') support (SEDA, TEDA and GEP) to Tshwane SMEs, that include mentoring, skills development, and networking, and the impact it has on their entrepreneurial performance.

A number of conclusions extracted from knowledge, basing its findings on empirical study and existing theories addressed the consistent challenge which entrepreneurs in small firms face, which is lack of government support. The literature and study established the essential role that entrepreneurship continues to play in national and economic development. Entrepreneurship does address challenges of unemployment and economic marginalisation through empowerment of women and youths. Government can and does provide framework conditions which enable and catalyse entrepreneurship. According to this study, institutional support's impact on SME has influence on the success and the development entrepreneurial capabilities. These findings were found to be similar to Shree and Urban (2012), Urban and Sefalalala (2015), Dayile (2016), in the context of South Africa.

There is a strong case that government intervention would result in improved entrepreneurial performance through addressing market failures that bedevil entrepreneurial ventures (Naude, 2008; Acs and Naude, 2013), and government has a significant role it plays in developing this framework and to ascertain that the framework can trigger entrepreneurship. The study concluded that there is a strong positive correlation between human capital skills development, social networking, mentoring and entrepreneurial performance. The study highlighted the strong and direct role that government is playing in the SMEs sector. However, the respondents felt that more could be done by government; this includes not only funding SMEs skills, networking and mentorship programmes but dealing with corruption. Corruption seems to hinder and erode the confidence of SMEs. Government hence plays a crucial role in funding SMEs and providing an enabling environment in which the SMEs operate through policy consistence on issues like corruption. It is implied that government's efforts in the fight against the scourge of corruption are essential and have to continue.

Respondents highlighted that access to funding and skills improved business performance and survival. This implies that there is an understanding that funding and skills are vital within the SMEs sector. This means that at policy level even when government unveils funding for SMEs, a devotion on skills within that sector have to be developed if that funding is to achieve intended objectives. The capacity of the entrepreneur as an individual has to be augmented so that financial resources accessed from government and quasi-government agencies are better managed and deployed by the entrepreneur within the SMEs sector. Capacity building will also assist entrepreneurs to calculate risk as they exploit and seize opportunities. However this effort should be on those SMEs that are entrepreneurial as some SMEs are not entrepreneurial (Naude, 2008) in nature. The study found positive associations between human capital skills development and social capital networking. In this light it would therefore be credible to note that the two variables directly impact each other. This implies that initiatives that impact positively on human capital skills development may directly improve the entrepreneur's networking abilities. This is a significant finding with policy and practical implications in that institutional framework conditions that engender human capital development has spill over effects on social networking and the reverse is also true. Both ingredients are essential for improving entrepreneurial performance and need a supportive institutional framework.

These institutional framework conditions as noted in the literature may be formal or informal (Shirley, 2008) psycho-social and cultural factors, which are essential in advancing SMEs, to sustenance, and distinct entrepreneurial performance. This study has shown that stronger institutional support is required to solve constraints from lack of resources. The study concludes that social networking can and does predict entrepreneurial performance. This is in sync with established literature as networking has been noted as vital in opportunity identification and exploitation as well as search for and securing funding by entrepreneurs.

6.3. **Implications of the study**

The research has implications on three areas: theory, practice and policy.

First, at a theoretical level, this study provides an opportunity to explore theoretical and methodological methods to identify, investigate and analyse the extent and impact of governmental support in enhancing entrepreneurial performance of SMEs in Tshwane. Furthermore, this study reconfigured and closed these knowledge gaps through investigating and elucidating which theory had major predictive influence, and the research findings form the basis for further study, particularly the role of enterprise development agencies, in Tshwane.

Second, at a practical level, for managers in enterprise development agencies, the outcomes of this study provide recommendations on how entrepreneurial development support such as skills training, mentorship and networking can be implemented effectively. The study adds value to practitioners who would like to get feedback on training offered by them.

This study has revealed the role managers, shareholders, and business owners play in the SMEs, and the contributions they make in their own companies. Third, at policy level, the study helps policy makers with the information they need to develop policies that enhance a favourable environment for entrepreneurship as well as evaluate their effectiveness.

6.4. **Recommendations**

Based on the positive correlation between entrepreneurial performance and human capital skills development, social networking and mentoring; government efforts and policy directives on SMEs and entrepreneurs should emphasise on these three elements through facilitation and creation of platforms on which these elements are engendered. Government needs to put effort into supporting mentoring sessions.

It is important to also offer relevant mentoring sessions, according to individual company experiences. Network ties should be maintained by encouraging SMEs to make use of business forums in business meetings, marketing themselves and ways to promote BBBEE.

Knowledge is very important, and thus SMEs need to seek that knowledge by attending seminars, and keeping themselves abreast of new developments. Government can facilitate the establishment of platforms on which SMEs can interact and exchange with successful and well established business through national and municipality based initiatives, conferences and roundtables. Local and foreign trade fairs are crucial for networking and as such government can facilitate participation by entrepreneurs in these fairs. Such initiatives will build the capacity and expertise among SMEs that is found in big business which if applied in the context of SMEs can improve their performance ensuring success.

Government and its agencies are encouraged to provide free entrepreneurial training or some low cost entrepreneurial training. Funding for these 'free training' can be direct from central government budget or from the private organisations as part of their corporate social responsibility programmes, which will have BEE points as an incentive to encourage participation. Government can mobilise successful entrepreneurs or graduate school students to facilitate entrepreneurial training among SMEs. These programme can build the critical mass of mentors and coaches for building entrepreneurial capacities and skills among SMEs at relatively low costs than engaging private agencies that will have to be paid and may have imitations in terms of scale. It is critical that the knowledge and skills gaps be closed within the SMEs sector to ensure entrepreneurial success. Policymakers and developmental agencies should take note of the positive associations between human capital skills development and mentoring and consequently as predictors of entrepreneurial performance.

Formal and informal initiatives complementing skills development and networking should be formulated and implemented at national and municipal levels as these would stimulate entrepreneurial development.

Central government through municipalities should disperse and propagate a societal culture that does not only embrace entrepreneurship but also celebrate the phenomenon. These cultural support framework conditions that foster entrepreneurial development should be part of the South African national ethos. Calls for financial inclusion of disadvantaged groups like women and youth should move from political statements to policy establishment.

Financial institutions that issue loans to these groups should be incentivised by government through various tools which may include tax deductions. This recommendation is premised not only on the call for funding established from this study respondents but also arguments that framework conditions that include new venture financing and government policies (Reynolds et al.,2000) should address the needs of entrepreneurs. The government and its agencies need to adopt policies that ease doing business for the entrepreneurs. These may be through regulatory reforms, reductions in costs of doing business and making it easier to open new business (GEM, 2016) by entrepreneurs.

6.5. **Limitation of the study**

This study's major limitation was the scope and primary focus on TEDA database and later on due to lack of cooperation by the former SEDA and GEP databases in the Tshwane municipality. Respondents were supposedly to be drawn from the database of these agencies, including a list of entrepreneurs in the Tshwane Municipality, and exhibitors at an SMEs exhibition held by TEDA. The study was also plagued by low responses leading to a usable sample of only 135 questionnaires from the earlier anticipated 600. This presents challenges in generalising results nationwide.

- Some entrepreneurs showed no interest in participating in the survey.
- Some questions might not have been answered truthfully due to time constraints.
- The survey was very long (50 questions) and most SME owners or managers are pressed for time

- Data was collected after the elections and the former political ruling party was overpowered in the Tshwane Municipality, losing votes to the opposition parties. Thus, some entrepreneurs remained irritated by the regime/government mal-administrations, this could have affected the response on satisfaction feedback on government support
- Xenophobia, Racism, Chauvinism and recent attacks to businesses during riots in Pretoria as the general public picketed to the Union Building to present their petitions and pleas. This could have affected the operations of SMEs around those areas, and have affected their business
- The current national economic downfall, and the weakening rand could also have added to the reactions from SME owners

On the other hand, there were constraints to this study of the impact of governmental support of SME's in Tshwane, because of the current reshuffling of local or municipal administration and leadership. The political influence by the preceding ruling organization resulted in having calamitous entrepreneurs. Politics and the recent local elections have had both positive and negative impact on some of these responses, as governmental support to SMEs is a politically volatile subject, particularly in the context of South African history.

6.6. **Suggestions for further research**

There is therefore the need for broader future studies covering other municipalities and other developmental agencies, in other provinces nationally. This will overcome the above limitation and assist in deriving findings that can be generalised in the South African milieu and consequently developing countries. The study noted the challenge of the lack of a standard measurement of entrepreneurial performance and the absence of a measurement instrument for entrepreneurial performance. As such future studies should look at developing the standard measurement and the instrument for measuring entrepreneurial performance within the South African context. Other suggested further research to look at :

Women studies, Youth studies , and developmental studies

Entrepreneurial support offered to SME's by the institutional players like communities, family, and private companies and not for profit organisations.

Studies on enabling institutional frameworks that creates contexts in which viable productive entrepreneurship thrives instead of directed resources towards encouragement and training of entrepreneurs.

Urban (2007) noted that South Africa had a good regulatory framework that which had not given impetus to more entrepreneurial activity, leading to the need to further interrogate the interplay between culture, personality and the contextual issues.

According to Woolcock and Narayan (2000) several studies have endeavoured to measure social capital's contribution to economic development but obtaining a single measure has remained a mirage.. This implies the need in the South African context for further exploration of this phenomenon as well as development of possible instruments that actually measure the contribution of social capital to economic development.

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APPENDIX A: CONSISTENCY MATRIX

Research Problem Statement:

Literature such as (Watson, 2004) acknowledges the role that the government can play to support enterprise development. Thus, whilst there has been proliferation of funding agencies and entrepreneurial support, there is very little empirical research that evaluates the role and impact of enterprise development agencies, specifically on skills development, mentorship and networking. As a result, there is a lack of information on whether these interventions are effective and producing the intended outcomes. Therefore, there is a need to evaluate the impact of skills development, mentorship and networking opportunities offered by government agencies on entrepreneurial performance.

Sub-problem	Literature Review	Hypotheses or Propositions or Research questions	Source of data	Type of data	Analysis
Human capital such as skills, experience and education is considered to be critical for entrepreneurial performance. However, entrepreneurs lack business and managerial skills and this is thought to contribute to high business failure and challenge for growth faced by many SMEs. It is argued that government support can address this challenge by offering skills development and mentorship services	Radipere & van Scheers, (2005) Reynolds et al. (2000) Unger et al. (2011) Zarutskie (2010) Venter et al. (2015) Ucbasaran, Westhead & Wright, 2009 Skuras et al. (2005)	Skills development is positively related to entrepreneurial performance	Likert scale Questions 18- 29 Long Questions 30- 31 Binary Questions 32-33	Ordinal	Factor Analysis Correlational Analysis Multiple Regression
	Chebii, Bwisa and Sakwa, 2016, Hisrich & Peters (2000) Fletcher (2000) Memon et al. (2015) Kram (1985) St-Jean & Audet (2012) Sullivan 2000:172	Mentorship is positively associated with entrepreneurial performance	Binary Questions 8-13 Trio Questions 14-15 Likert scale Questions 16- Question 17	Ordinal	Factor Analysis Correlational AnalysisMultiple Regression

Social capital such as trust, social structures, networks and membership is critical for entrepreneurial performance. As such networking is seen as one of the means by which entrepreneurs can build their social capital. Unfortunately, just as the same with human capital, entrepreneurs lack the means and resources to network effectively. Equally so, it is argued that government support can play a critical role in facilitating networking among entrepreneurs through creating events and paying for such activities.	Bauernschuster, Falck & Heblich (2010) Hanifan (1916) Putman (2000) Manev et al.(2005) Woolcock & Narayan (2000) Venter, Urban & Rwigema (2008) Olawale & Garwe (2010) Ferrari (2016) Urban & Hwindingwi (2016) Urban & Kujinga (2017) Kor et al. (2007) Porter & Woo (2015) Shepherd (2015) Griffin (2014) Lal & Clement (2005) Engel et al. (2016) Naude & Havenga (2005) Bruderl & Preisendorfer (1998) Sefalafala (2013)	Social networking is positively associated with entrepreneurial performance	Likert scale Question 34 - Question 39	Ordinal	Factor Analysis Correlational Analysis Multiple Regression

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APPENDIX B: COVER LETTER
MM RESEARCH CONSENT

The impact of institutional support of entrepreneurial capabilities and performance

Dear Valued SMME Owner

My name is Godiragetse Sithole, and I am conducting a research for the purpose of completing my Masters Management in Entrepreneurship and New Venture Creation at Wits Business School. The research focus on the role of government support in promoting entrepreneurship development, and it is a quantitative study with 300(three hundred) participants expected to establish if human and social capital is critical for entrepreneurial development.

I am asking for your participation to answer the questionnaire provided which has about 50 questions. Please understand that **your participation is voluntary** and you are not being forced to take part in this study. The choice of whether to participate or not, is yours alone. If you choose not to take part, you will not be affected in any way whatsoever. If you agree to participate, you may stop participating in the research at any time and tell me that you don't want to go continue. If you do this there will also be no penalties and you will NOT be prejudiced in ANY way.

Any study records that identify you will be kept confidential to the extent possible by law. The records from your participation may be reviewed by people responsible for making sure that research is done properly, including my academic supervisor/s. All study records will be destroyed after the completion and marking of my thesis. I will refer to you by a code number or pseudonym in the thesis and any further publication.

At the present moment, I do not see any risks in your participation. The risks associated with participation in this study are no greater than those encountered in daily life. There are no immediate benefits to you from participating in this study. However, this study will be extremely helpful to us, to government institutions, policymakers, practitioners and entrepreneurs in understanding the role of government support in promoting entrepreneurship development. If you would like to receive feedback on the study, I can send you the results of the study when it is completed sometime after February 2017.

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

If you have concerns or questions about the research you may call my academic research supervisor Dr McEdward Murimbika +27 (0) 11 029 2555, +27 (0) 83 613 6530, Email murimbikam@ftt580.com, Blog www.mcedwad.co, web: www.ftt580.com

APPENDIX C: CONSENT FORM

I hereby agree to participate in research on the role of government support in promoting entrepreneurship development. I understand that I am participating freely and without being forced in any way to do so. I also understand that I can stop participating at any point should I not want to continue and that this decision will not in any way affect me negatively.

I understand that this is a research project whose purpose is not necessarily to benefit me personally in the immediate or short term.

I understand that my participation will remain confidential.

.....

.....

Signature of participant **Date**

APPENDIX D: INSTRUMENT / SURVEY QUESTIONNAIRE

IMPACT OF INSTITUTIONAL SUPPORT ON ENTREPRENEURIAL CAPABILITIES AND ENTREPRENEURIAL PERFORMANCE

SECTION A: DEMOGRAPHICS INFORMATION

Q1 Please specify your gender.

Male (1)

Female (2)

Q2 Please specify your age in years

18-29 (1)

30-39 (2)

40-49 (3)

50-59 (4)

Q3 What is your position in the company

Business Owner (1)

Shareholder (2)

Manager/ Supervisor (3)

Company Secretary (4)

Employee/ Specialist/ Technician (5)

Q4 Please indicate the highest level of education you have received.

No matric (1)

Matric completed (2)

Short programme completed (3)

Diploma / degree completed (4)

Postgraduate studies completed (5)

Q5 What is your ethnic group?

Indian (1)

Coloured (2)

Black (3)

White (4)

Chinese (5)

Other (please specify) (6)

Q6 Please indicate the organisation's employee numbers

Not applicable (1)

Less than 10 (2)

10-50 (3)

51-200 (4)

More than 200 (5)

Q7 Please indicate organisation's age

Not applicable (1)

Less than 3 months (2)

3-42 months (3)

5-10 years (4)

11-20 years (5)

20 years and above (6)

SECTION B: HUMAN CAPITAL- *MENTORING*

Q8 During what period did you engage with government for mentoring

Month..... Year ..... to (1)

Month ..... Year ..... (2)

Q9 How many mentoring contact sessions did you have so far

.....

Q10 Did you pay for mentoring

Yes (1)

No (2)

Q11 Your mentor was

Male (1)

Female (2)

Q12 Did you agree on the outcome/ deliverables of mentoring at the commencement

Yes (1)

No (2)

Q13 Did you have a signed agreement for the business mentoring engagement

Yes (1)

No (2)

Q14 Was mentoring sessions delivered mainly

a. Face to face (1)

b. By Telephone (2)

c. By email (3)

Q15 Was your mentoring sessions mainly

a. Structured (1)

b. Unstructured (2)

c. Flexible from session to session (3)

Q16 The main reason you engaged your business for mentoring experience

	(Please tick the appropriate boxes.)	Strongly Agree	Agree	Neither Agree	Disagree	Strongly Disagree
a.	To increase skills and knowledge	1	2	3	4	5
b.	To grow the business	1	2	3	4	5
c.	To better manage business processes	1	2	3	4	5
d.	To better manage staff relationships	1	2	3	4	5
e.	To change your behaviour	1	2	3	4	5
f.	To increase your performance	1	2	3	4	5
g.	To develop your potential	1	2	3	4	5
h.	To expand your thinking	1	2	3	4	5
i.	Other.....	1	2	3	4	5

Q17 The main focus of your business mentoring session was on

(Please tick the appropriate boxes.)	Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
a. Vision, strategy, goals, environment (1)	1	2	3	4	5
b. Customers (eg external) (2)	1	2	3	4	5
c. Stakeholders (eg Internal) (3)	1	2	3	4	5
d. Production (eg create, manufacture) (4)	1	2	3	4	5
e. Processes (eg methods, procedures) (5)	1	2	3	6	5
f. People (eg leadership, managing, culture) (6)	1	2	3	4	5
g. Flyer (7)	1	2	3	4	5
h. Business plan (8)	1	2	3	4	5
i. Presentation (9)	1	2	3	4	5

	SECTION C: HUMAN CAPITAL- *SKILLS DEVELOPMENT*	Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
Q 18	I attend regularly local or foreign trade fairs	1	2	3	4	5
Q 19	I am actively seeking information about our suppliers/ clients in markets related to our work	1	2	3	4	5
Q 20	I am experienced in the business I am running/ operating	1	2	3	4	5
Q 21	I intend to apply what I have learnt during the workshops to my business	1	2	3	4	5

	SATISFACTION	Extremely Satisfied	Neither satisfied nor dissatisfied	Extremely Dissatisfied
Q22	To what extent were you satisfied with your skills development experience	1	2	3
Q23	To what extent were you satisfied with the period/ length of skills development sessions	1	2	3
Q24	To what extent were you satisfied with the cost of sessions	1	2	3
Q25	To what extent were you satisfied with the delivery methods of sessions of workshops	1	2	3
Q26	To what extent were you satisfied with your relationship with the development agencies	1	2	3
Q27	To what extent were you satisfied with the style of training conducted and their approach	1	2	3
Q28	To what extent were you satisfied with the role of development agencies to your business	1	2	3
Q29	To what extent were you satisfied with the outcome of training and development	1	2	3

Q30 What was it about training that provided the most value

.....

Q31 How do you intend to apply what you have learnt during the workshops to your business.....

Q32 Would you engage in a skills development programme at another time

Yes (1)

No (2)

Q33 Would you recommend the workshops and training programme to other SMME

Yes (1)

No (2)

	SECTION C: SOCIAL CAPITAL- *NETWORKING*	Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
Q34	We maintain close social relationships with our key contacts	1	2	3	4	5
Q35	We know the names of our contacts personally	1	2	3	4	5
Q36	In these relationships, both sides avoid making demands that can easily damage the interests of the other	1	2	3	4	5
Q37	In these relationships, neither side takes advantage of the other, even if the opportunity arises	1	2	3	4	5
Q38	Our key contacts always keep their promises to us	1	2	3	4	5
Q39	We have established new contacts through our key contacts	1	2	3	4	5

	SECTION D: ENTREPRENEURIAL PERFORMANCE	Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
Q40	Organisation has grown in terms of Sales in the past years	1	2	3	4	5
Q41	Organisation has grown in terms of employees in the past years	1	2	3	4	5
Q42	Organisation's net income margins have grown in the past years	1	2	3	4	5
Q43	Our market share has improved in the last two years	1	2	3	4	5
Q44	Our labour expense has grown in relation to sales revenue	1	2	3	4	5
Q45	Our balance sheet has increased, in relation to net of assets and liabilities	1	2	3	4	5
Q46	In the event of a severe crisis, our company will survive	1	2	3	4	5
Q47	We are able to maintain the quality of our products and services	1	2	3	4	5
Q48	Since we started the programme, the company's independence in relation to customers, suppliers and lenders has improved	1	2	3	4	5

RECOMMENDATIONS/SUGGESTION

Q49 List the suggestions that would improve entrepreneurship in our city

.....

.....

Q50 List the hindrances preventing entrepreneurship initiatives in South Africa, particulary

.....

.....

APPENDIX 3: SURVEY QUESTIONNAIRE

IMPACT OF INSTITUTIONAL SUPPORT ON ENTREPRENEURIAL CAPABILITIES AND ENTREPRENEURIAL PERFORMANCE

SECTION A: DEMOGRAPHICS INFORMATION

Q1 Please specify your gender.

Male (1)

Female (2)

Q2 Please specify your age in years

18-29 (1)

30-39 (2)

40-49 (3)

50-59 (4)

Q3 What is your position in the company

Business Owner (1)

Shareholder (2)

Manager/ Supervisor (3)

Company Secretary (4)

Employee/ Specialist/ Technician (5)

Q4 Please indicate the highest level of education you have received.

No matric (1)

Matric completed (2)

Short programme completed (3)

Diploma / degree completed (4)

Postgraduate studies completed (5)

Q5 What is your ethnic group?

Indian (1)

Coloured (2)

Black (3)

White (4)

Chinese (5)

Other (please specify) (6)

1

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Q6 Please indicate the organisation's employee numbers

Not applicable (1)

Less than 10 ~~(2)~~

10-50 (3)

51-200 (4)

More than 200 (5)

Q7 Please indicate organisation's age

Not applicable (1)

Less than 3 months (2)

3-42 months ~~(3)~~

5-10 years (4)

11-20 years (5)

20 years and above (6)

SECTION B: HUMAN CAPITAL- *MENTORING*

Q8 During what period did you engage with government for mentoring

Month... 6 - 8 ..... Year ..... 2016 ..... to (1)

Month ..... Year ..... (2)

Q9 How many mentoring contact sessions did you have so far

..... 3 .....

Q10 Did you pay for mentoring

Yes ~~(1)~~

No (2)

Q11 Your mentor was

Male (1)

Female ~~(2)~~

Q12 Did you agree on the outcome/ deliverables of mentoring at the commencement

Yes ~~(1)~~

No (2)

Q13 Did you have a signed agreement for the business mentoring engagement

Yes (1)

No ~~(2)~~

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Q14 Was mentoring sessions delivered mainly

a. Face to face (1)

b. By Telephone (2)

c. By email (3)

Q15 Was your mentoring sessions mainly

a. Structured (1)

b. Unstructured (2)

c. Flexible from session to session (3)

Q16 The main reason you engaged your business for mentoring experience

	(Please tick the appropriate boxes.)	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
a.	To increase skills and knowledge	1	2	3	4	5
b.	To grow the business	1	2	3	4	5
c.	To better manage business processes	1	2	3	4	5
d.	To better manage staff relationships	1	2	3	4	5
e.	To change your behaviour	1	2	3	4	5
f.	To increase your performance	1	2	3	4	5
g.	To develop your potential	1	2	3	4	5
h.	To expand your thinking	1	2	3	4	5
i.	Other.....	1	2	3	4	5

Q17 The main focus of your business mentoring session was on

(Please tick the appropriate boxes.)	Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
a. Vision, strategy, goals, environment (1)	1	2	3	4	5
b. Customers (eg external) (2)	1	2	3	4	5
c. Stakeholders (eg Internal) (3)	1	2	3	4	5
d. Production (eg create, manufacture) (4)	1	2	3	4	5
e. Processes (eg methods, procedures) (5)	1	2	3	6	5
f. People (eg leadership, managing, culture) (6)	1	2	3	4	5
g. Flyer (7)	1	2	3	4	5
h. Business plan (8)	1	2	3	4	5
i. Presentation (9)	1	2	3	4	5
j. Other .....(10)	1	2	3	4	5

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Q14 Was mentoring sessions delivered mainly

a. Face to face (1)

b. By Telephone (2)

c. By email (3)

Q15 Was your mentoring sessions mainly

a. Structured (1)

b. Unstructured (2)

c. Flexible from session to session (3)

Q16 The main reason you engaged your business for mentoring experience

	(Please tick the appropriate boxes.)	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
a.	To increase skills and knowledge	1	2 ✓	3	4	5
b.	To grow the business	1	2 ✓	3	4	5
c.	To better manage business processes	1	2 ✓	3	4	5
d.	To better manage staff relationships	1	2 ✓	3	4	5
e.	To change your behaviour	1	2 ✓	3	4	5
f.	To increase your performance	1	2 ✓	3	4	5
g.	To develop your potential	1	2 ✓	3	4	5
h.	To expand your thinking	1	2 ✓	3	4	5
i.	Other.....	1	2	3	4	5

Q17 The main focus of your business mentoring session was on

(Please tick the appropriate boxes.)	Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
a. Vision, strategy, goals, environment (1)	1 ✓	2	3	4	5
b. Customers (eg external) (2)	1 ✓	2	3	4	5
c. Stakeholders (eg Internal) (3)	1 ✓	2	3	4	5
d. Production (eg create, manufacture) (4)	1	2	3	4	5
e. Processes (eg methods, procedures) (5)	1	2	3	6	5
f. People (eg leadership, managing, culture) (6)	1 ✓	2	3	4	5
g. Flyer (7)	1	2	3	4	5
h. Business plan (8)	1 ✓	2	3	4	5
i. Presentation (9)	1	2	3	4	5
j. Other .....(10)	1	2	3	4	5

3

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	SECTION C: HUMAN CAPITAL- *SKILLS DEVELOPMENT*	Strongly Agree	Agree	Neither agree nor	Disagree	Strongly disagree
Q 18	I attend regularly local or foreign trade fairs	(1)	2	3	4	5
Q 19	I am actively seeking information about our suppliers/ clients in markets related to our work	(1)	2	3	4	5
Q 20	I am experienced in the business I am running/ operating	(1)	2	3	4	5
Q 21	I intend to apply what I have learnt during the workshops to my business	(1)	2	3	4	5

	SATISFACTION	Extremely Satisfied	Satisfied	Neither satisfied nor dissatisfied	Dissatisfied	Extremely Dissatisfied
Q22	To what extent were you satisfied with your skills development experience	(1)	2	3	4	5
Q23	To what extent were you satisfied with the period/ length of skills development sessions	(1)	2	3	4	5
Q24	To what extent were you satisfied with the cost of sessions	(1)	2	3	4	5
Q25	To what extent were you satisfied with the delivery methods of sessions of workshops	(1)	2	3	4	5
Q26	To what extent were you satisfied with your relationship with the development agencies	(1)	2	3	4	5
Q27	To what extent were you satisfied with the style of training conducted and their approach	(1)	2	3	4	5
Q28	To what extent were you satisfied with the role of development agencies to your business	(1)	2	3	4	5
Q29	To what extent were you satisfied with the outcome of training and development	(1)	2	3	4	5

Q30 What was it about training that provided the most value

networking

Q31 How do you intend to apply what you have learnt during the workshops to your business..... will pass on to my employees

Q32 Would you engage in a skills development programme at another time

Yes (1)

No (2)

Q33 Would you recommend the workshops and training programme to other SMME

Yes (1)

No (2)

4

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	SECTION C: SOCIAL CAPITAL- *NETWORKING*	Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
Q34	We maintain close social relationships with our key contacts	1	2	3	4	5
Q35	We know the names of our contacts personally	1	2	3	4	5
Q36	In these relationships, both sides avoid making demands that can easily damage the interests of the other	1	2	3	4	5
Q37	In these relationships, neither side takes advantage of the other, even if the opportunity arises	1	2	3	4	5
Q38	Our key contacts always keep their promises to us	1	2	3	4	5
Q39	We have established new contacts through our key contacts	1	2	3	4	5
	SECTION D: ENTREPRENEURIAL PERFORMANCE	Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
Q40	Organisation has grown in terms of Sales in the past years	1	2	3	4	5
Q41	Organisation has grown in terms of employees in the past years	1	2	3	4	5
Q42	Organisation's net income margins have grown in the past years	1	2	3	4	5
Q43	Our market share has improved in the last two years	1	2	3	4	5
Q44	Our labour expense has grown in relation to sales revenue	1	2	3	4	5
Q45	Our balance sheet has increased, in relation to net of assets and liabilities	1	2	3	4	5
Q46	In the event of a severe crisis, our company will survive	1	2	3	4	5
Q47	We are able to maintain the quality of our products and services	1	2	3	4	5
Q48	Since we started the programme, the company's independence in relation to customers, suppliers and lenders has improved	1	2	3	4	5

RECOMMENDATIONS/SUGGESTION

Q49 List the suggestions that would improve entrepreneurship in our communities

Partnerships

Q50 List the hindrances preventing entrepreneurship initiatives in South Africa, particularly

loans, government taxes

APPENDIX F: PICTURES OF ATTENDEES OF SME

This picture below was taken on the 24 th August 2016, during a meeting of SMEs of Tshwane where the questionnaires were distributed. The meeting was held by the local SMEs in the Tshwane municipality, and was arranged by the local SME's network.



This picture below was taken on the 18th November 2016 , when TEDA had a workshop, and the SMEs who attended were given an opportunity to complete the questionnaire.



APPENDIX G: ADDITIONAL STATISTICAL DATA

Average interitem correlation: 0.2111
Number of items in the scale: 59
Scale reliability coefficient: 0.9404

The reliability coefficient indicated above showed the efficiency of the questionnaire. This is very good. This implies high reliability.

The table below show the frequency of the responses on each item.

```
  Gender of |
participant |      Freq.     Percent        Cum.
------------+-----------------------------------
       Male |         78       55.32       55.32
     Female |         63       44.68      100.00
------------+-----------------------------------
      Total |        141      100.00
```

```
-> tab age, missing

Age in years |
          of |
 participant |      Freq.     Percent        Cum.
-------------+-----------------------------------
 18 - 29 yrs |         17       12.06       12.06
 30 - 39 yrs |         51       36.17       48.23
 40 - 49 yrs |         56       39.72       87.94
 50 - 59 yrs |         17       12.06      100.00
-------------+-----------------------------------
       Total |        141      100.00
```

```
-> tab posi, missing

  What is your position in the |
                       Company |      Freq.     Percent        Cum.
-------------------------------+-----------------------------------
                Business Owner |         55       39.01       39.01
                   Shareholder |         40       28.37       67.38
             Manager/Supervisor |         32       22.70       90.07
              Company Secretary |         10        7.09       97.16
Employer/Specialist/Technician |          4        2.84      100.00
-------------------------------+-----------------------------------
                         Total |        141      100.00
```

```
-> tab Q4, missing

     Please indicate the |
        highest level of |
 education that you have |
                recieved |      Freq.     Percent        Cum.
-------------------------+-----------------------------------
              No Matric |          3        2.13        2.13
        Matric Completed |          7        4.96        7.09
    Short Prog Completed |         23       16.31       23.40
Diploma/Degree Completed |         53       37.59       60.99
          Post_graduate  |         55       39.01      100.00
-------------------------+-----------------------------------
                   Total |        141      100.00
```

```
-> tab Q5, missing

    What is |
your ethnic |
      group |      Freq.     Percent        Cum.
------------+-----------------------------------
     Indian |         14        9.93        9.93
   Coloured |         51       36.17       46.10
      Black |         45       31.91       78.01
      White |         28       19.86       97.87
    Chinese |          3        2.13      100.00
------------+-----------------------------------
      Total |        141      100.00

-> tab Q6, missing

        Please |
  indicate the |
organization's |
      employee |
       numbers |      Freq.     Percent        Cum.
---------------+-----------------------------------
Not applicable |          6        4.26        4.26
  Less than 10 |         57       40.43       44.68
       10 - 50 |         55       39.01       83.69
      51 - 200 |          9        6.38       90.07
 More than 200 |         14        9.93      100.00
---------------+-----------------------------------
         Total |        141      100.00

 83% of the perti
-> tab Q7, missing

   Please indicate |
the organization's |
               age |      Freq.     Percent        Cum.
-------------------+-----------------------------------
    Not applicable |          4        2.84        2.84
Less than 3 Months |         15       10.64       13.48
     3 - 42 Months |         71       50.35       63.83
        5 - 10 yrs |         37       26.24       90.07
       11 - 20 yrs |          8        5.67       95.74
20 years and above |          6        4.26      100.00
-------------------+-----------------------------------
             Total |        141      100.00

-> tab B10, missing

Did you pay |
        for |
 mentoring? |      Freq.     Percent        Cum.
------------+-----------------------------------
       Male |         70       49.65       49.65
     Female |         69       48.94       98.58
       Both |          1        0.71       99.29
          . |          1        0.71      100.00
------------+-----------------------------------
      Total |        141      100.00
```

```
-> tab B11, missing
Your mentor |
       was? |      Freq.     Percent        Cum.
------------+-----------------------------------
       Male |         81       57.45       57.45
     Female |         54       38.30       95.74
       Both |          5        3.55       99.29
          . |          1        0.71      100.00
------------+-----------------------------------
      Total |        141      100.00

-> tab B12, missing

    Did you |
   agree on |
        the |
outcome/del |
  iverables |
of....commn |
  encement? |      Freq.     Percent        Cum.
------------+-----------------------------------
        Yes |        120       85.11       85.11
         No |         20       14.18       99.29
          . |          1        0.71      100.00
------------+-----------------------------------
      Total |        141      100.00

-> tab B13, missing

    Did you |
     have a |
     signed |
  agreement |
    for the |
   business |
  mentoring |
engagement? |      Freq.     Percent        Cum.
------------+-----------------------------------
        Yes |         84       59.57       59.57
         No |         56       39.72       99.29
          . |          1        0.71      100.00
------------+-----------------------------------
      Total |        141      100.00

-> tab B14, missing

         Was |
   mentoring |
    sessions |
   delivered |
     mainly? |      Freq.     Percent        Cum.
-------------+-----------------------------------
Face to Face |        114       80.85       80.85
By Telephone |         14        9.93       90.78
    By Email |         12        8.51       99.29
           . |          1        0.71      100.00
-------------+-----------------------------------
       Total |        141      100.00
```

```
-> tab B15, missing

     Was your mentoring sessions |
                         mainly? |      Freq.     Percent        Cum.
---------------------------------+-----------------------------------
                     Structured |         51       36.17       36.17
                   Unstructured |         49       34.75       70.92
Flexible from Session to Session |         40       28.37       99.29
                               . |          1        0.71      100.00
---------------------------------+-----------------------------------
                           Total |        141      100.00

-> tab B16a, missing

       Reason: To |
  increase skills |
  and knowledge ? |      Freq.     Percent        Cum.
------------------+-----------------------------------
   Strongly Agree |         65       46.10       46.10
            Agree |         68       48.23       94.33
          Neither |          2        1.42       95.74
         Disagree |          3        2.13       97.87
Strongly Disagree |          2        1.42       99.29
                . |          1        0.71      100.00
------------------+-----------------------------------
            Total |        141      100.00

-> tab B16b, missing

  Reason: To grow |
    the business? |      Freq.     Percent        Cum.
------------------+-----------------------------------
   Strongly Agree |         56       39.72       39.72
            Agree |         73       51.77       91.49
          Neither |          5        3.55       95.04
         Disagree |          4        2.84       97.87
Strongly Disagree |          2        1.42       99.29
                . |          1        0.71      100.00
------------------+-----------------------------------
            Total |        141      100.00

-> tab B16c, missing

Reason: To better |
  manage business |
       processes? |      Freq.     Percent        Cum.
------------------+-----------------------------------
   Strongly Agree |         67       47.52       47.52
            Agree |         66       46.81       94.33
          Neither |          2        1.42       95.74
         Disagree |          3        2.13       97.87
Strongly Disagree |          2        1.42       99.29
                . |          1        0.71      100.00
------------------+-----------------------------------
            Total |        141      100.00
```

```
-> tab B16d, missing

Reason: To better |
     manage staff |
   relationships? |      Freq.     Percent        Cum.
------------------+-----------------------------------
   Strongly Agree |         51       36.17       36.17
            Agree |         71       50.35       86.52
          Neither |         11        7.80       94.33
         Disagree |          5        3.55       97.87
Strongly Disagree |          2        1.42       99.29
                . |          1        0.71      100.00
------------------+-----------------------------------
            Total |        141      100.00

-> tab B16e, missing

Reason: To change |
   your behavior? |      Freq.     Percent        Cum.
------------------+-----------------------------------
   Strongly Agree |         51       36.17       36.17
            Agree |         67       47.52       83.69
          Neither |         10        7.09       90.78
         Disagree |          8        5.67       96.45
Strongly Disagree |          4        2.84       99.29
                . |          1        0.71      100.00
------------------+-----------------------------------
            Total |        141      100.00

-> tab B16f, missing

       Reason: To |
    increase your |
     performance? |      Freq.     Percent        Cum.
------------------+-----------------------------------
   Strongly Agree |         60       42.55       42.55
            Agree |         69       48.94       91.49
          Neither |          8        5.67       97.16
         Disagree |          1        0.71       97.87
Strongly Disagree |          2        1.42       99.29
                . |          1        0.71      100.00
------------------+-----------------------------------
            Total |        141      100.00

-> tab B16g, missing

       Reason: To |
    develop your |
      potential? |      Freq.     Percent        Cum.
------------------+-----------------------------------
   Strongly Agree |         59       41.84       41.84
            Agree |         71       50.35       92.20
          Neither |          6        4.26       96.45
         Disagree |          2        1.42       97.87
Strongly Disagree |          2        1.42       99.29
                . |          1        0.71      100.00
------------------+-----------------------------------
            Total |        141      100.00
```

```
-> tab B16h, missing

Reason: To expand |
   your thinking? |      Freq.     Percent        Cum.
------------------+-----------------------------------
   Strongly Agree |         55       39.01       39.01
            Agree |         73       51.77       90.78
          Neither |          7        4.96       95.74
         Disagree |          3        2.13       97.87
Strongly Disagree |          2        1.42       99.29
                . |          1        0.71      100.00
------------------+-----------------------------------
            Total |        141      100.00

-> tab B16i, missing

                  Reason: Others |      Freq.     Percent        Cum.
---------------------------------+-----------------------------------
                                 |        139       98.58       98.58
Find other ways of doing business |          1        0.71       99.29
         To think outside the box |          1        0.71      100.00
---------------------------------+-----------------------------------
                           Total |        141      100.00

-> tab B17a, missing

      Main focus: |
Vision, strategy, |
     environment? |      Freq.     Percent        Cum.
------------------+-----------------------------------
   Strongly Agree |         43       30.50       30.50
            Agree |         66       46.81       77.30
          Neither |          4        2.84       80.14
         Disagree |         25       17.73       97.87
Strongly Disagree |          2        1.42       99.29
                . |          1        0.71      100.00
------------------+-----------------------------------
            Total |        141      100.00

-> tab B17b, missing

      Main focus: |
   Customers(e.g. |
        external? |      Freq.     Percent        Cum.
------------------+-----------------------------------
   Strongly Agree |         47       33.33       33.33
            Agree |         71       50.35       83.69
          Neither |          9        6.38       90.07
         Disagree |         10        7.09       97.16
Strongly Disagree |          3        2.13       99.29
                . |          1        0.71      100.00
------------------+-----------------------------------
            Total |        141      100.00
```

```
-> tab B17c, missing
      Main focus: |
 Stakeholder(e.g. |
       Internal? |      Freq.     Percent        Cum.
-----------------+-----------------------------------
   Strongly Agree |         32       22.70       22.70
            Agree |         62       43.97       66.67
          Neither |         12        8.51       75.18
         Disagree |         30       21.28       96.45
Strongly Disagree |          4        2.84       99.29
                . |          1        0.71      100.00
-----------------+-----------------------------------
            Total |        141      100.00

-> tab B17d, missing
      Main focus: |
  Production(e.g. |
          create, |
    manufacture)? |      Freq.     Percent        Cum.
-----------------+-----------------------------------
   Strongly Agree |         29       20.57       20.57
            Agree |         63       44.68       65.25
          Neither |         13        9.22       74.47
         Disagree |         27       19.15       93.62
Strongly Disagree |          8        5.67       99.29
                . |          1        0.71      100.00
-----------------+-----------------------------------
            Total |        141      100.00

-> tab B17e, missing
      Main focus: |
   Processes(e.g. |
         Methods, |
     Procedures)? |      Freq.     Percent        Cum.
-----------------+-----------------------------------
   Strongly Agree |         34       24.11       24.11
            Agree |         60       42.55       66.67
          Neither |         11        7.80       74.47
         Disagree |         27       19.15       93.62
Strongly Disagree |          8        5.67       99.29
                . |          1        0.71      100.00
-----------------+-----------------------------------
            Total |        141      100.00

-> tab B17f, missing
      Main focus: |
      People(e.g. |
      Leadership, |
        managing, |
        culture)? |      Freq.     Percent        Cum.
-----------------+-----------------------------------
   Strongly Agree |         34       24.11       24.11
            Agree |         68       48.23       72.34
          Neither |         10        7.09       79.43
         Disagree |         23       16.31       95.74
Strongly Disagree |          5        3.55       99.29
                . |          1        0.71      100.00
-----------------+-----------------------------------
            Total |        141      100.00
```

```
-> tab B17g, missing

      Main focus: |
           Flyer? |      Freq.     Percent        Cum.
------------------+-----------------------------------
   Strongly Agree |         28       19.86       19.86
            Agree |         45       31.91       51.77
          Neither |         18       12.77       64.54
         Disagree |         37       26.24       90.78
Strongly Disagree |         12        8.51       99.29
                . |          1        0.71      100.00
------------------+-----------------------------------
            Total |        141      100.00

-> tab B17h, missing

      Main focus: |
   Business Plan? |      Freq.     Percent        Cum.
------------------+-----------------------------------
   Strongly Agree |         46       32.62       32.62
            Agree |         61       43.26       75.89
          Neither |          7        4.96       80.85
         Disagree |         16       11.35       92.20
Strongly Disagree |         10        7.09       99.29
                . |          1        0.71      100.00
------------------+-----------------------------------
            Total |        141      100.00

-> tab B17i, missing

      Main focus: |
    Presentation? |      Freq.     Percent        Cum.
------------------+-----------------------------------
   Strongly Agree |         36       25.53       25.53
            Agree |         60       42.55       68.09
          Neither |          8        5.67       73.76
         Disagree |         26       18.44       92.20
Strongly Disagree |         10        7.09       99.29
                . |          1        0.71      100.00
------------------+-----------------------------------
            Total |        141      100.00

-> tab B17j, missing

Main focus: |
    Others? |      Freq.     Percent        Cum.
------------+-----------------------------------
            |        139       98.58       98.58
 Accounting |          1        0.71       99.29
  Marketing |          1        0.71      100.00
------------+-----------------------------------
      Total |        141      100.00
```

```
      -> tab C18, missing
           Skills |
   development: I |
 attend regularly |
 local or foreign |
    trade fairs? |      Freq.     Percent        Cum.
-----------------+-----------------------------------
   Strongly Agree |         49       34.75       34.75
            Agree |         38       26.95       61.70
          Neither |         12        8.51       70.21
         Disagree |         33       23.40       93.62
Strongly Disagree |          8        5.67       99.29
                . |          1        0.71      100.00
-----------------+-----------------------------------
            Total |        141      100.00

-> tab C19, missing
           Skills |
     development: |
 Actively seeking |
  info....related |
    to our work? |      Freq.     Percent        Cum.
-----------------+-----------------------------------
   Strongly Agree |         38       26.95       26.95
            Agree |         65       46.10       73.05
          Neither |         16       11.35       84.40
         Disagree |         18       12.77       97.16
Strongly Disagree |          3        2.13       99.29
                . |          1        0.71      100.00
-----------------+-----------------------------------
            Total |        141      100.00

-> tab C20, missing
           Skills |
     development: |
   Experienced in |
business....runni |
    ng/operating? |      Freq.     Percent        Cum.
-----------------+-----------------------------------
   Strongly Agree |         55       39.01       39.01
            Agree |         63       44.68       83.69
          Neither |         12        8.51       92.20
         Disagree |          8        5.67       97.87
Strongly Disagree |          2        1.42       99.29
                . |          1        0.71      100.00
-----------------+-----------------------------------
            Total |        141      100.00
-> tab c21, missing
                C21 |      Freq.     Percent        Cum.
--------------------+-----------------------------------
  Extremely Satisfied |         55       39.01       39.01
            Satisfied |         67       47.52       86.52
              Neither |         10        7.09       93.62
          Disatisfied |          6        4.26       97.87
Extremely Disatisfied |          2        1.42       99.29
                    . |          1        0.71      100.00
--------------------+-----------------------------------
                Total |        141      100.00
```

```
-> tab c22, missing
```

C22	Freq.	Percent	Cum.
Extremely Satisfied	35	24.82	24.82
Satisfied	78	55.32	80.14
Neither	9	6.38	86.52
Disatisfied	16	11.35	97.87
Extremely Disatisfied	2	1.42	99.29
.	1	0.71	100.00
Total	141	100.00	

```
-> tab c23, missing
```

C23	Freq.	Percent	Cum.
Extremely Satisfied	27	19.15	19.15
Satisfied	69	48.94	68.09
Neither	22	15.60	83.69
Disatisfied	17	12.06	95.74
Extremely Disatisfied	5	3.55	99.29
.	1	0.71	100.00
Total	141	100.00	

```
-> tab c24, missing
```

C24	Freq.	Percent	Cum.
Extremely Satisfied	29	20.57	20.57
Satisfied	64	45.39	65.96
Neither	24	17.02	82.98
Disatisfied	19	13.48	96.45
Extremely Disatisfied	4	2.84	99.29
.	1	0.71	100.00
Total	141	100.00	

```
-> tab c25, missing
```

C25	Freq.	Percent	Cum.
Extremely Satisfied	25	17.73	17.73
Satisfied	74	52.48	70.21
Neither	19	13.48	83.69
Disatisfied	17	12.06	95.74
Extremely Disatisfied	5	3.55	99.29
.	1	0.71	100.00
Total	141	100.00	

```
-> tab c26, missing
                  C26 |      Freq.     Percent        Cum.
----------------------+-----------------------------------
  Extremely Satisfied |         26       18.44       18.44
            Satisfied |         59       41.84       60.28
              Neither |         27       19.15       79.43
         Disatisfied |         24       17.02       96.45
Extremely Disatisfied |          4        2.84       99.29
                    . |          1        0.71      100.00
----------------------+-----------------------------------
                Total |        141      100.00

-> tab c27, missing

   Satisfaction: what |
      extent were you |
 satified....training |
  conducted/approach? |      Freq.     Percent        Cum.
----------------------+-----------------------------------
  Extremely Satisfied |         26       18.44       18.44
            Satisfied |         75       53.19       71.63
              Neither |         20       14.18       85.82
         Disatisfied |         15       10.64       96.45
Extremely Disatisfied |          4        2.84       99.29
                    . |          1        0.71      100.00
----------------------+-----------------------------------
                Total |        141      100.00

-> tab c28, missing
   Satisfaction: what |
      extent were you |
  satified....role of |
development agencies? |      Freq.     Percent        Cum.
----------------------+-----------------------------------
  Extremely Satisfied |         23       16.31       16.31
            Satisfied |         67       47.52       63.83
              Neither |         26       18.44       82.27
         Disatisfied |         20       14.18       96.45
Extremely Disatisfied |          4        2.84       99.29
                    . |          1        0.71      100.00
----------------------+-----------------------------------
                Total |        141      100.00

-> tab c29, missing
   Satisfaction: what |
      extent were you |
  satified....outcome |
                  of |
training/development? |      Freq.     Percent        Cum.
----------------------+-----------------------------------
  Extremely Satisfied |         33       23.40       23.40
            Satisfied |         79       56.03       79.43
              Neither |         14        9.93       89.36
         Disatisfied |         10        7.09       96.45
Extremely Disatisfied |          4        2.84       99.29
                    . |          1        0.71      100.00
----------------------+-----------------------------------
                Total |        141      100.00
```

```
-> tab C31, missing

How do you intend.....workshop to your |
                              business? |      Freq.     Percent
Cum.
------------------------------------------+-----------------------------------
-
                                        |         61       43.26
43.26
                                      - |          1        0.71
43.97
           Application in the wirkplace |          1        0.71
44.68
                Apply it in my business |          2        1.42
46.10
              Apply it to the business  |          1        0.71
46.81
             Applying all the principles |          1        0.71
47.52
Applying and following processes acco.. |          1        0.71
48.23
        Applying business ethics learnt |          1        0.71
48.94
               Applying skills acquired |          1        0.71
49.65
                Applying what I learnt  |          1        0.71
50.35
By training companies on how to compl.. |          1        0.71
51.06
Daily text book and practical impleme.. |          1        0.71
51.77
                             Delegation |          1        0.71
52.48
               Developing the Business  |          1        0.71
53.19
               Documenting my business  |          1        0.71
53.90
 Doing my own buisness plans for banks  |          1        0.71
54.61
               Doing what they advised  |          1        0.71
55.32
                  Enlighten the staff   |          1        0.71
56.03
            Everything they taught us   |          2        1.42
57.45
                Expanding the business  |          1        0.71
58.16
               Few things to implement  |          1        0.71
58.87
                                Flyers  |          1        0.71
59.57
                   Flyers and manuals   |          1        0.71
60.28
               Follow what was taught   |          1        0.71
60.99
Following steps and methods that were.. |          1        0.71
61.70
Handout information through sharing p.. |          1        0.71
62.41
        Hold daily meetings with staff  |          1        0.71
63.12
```

Hold seminars	1	0.71	63.83
Holding sessions with staff	1	0.71	64.54
I am intending to apply it in my work..	1	0.71	65.25
I will not	2	1.42	66.67
Impart it to my employees	1	0.71	67.38
Impart skills on employees	1	0.71	68.09
Implement	1	0.71	68.79
Implement it	1	0.71	69.50
Implementation	1	0.71	70.21
Implementing everything	1	0.71	70.92
Implementing everything I learnt	1	0.71	71.63
Implementinmg everything that I learnt	1	0.71	72.34
In-house training	1	0.71	73.05
Lessons	2	1.42	74.47
Manage my staff productively	1	0.71	75.18
Morning session	1	0.71	75.89
N/a (dropped out)	1	0.71	76.60
Not intend	1	0.71	77.30
On a day to day work and mentoring m..	1	0.71	78.01
One on one training	1	0.71	78.72
Optimise production	1	0.71	79.43
PRACTICAL APPLICATION	1	0.71	80.14
Practical Implementation	1	0.71	80.85
Practical application	1	0.71	81.56
Putting requisite systems plans and t..	1	0.71	82.27
Seminars	1	0.71	82.98
Slide shows	1	0.71	83.69
Teaching my employees the same	1	0.71	84.40
The information was irrelevant to my ..	1	0.71	85.11
To do workshop	1	0.71	85.82

```
       To implement that in my business |          1       0.71
86.52
                            To sessions |          1       0.71
87.23
To take learnings from other sectors .. |          1       0.71
87.94
                               Training |          1       0.71
88.65
Use it in my day to day running of bu.. |          1       0.71
89.36
Using manuals received during trainin.. |          1       0.71
90.07
                 Will apply everything  |          1       0.71
90.78
           Will apply everything learnt |          1       0.71
91.49
          Will apply on to my employees |          1       0.71
92.20
Will contract my mentor to assist in .. |          1       0.71
92.91
Will hold workshop with my staff memb.. |          1       0.71
93.62
                Will teach my employees |          1       0.71
94.33
                               Workshop |          1       0.71
95.04
          by applying everything learnt |          1       0.71
95.74
doing business plans to apply for loans |          1       0.71
96.45
           following all they taught us |          1       0.71
97.16
       impart the learnings to my staff |          1       0.71
97.87
                     implementation is  |          1       0.71
98.58
   incorporate new information recieved |          1       0.71
99.29
                 overhaul our processes |          1       0.71
100.00
----------------------------------------+-----------------------------------
                                  Total |        141     100.00
```

```
-> tab C32, missing
```

Would you engage in skills development program at another time?	Freq.	Percent	Cum.
Yes	126	89.36	89.36
No	10	7.09	96.45
.	5	3.55	100.00
Total	141	100.00	

```
-> tab C33, missing

  Would you |
  recommend |
        the |
  workshops |
        and |
training... |
     .SMME? |      Freq.     Percent        Cum.
------------+-----------------------------------
        Yes |        117       82.98       82.98
         No |         19       13.48       96.45
          . |          5        3.55      100.00
------------+-----------------------------------
      Total |        141      100.00
-> tab C34, missing

   NETWORKING: We |
   maintain close |
           social |
relationship with |
our key contacts? |      Freq.     Percent        Cum.
------------------+-----------------------------------
   Strongly Agree |         41       29.08       29.08
            Agree |         71       50.35       79.43
          Neither |         12        8.51       87.94
         Disagree |         10        7.09       95.04
Strongly Disagree |          1        0.71       95.74
                . |          6        4.26      100.00
------------------+-----------------------------------
            Total |        141      100.00

-> tab C35, missing


 NETWORKING: Know |
 the names of our |
         contacts |
      personally? |      Freq.     Percent        Cum.
------------------+-----------------------------------
   Strongly Agree |         26       18.44       18.44
            Agree |         72       51.06       69.50
          Neither |         18       12.77       82.27
         Disagree |         18       12.77       95.04
                . |          7        4.96      100.00
------------------+-----------------------------------
            Total |        141      100.00

-> tab C36, missing

      NETWORKING: |
    ...both sides |
     avoid making |
 demands that can |
    easily damage |
        interest? |      Freq.     Percent        Cum.
```

Strongly Agree	20	14.18	14.18
Agree	61	43.26	57.45
Neither	25	17.73	75.18
Disagree	28	19.86	95.04
Strongly Disagree	1	0.71	95.74
.	6	4.26	100.00
Total	141	100.00	

-> tab C37, missing

NETWORKING: ...neither side takes advantage of the other with opportunities?	Freq.	Percent	Cum.
Strongly Agree	30	21.28	21.28
Agree	46	32.62	53.90
Neither	22	15.60	69.50
Disagree	36	25.53	95.04
Strongly Disagree	1	0.71	95.74
.	6	4.26	100.00
Total	141	100.00	

-> tab C38, missing

NETWORKING: ...Our key contacts always keep their promises?	Freq.	Percent	Cum.
Strongly Agree	19	13.48	13.48
Agree	67	47.52	60.99
Neither	21	14.89	75.89
Disagree	28	19.86	95.74
.	6	4.26	100.00
Total	141	100.00	

-> tab C39, missing

NETWORKING: ...We establish new contacts through our key contacts?	Freq.	Percent	Cum.
Strongly Agree	36	25.53	25.53

Agree	72	51.06	76.60
Neither	15	10.64	87.23
Disagree	11	7.80	95.04
Strongly Disagree	1	0.71	95.74
.	6	4.26	100.00
Total	141	100.00	

-> tab D40, missing

ENTRE-PERFORMNANC E: Organisation has grown in Sales in past years?	Freq.	Percent	Cum.
Strongly Agree	34	24.11	24.11
Agree	67	47.52	71.63
Neither	7	4.96	76.60
Disagree	23	16.31	92.91
Strongly Disagree	3	2.13	95.04
.	7	4.96	100.00
Total	141	100.00	

-> tab D41, missing

ENTRE-PERFORMNANC E: Grown in terms of employees past years?	Freq.	Percent	Cum.
Strongly Agree	26	18.44	18.44
Agree	60	42.55	60.99
Neither	8	5.67	66.67
Disagree	39	27.66	94.33
Strongly Disagree	2	1.42	95.74
.	6	4.26	100.00
Total	141	100.00	

-> tab D42, missing

ENTRE-PERFORMNANC E: Net Income margins have grown?	Freq.	Percent	Cum.
Strongly Agree	19	13.48	13.48
Agree	64	45.39	58.87
Neither	12	8.51	67.38
Disagree	38	26.95	94.33
Strongly Disagree	2	1.42	95.74

```
                  . |          6        4.26      100.00
--------------------+-----------------------------------
              Total |        141      100.00

-> tab D43, missing
ENTRE-PERFORMNANC |
  E: Market share |
    has improved? |      Freq.     Percent        Cum.
--------------------+-----------------------------------
   Strongly Agree |         17       12.06       12.06
            Agree |         62       43.97       56.03
          Neither |         14        9.93       65.96
         Disagree |         39       27.66       93.62
Strongly Disagree |          3        2.13       95.74
                  . |          6        4.26      100.00
--------------------+-----------------------------------
              Total |        141      100.00
-> tab D44, missing

ENTRE-PERFORMNANCE |
E: Labour expense |
        has grown |
    inrelation to |
          sales? |      Freq.     Percent        Cum.
--------------------+-----------------------------------
   Strongly Agree |         26       18.44       18.44
            Agree |         57       40.43       58.87
          Neither |         15       10.64       69.50
         Disagree |         32       22.70       92.20
Strongly Disagree |          5        3.55       95.74
                  . |          6        4.26      100.00
--------------------+-----------------------------------
              Total |        141      100.00

-> tab D45, missing

ENTRE-PERFORMNANC |
 E: Balance sheet |
 has increased in |
  relation to net |
          asset? |      Freq.     Percent        Cum.
--------------------+-----------------------------------
   Strongly Agree |         22       15.60       15.60
            Agree |         60       42.55       58.16
          Neither |         13        9.22       67.38
         Disagree |         36       25.53       92.91
Strongly Disagree |          4        2.84       95.74
                  . |          6        4.26      100.00
--------------------+-----------------------------------
              Total |        141      100.00

-> tab D46, missing

ENTRE-PERFORMNANC |
     E: in severe |
       crisis our |
     company will |
         survive? |      Freq.     Percent        Cum.
```

Strongly Agree	30	21.28	21.28
Agree	70	49.65	70.92
Neither	15	10.64	81.56
Disagree	15	10.64	92.20
Strongly Disagree	5	3.55	95.74
.	6	4.26	100.00
Total	141	100.00	

-> tab D47, missing

ENTRE-PERFORMNANCE: Able to maintain the qulaity of our products/services ?	Freq.	Percent	Cum.
Strongly Agree	35	24.82	24.82
Agree	70	49.65	74.47
Neither	12	8.51	82.98
Disagree	16	11.35	94.33
Strongly Disagree	2	1.42	95.74
.	6	4.26	100.00
Total	141	100.00	

-> tab D48, missing

ENTRE-PERFORMNANCE: Company's independence has improved?	Freq.	Percent	Cum.
Strongly Agree	28	19.86	19.86
Agree	69	48.94	68.79
Neither	13	9.22	78.01
Disagree	23	16.31	94.33
Strongly Disagree	2	1.42	95.74
.	6	4.26	100.00
Total	141	100.00	

-> tab D49, missing

Suggestion that would improve |

entrepreneurship?	Freq.	Percent	Cum.
	70	49.65	49.65
Access to funding Access to Skills ..	1	0.71	50.35
Angel investors	2	1.42	51.77
Appropriate time to attend classes. N..	1	0.71	52.48
Avail funding	1	0.71	53.19
BEE Support	1	0.71	53.90
Be hands on in your business Open th..	1	0.71	54.61
Build free colleges for entrepreneurs..	1	0.71	55.32
Buying from each other	1	0.71	56.03
By helping one another	1	0.71	56.74
Capital schemes, Workshops, Mentoring	1	0.71	57.45
Capital, Education, Support	1	0.71	58.16
Capital, Space to do work at, Imparta..	1	0.71	58.87
Cash injections, Knowledge, Training	1	0.71	59.57
Co-operatives	2	1.42	60.99
Community Engagement	1	0.71	61.70
Develop communities	1	0.71	62.41
Educate every leader to be fully awar..	1	0.71	63.12
Educate mentors to have the expertise	1	0.71	63.83
Educated mentors to be deployed	1	0.71	64.54
Empower and encourage young people	1	0.71	65.25
Empower women	1	0.71	65.96
Empowering women	1	0.71	66.67
Empowerment of youth and women	1	0.71	67.38
Encouraging and empowering women	1	0.71	68.09
Engage qualified mentors, Have road s..	1	0.71	68.79
Entrepreneurship training	1	0.71	69.50
Entreprenurs to come up with a board ..	1	0.71	70.21
Equip communities with think tanks	1	0.71	70.92
Form groups, Conduct meetings	1	0.71	71.63
Free Entrepreneurship training, Distr..	1	0.71	72.34
Funding, Educate the community	1	0.71	73.05
Funding, Workshops, Entrepreneurship ..	1	0.71	73.76
Government grant	2	1.42	75.18
Government grant, Free Educative sess..	1	0.71	75.89
Government intervention, Funding, kno..	1	0.71	76.60
Government involvement	1	0.71	77.30
Helping each other	1	0.71	78.01
Invest money, educative lessons, Netw..	1	0.71	78.72
Investments readily available	1	0.71	79.43
Investors readily available	1	0.71	80.14
Loan capital with a fair interest rat..	1	0.71	80.85
Member of the party to be involved	1	0.71	81.56
More workshops, Funding, Renting out ..	1	0.71	82.27
None	1	0.71	82.98
Offer free learners guides on entrepr..	1	0.71	83.69
Partnership	1	0.71	84.40
Politicians' involvement, Capital ava..	1	0.71	85.11
Proudly South African spirit	1	0.71	85.82
Qualified Economist in the Government..	1	0.71	86.52
Relaxing registration processes.	1	0.71	87.23
Reward best performing entrepreneurs,..	1	0.71	87.94
Rural based incubation	1	0.71	88.65
So far so good	1	0.71	89.36
Social activities	1	0.71	90.07
Supporting each other	1	0.71	90.78
To form groups that meet and impart k..	1	0.71	91.49
To increase more mentors	1	0.71	92.20
Training entrepreneurs	1	0.71	92.91
We need investors	1	0.71	93.62
Women & Youth empowerment	1	0.71	94.33
Women and youth development programs	1	0.71	95.04
Women empowering	1	0.71	95.74
Working together	1	0.71	96.45
Youth development	1	0.71	97.16
Youth empowering	1	0.71	97.87

Youth empowerment	2	1.42	99.29
working together in communities	1	0.71	100.00
Total	141	100.00	

-> tab D50, missing

Hinderances that prevent entrepreneurship initiatives in South Africa?	Freq.	Percent	Cum.
	57	40.43	40.43
Access to capital for start-ups	1	0.71	41.13
Access to finance	2	1.42	42.55
Access to finance, Fear of embarassment	1	0.71	43.26
Access to loans	1	0.71	43.97
Banks loans hard to get	1	0.71	44.68
Banks not giving loans	1	0.71	45.39
Barriers to entry Monopolies Limit..	1	0.71	46.10
Budget spent recklessly, BEE $ corrup..	1	0.71	46.81
Calculate	1	0.71	47.52
Capital	1	0.71	48.23
Capital access	1	0.71	48.94
Capital for startups	1	0.71	49.65
Corruption	4	2.84	52.48
Corruption	1	0.71	53.19
Corruption & Crime	1	0.71	53.90
Corruption and crime	1	0.71	54.61
Corruption and delay of payments when..	1	0.71	55.32
Corruption, Culture	1	0.71	56.03
Corruption, Lack of Funding	1	0.71	56.74
Corruption, Lack of money	1	0.71	57.45
Corruption, Laziness	1	0.71	58.16
Corruption, Racism	2	1.42	59.57
Corruption, too much Paperwork	1	0.71	60.28
Cost of training, Corruption	1	0.71	60.99
Crime	1	0.71	61.70
Crime and corruption	1	0.71	62.41
Culture, Corruption	1	0.71	63.12
Culture, Ethnicity	2	1.42	64.54
Easy access to finances	1	0.71	65.25
Fear of being laughed when you fail	1	0.71	65.96
Fear of failing	1	0.71	66.67
Fear of the unknown, Education accept..	1	0.71	67.38
Finance	1	0.71	68.09
Finance	1	0.71	68.79
Finance & Taxes	1	0.71	69.50
Funds	1	0.71	70.21
Government corruption	2	1.42	71.63
Government involvement, corruption	1	0.71	72.34
Harsh laws	1	0.71	73.05
Kick of start-up capital	1	0.71	73.76
Knowledge and skills capital Market..	1	0.71	74.47
Lack of finances	1	0.71	75.18
Lack of funding	2	1.42	76.60
Lack of funding Lack of business and..	1	0.71	77.30
Lack of funding, Lack of knowledge	1	0.71	78.01
Lack of funds	2	1.42	79.43
Lack of funds, Corruption	1	0.71	80.14
Lack of investors	1	0.71	80.85
Lack of knowledge of entrepreneurship	1	0.71	81.56
Laziness, Lack of motivation	1	0.71	82.27
Learning, Government policies	1	0.71	82.98
Loans	1	0.71	83.69
Loans, Government taxes	1	0.71	84.40
Nipotism	1	0.71	85.11
No capital, Corruption	1	0.71	85.82

```
                  No capital, Fear of failure |          1        0.71       86.52
                                      No cash |          1        0.71       87.23
                                   No finance |          1        0.71       87.94
                    No funding, Less Knowledge |          1        0.71       88.65
                           No start up capital |          1        0.71       89.36
Not in tune with customer needs  Fail.. |          1        0.71       90.07
                                      Racism |          1        0.71       90.78
                           Racism, Corruption |          1        0.71       91.49
                            Racism, Ethnicity |          1        0.71       92.20
                               So far so good |          1        0.71       92.91
                  Start-up capital, Experience |          1        0.71       93.62
               Tax, Strict regulations and laws |          1        0.71       94.33
                                        Taxes |          1        0.71       95.04
            Taxes, Corruption, Fear of failure |          1        0.71       95.74
                                  Taxes, Laws |          1        0.71       96.45
                  Taxes, Red tape, Corruption |          1        0.71       97.16
                                   corruption |          2        1.42       98.58
                                lack of knowledge |          2        1.42      100.00
-------------------------------------------+-----------------------------------
                                        Total |        141      100.00

. tabstat Q6, stats(n mean sd min max p50)

    variable |         N      mean        sd       min       max       p50
-------------+--------------------------------------------------------------
          Q6 |       141   2.77305  .9954812         1         5         3
----------------------------------------------------------------------------

. tabstat B9 , stats(n mean sd min max p50)

    variable |         N      mean        sd       min       max       p50
-------------+--------------------------------------------------------------
          B9 |       130  9.630769  24.97103         1       201         2
----------------------------------------------------------------------------
```