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Human, social and financial capital influences on the internationalisation of women-owned SMMEs in Gauteng

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Human, social and financial capital influences on the internationalisation of women-owned SMMEs in Gauteng

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 in Entrepreneurship and New Venture Creation

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ABSTRACT

The aim of this study was to investigate human, social and financial capital influences on the internationalisation of women-owned SMMEs in Gauteng. According to the World Bank, South Africa is an emerging market and viewed as a middle-income economy which has tremendous amounts of natural resources, together with well-developed financial, energy, transport and communication sectors (World Bank, 2018). The Organisation for Economic Co-operation and Development (OECD, 2016) states that Small, Medium, and Micro Enterprises (SMMEs) are essential in driving the economic growth and development of South Africa, and have the power to change the dynamics of the employment rate. This is due to their ability to make use of innovation to create jobs and contribute to the country's GDP (OECD, 2016). Rivas (2012a, 2012b) states that women entrepreneurs have become a major force in South Africa, due to their tendency to create jobs and contribute to the incomes of many families. With internationalisation in mind, a section of women entrepreneurs has expanded their businesses to other geographical locations and this has afforded them the opportunity to expand their businesses; whilst at the same time ensuring that they have access to new resources and acquiring valuable knowledge.

The study made use of a cross-sectional quantitative study and 192 women-owned SMMEs which were the valid responses were used. Data collection was conducted by way of an online survey and hard copies of the questionnaires. This tested the relationships between human, social and financial capital and the internationalisation of women-owned SMMEs in Gauteng. A bivariate correlation analysis was adopted to test the hypotheses. The study employed the use of Pearson's and Spearman test to ascertain the level of significance of the correlations, visual tests (histograms) and descriptive statistics (skewness and kurtosis) assessed the normality of variables. The study also tested the reliability and validity of the data before hypothesis testing was carried out.

The empirical findings revealed that women entrepreneurs in South Africa viewed human capital as moderately vital for the internationalisation of women-owned SMMEs in Gauteng. They viewed educational background, knowledge and work experience as vital for SMME expansion to other places. On the other hand, they viewed social

and financial capital as not so important for the internationalisation of women-owned SMMEs in Gauteng. This was in line with research that was conducted in South Africa which showed that women regarded social capital as less important in the expansion of SMMEs. There was however a deviation on the part of financial capital theories that stated that SMMEs internationalise to gain access to entrepreneurial capitals. This was however not the case in this study since women entrepreneurs viewed financial capital as not so important in the internationalisation process.

Keywords: Human Capital (HC), Social Capital (SC) Financial Capital (FC), Internationalisation and Small, Medium and Micro-sized Enterprises (SMMEs)

DECLARATION

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

MICHAEL APPEANING

Signed at ……

On the …….. Day of ……..…… 2019.

ACKNOWLEDGEMENTS

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TABLE OF CONTENTS

ABSTRACT I

DECLARATION III

ACKNOWLEDGEMENTS IV

LIST OF TABLES IX

LIST FIGURES X

CHAPTER 1: INTRODUCTION 1

1.1 PURPOSE OF THE STUDY 1
1.2 CONTEXT OF THE STUDY 2
1.2.1 SMALL, MEDIUM AND MICRO ENTERPRISES (SMME) 3
1.2.2 WOMEN ENTREPRENEURSHIP 3
1.3 MAIN PROBLEM 3
1.3.1 SUB-PROBLEMS 4
1.4 SIGNIFICANCE OF THE STUDY 4
1.4.1 RESEARCH KNOWLEDGE 4
1.4.2 PRACTICE AND POLICY 5
1.5 DELIMITATIONS OF THE STUDY 5
1.6 DEFINITION OF TERMS 6
1.6.2 SMALL, MEDIUM AND MICRO ENTERPRISES (SMME) 6
1.6.3 INTERNATIONALISATION 7
1.7 ASSUMPTIONS 7
1.7. 1 RESEARCH ASSUMPTIONS 7

CHAPTER 2: LITERATURE REVIEW 8

2.1 INTRODUCTION 8
2.2 DEFINITION OF TOPIC OR BACKGROUND DISCUSSION 8
2.3 THEORIES ON SMME INTERNATIONALISATION 9
2.3.1 MOTIVATION THEORIES ON INTERNATIONALISATION 9
2.3.2 INTERNATIONALISATION PROCESS THEORIES 11
THE PROCESS/ UPPSALA INTERNATIONAL PROCESS MODEL 12
NETWORK THEORY 14
INTERNATIONAL ENTREPRENEURSHIP THEORY 15
2.3.3 RESOURCE-BASED VIEW (RBV) 18
2.4 TYPES OF INTERNATIONALISATION MARKET ENTRY STRATEGIES AVAILABLE TO WOMEN-OWNED SMMES 19
2.4.1 RESOURCES BASED VIEW THEORY (RBV) ON EXPORTING AND IMPORTING 19
2.4.2 ECLECTIC THEORY ON DIRECT INVESTMENTS, STRATEGIC ALLIANCES AND LICENSING 20
2.4.3 NETWORK THEORY AND JOINT VENTURES 21

2.4.4 TRANSACTION COST ANALYSIS THEORY AND FRANCHISING 22
2.5 HUMAN CAPITAL (HC) AND ITS INFLUENCE ON THE INTERNATIONALISATION OF WOMEN-OWNED SMMES 22
2.5.1 HUMAN CAPITAL THEORIES 22
2.5.2 ASPECTS OF HUMAN CAPITAL THAT PROMOTES INTERNATIONAL ENTREPRENEURSHIP 24
2.5.3 HUMAN CAPITAL AND ENTREPRENEURIAL SUCCESS 30
2.5.4 HUMAN CAPITAL AND THE INTERNATIONALISATION OF SMMES 31
2.6 COMPONENTS OF SOCIAL CAPITAL (SC) AND THE IMPACT ON THE INTERNATIONALISATION OF WOMEN-OWNED SMMES 31
2.6.1 SOCIAL CAPITAL THEORIES 32
2.6.2 INFLUENCE OF SOCIAL TIES AND NETWORK ON INTERNATIONALISATION 34
2.6.3 INTERNATIONAL SOCIAL TIES AND NETWORK RELATIONSHIPS 35
2.6.4 INFLUENCE OF ENTREPRENEURIAL HERITAGE AND CULTURE ON INTERNATIONALISATION 37
2.6.5 SOCIAL CAPITAL AND THE INTERNATIONALISATION OF SMMES 38
2.7 ASPECTS OF FINANCIAL CAPITAL (FC) AND THE EFFECT ON THE INTERNATIONALISATION OF WOMEN-OWNED SMMES 39
2.8 CONCEPTUAL FRAMEWORK 41
2.9 CONCLUSION OF LITERATURE REVIEW 42

CHAPTER 3: RESEARCH METHODOLOGY 43

3.1 RESEARCH METHODOLOGY/ PARADIGM 43
3.2 RESEARCH APPROACH 44
3.3 RESEARCH DESIGN 44
3.4 POPULATION AND SAMPLE 45
3.4.1 POPULATION 45
3.4.2 SAMPLE AND SAMPLING METHOD 46
3.5 THE RESEARCH INSTRUMENT 47
3.6 PROCEDURE FOR DATA COLLECTION 48
3.7 DATA ANALYSIS AND INTERPRETATION 49
3.7.1 DESCRIPTIVE STATISTICS 49
HUMAN CAPITAL SCALE 50
SOCIAL CAPITAL SCALE 50
FINANCIAL CAPITAL SCALE 50
3.7.2 CORRELATION ANALYSIS 51
3.8 VALIDITY AND RELIABILITY OF RESEARCH DESIGN 51
3.8.1 EXTERNAL VALIDITY 52
3.8.2 INTERNAL VALIDITY 52
3.8.3 RELIABILITY 52
3.9 PROCESSES FOR TESTING VALIDITY AND RELIABILITY FOR THIS RESEARCH 53
3.9.1 PROCESSES FOR TESTING RELIABILITY 53
3.9.2 PROCESSES FOR TESTING VALIDITY 53
3.10 LIMITATIONS OF THE STUDY 54
3.11 ETHICAL CONSIDERATIONS 54
3.12 CONCLUSION 54

CHAPTER 4 PRESENTATION OF RESULTS 56

4.1 INTRODUCTION 56
4.2 DEMOGRAPHIC PROFILE OF THE RESPONDENTS 56
4.3 CHARACTERISTICS OF ALL SMMES 57
4.4 GRAPHICAL FREQUENCY DISTRIBUTIONS 63
4.4.1 HISTOGRAMS SHOWING THE INFLUENCE OF HUMAN CAPITAL CONSTRUCTS ON INTERNATIONALISATION 66
4.4.2 HISTOGRAMS SHOWING THE INFLUENCE OF SOCIAL CAPITAL COSTRUCTS ON INTERNATIONALISATION 68
4.4.3 HISTOGRAMS SHOWING THE INFLUENCE OF FINANCIAL CAPITAL CONSTRUCTS ON INTERNATIONALISATION 70
4.5 RELIABILITY AND VALIDITY TESTS 71
4.5.1 CRONBACH'S ALPHA TEST FOR RELIABILITY OF HUMAN, SOCIAL AND FINANCIAL CONSTRUCTS 71
4.6 CORRELATION ANALYSIS 72
4.6.1 SPEARMAN'S CORRELATION ANALYSIS 73
4.7 MODEL RESULTS 75
4.7.1 HYPOTHESIS 1 – PEARSON CORRELATION 75
4.7.2 HYPOTHESIS 2 – PEARSON CORRELATION 77
4.7.3 HYPOTHESIS 3 – PEARSON CORRELATION 79
4.8 SUMMARY OF RESULTS 80

CHAPTER 5: DISCUSSION OF THE RESULTS 82

5.1 INTRODUCTION 82
5.2 DEMOGRAPHIC PROFILE OF THE RESPONDENTS 82
5.2.1 DESCRIPTION OF RESPONDENTS 82
5.2.2 AGE DISTRIBUTION OF THE SMMES 83
5.2.3 NUMBER OF EMPLOYEES 83
5.2.4 INDUSTRY DISTRIBUTION 83
5.2.5 NUMBER OF FOREIGN COUNTRIES AND SMME PERFORMANCE AND INTERNATIONALISATION 84
5.3 DISCUSSION PERTAINING TO THE HYPOTHESES 85
5.3.1 HYPOTHESIS 1 85
5.3.2 HYPOTHESIS 2 86
5.3.3 HYPOTHESIS 3 87
5.4 CONCLUSION 88

CHAPTER 6. CONCLUSIONS, IMPLICATIONS AND RECOMMENDATIONS 90

6.1 INTRODUCTION 90
6.2 CONCLUSIONS OF THE STUDY 90
6.2.1 SUMMARIES OF THE MAIN OBJECTIVE, FINDINGS AND HYPOTHESES 90
6.2.2 HYPOTHESIS 1 91
6.2.3 HYPOTHESIS 2 91
6.2.4 HYPOTHESIS 3 92
6.3 IMPLICATIONS AND RECOMMENDATIONS 93
6.3.1 POLICY MAKERS 93

6.3.2 WOMEN ENTREPRENEURS 94
6.3.3 RESEARCH KNOWLEDGE 94
6.4 LIMITATIONS OF THE STUDY 95
6.5 SUGGESTIONS FOR FURTHER RESEARCH 95

REFERENCES 97

APPENDIX A: ACTUAL RESEARCH INSTRUMENT 114

APPENDIX B: COVER LETTER AND CONSENT FORM 120

APPENDIX C: CONSISTENCY MATRIX 120

LIST OF TABLES

Table 1: Proactive and Reactive internationalisation motives……..….10

Table 2 shows the types of questions……..47
Table 3 shows the Descriptive statistics for the measurement scales……64
Table 4: Cronbach's Alpha test for reliability of constructs……...72

Table 5: Spearman's Correlation analysis on influence of Human Capital on internationalisation of SMMEs……73

Table 6: Spearman's Correlation analysis on influence of Social Capital and internationalisation of SMMEs……74

Table 7: Spearman's Correlation analysis on influence of Financial Capital on internationalisation of SMMEs……...75

Table 8: Pearson's correlation analysis on the influence of Human Capital (HC) and its constructs on internationalisation…….....76

Table 9: Pearson Correlation analysis on the influence of Social Capital (SC) and its constructs on internationalisation of SMMEs……..……78

Table 10: Pearson Correlation analysis on the influence of Financial Capital (FC) constructs on internationalisation of SMMEs……..80
Table 11: Summary of Hypotheses……..81

Table 12: Consistency matrix……..122

LIST FIGURES

Figure 1 shows the top motives for going international of different sizes of enterprises……10
Figure 2 shows the processes of internationalisation of SMMEs……11

Figure 3: Sources and development of resources……..18

Figure 4 shows the conceptual framework……..41

Figure 5: Description of respondents…….....57

Figure 6: Age of the SMMEs……..58

Figure 7: Number of employees……...58

Figure 8 shows the Industry distribution……...59

Figure 9 shows the number of foreign countries the SMMEs operate in……60

Figure 10 shows the performance of the SMMEs in the past three (3) years……....61
Figure 11 shows the performance of the various sectors over the past……..61
Figure 12 shows the SMME internationalisation……62
Figure 13 shows the internationalisation growth of the SMMEs and the various industries……...63

Figure 14: A Histogram showing the level of Internationalisation……66
Figure 15: A Histogram showing the influence of Educational background on internationalisation……66
Figure 16: A Histogram showing the Influence of Knowledge on internationalisation……67

Figure 17: A Histogram showing the influence of work experience on internationalisation……67

Figure 18: A Histogram showing the influence of Social Ties on internationalisation……68

Figure 19: A Histogram showing the influence of Culture on Internationalisation ……68
Figure 20: A Histogram showing the influence of Networks on Internationalisation……...69

Figure 21: A Histogram showing the influence of availability of Finance on internationalisation……70

Figure 22: A Histogram showing the influence of access to Finance on internationalisation……70

CHAPTER 1: INTRODUCTION

This research report investigated human, social and financial capital influences on the internationalisation of women-owned Small, Medium and Micro-sized Enterprises (SMMEs) in Gauteng.

The South African international business setting according to Purfield, Farole & Im (2014), has experienced great transformations in terms of international trade. During the past two decades, international trade and diversification have become an increasingly important strategic option available to companies or firms seeking to be competitive in the international market. Omoju and Adensaya (2012) pointed out that trade opportunities in an economy has the ability to increase growth, through greater capital stock, stock of education and higher total factor productivity. Developing policies or strategies for the global market and managing organizational operations in the international arena have become vital tasks for managers and owners of SMMEs, due to the uncertainty and the risks associated with international diversification or expansion (Zarenda, 2013).

This section started by highlighting the purpose of the research, followed by the context, the problem statement as well as the significance of the study followed. It then proceeds with the delimitations and working definitions of concepts and finally the assumptions of the study.

1.1 Purpose of the Study

The purpose of the study was to investigate human, social and financial capital influences on the internationalisation of women-owned SMMEs in Gauteng. This research report therefore answered the following research questions so as to throw light on the various issues associated with women entrepreneurship:

I. What are the specific roles played by educational background, knowledge and work experience in augmenting the internationalisation of women-owned SMMEs in Gauteng?

II. What are the influences of social ties, culture and networks on the internationalisation of women-owned SMMEs in Gauteng?

III. How does access and availability of finance enhance the internationalisation of women-owned SMMEs in Gauteng?

1.2 Context of the study

According to the World Bank, South Africa is an emerging market and viewed as a middle-income economy which has tremendous amounts of natural resources, together with well-developed financial, energy, transport and communication sectors. The country has the second largest economy in Africa and the largest stock exchange in Africa that supports infrastructural developments (World Bank, 2018).

South Africa, like any middle-income African country has issues pertaining to inadequate energy supply, weak domestic demand, persistent labor unrest, skills shortages, and high rates of unemployment (Luiz & Mariotti, 2011). According to the Revenue Service (SARS, 2018), trade from exports declined to 2.3 percent month-over-month to ZAR 118.84 billion in November of 2018. This was as a result of lower sales of vegetable products which reduced by 26 percent; prepared foodstuff reduced by 9 percent and vehicle & transport equipment reduced by 13 percent (SARS, 2018 & Statistics South Africa, 2018). Furthermore, the current account deficit in South Africa widened from 3.4 percent to 3.5 percent, which was ZAR 177 billion in the third quarter of 2018. Compared to market expectations of ZAR 176 billion, this was an upwardly revised figure, which amounted to ZAR 167 billion in the previous period (Statistics South Africa, 2018).

According to SARS (2018) and Statistics South Africa (2018) for December 2018, there was a sharp decrease of goods and services surplus to ZAR 3 billion from ZAR 33 billion in the last quarter of 2018. This was as a result of imports increasing faster than exports in both volume and price (SARS, 2018). The country imported items such as machinery, electronics, television images, mineral products, chemicals, foods, vehicles and original equipment-manufacturer components and this presents a perfect opportunity for SMMEs to produce and be able to provide the demand for such goods.

This could only happen provided there is an existence of competitive capabilities and therefore shows that there is a huge market for SMMEs to exploit (SARS, 2018; Statistics South Africa, 2018).

1.2.1 Small, Medium and Micro Enterprises (SMME)

The Organisation for Economic Co-operation and Development (OECD, 2016) states that Small, Medium, and Micro Enterprises (SMMEs) are essential in driving the economic growth and development of South Africa, and have the power to change the dynamics of the employment rate. This is due to their ability to make use of innovation to create jobs and contribute to the country's GDP (OECD, 2016). The government of South Africa, realising the potential of SMMEs has prioritised institutions like the Small Enterprise Development Agency (SEDA) which has the aim to develop, support and promote small enterprises throughout South Africa (SEDA, 2012). SEDA can groom and develop SMMEs, to build sustainable businesses that will in-turn create job opportunities. The South African economy relies heavily on the success rates of new ventures due to their ability to create jobs and these new ventures contribute between 52% and 57% of the country's GDP (SEDA, 2012; OECD, 2016).

1.2.2 Women entrepreneurship

According to Rivas (2012a, 2012b), women entrepreneurs have become a major force in South Africa, due to their tendency to create jobs and contribute to the incomes of many families. With internationalisation in mind, a section of women entrepreneurs has expanded their businesses to other geographical locations and this has afforded them the opportunity to expand their businesses; whilst at the same time ensuring that they have access to new resources and acquiring valuable knowledge. This has the potential to increase their profits. On the other hand, expansion could produce high costs and uncertainties in unknown territories or markets (Rivas, 2012a, 2012b).

1.3 Main Problem

This research report investigated human, social, and financial capital influences on the internationalisation of women-owned SMMEs in Gauteng.

1.3.1 *Sub-problems*

I. The first sub-problem was to determine the specific roles of educational background, knowledge and work experience under human capital on the internationalisation of women-owned SMMEs in Gauteng.

IV. The second sub-problem was to determine the influences of social ties, culture and networks on the internationalisation of women-owned SMMEs in Gauteng

II. The third sub-problem was to ascertain whether access and availability of finance with respect to financial capital enhance the internationalisation of women-owned SMMEs in Gauteng.

1.4 Significance of the Study

1.4.1 Research knowledge

This study would contribute to the body of knowledge on issues pertaining to the internationalisation of women-owned SMMEs in Gauteng Province and the factors that affect them in their efforts to expand to other international markets.

There is a notion that the state of internationalisation is divided, conflicting and missing merging systems and standards (Keupp & Gassman, 2009). It is therefore of paramount importance that, studies should be conducted that show an in-depth understanding of the field with particular reference to emerging markets, such as that of South Africa. Hisrich (2006) states that investigative research has mainly focused on local SMMEs who conduct their businesses locally, and less attention has been given to internationalised SMMEs. It is in this context that this research seeks to contribute, by way of shedding light on entrepreneurial capitals, and how they relate to the internationalisation of women-owned SMMEs in Gauteng.

Shree and Urban (2012) highlighted the significant roles that entrepreneurial capitals play in facilitating the internationalisation of SMMEs in Gauteng. Little research attention has been given to the impact and nature of entrepreneurial capital that is significant in the internationalisation context. This study seeks to address this research

gap by exploring the relationship between entrepreneurial capitals and the internationalisation of South African women-owned SMMEs.

1.4.2 Practice and Policy

Women-owned SMME firms are relevant to this study because they are generally under-researched and restrained by different internal and external environmental factors. The study is significant because although SMMEs are instrumental to the economy of South Africa, they still struggle to go international, therefore restricting their effectiveness in terms of job creation. Women entrepreneurs in most instances are alienated and may not compete favourably with their male counterparts. Women entrepreneurs in South Africa do not get the recognition they deserve, and this research will provide an in-depth analysis of their situation, the challenges they face and their motivations to go international. It will also give valuable knowledge to women entrepreneurs on aspects of human, social and capital factors that could aid them to expand their businesses in other geographical locations and ensure that they benefit from the expansion (Wilson, 2006; Akhalwaya & Havenga, 2012; Shinnar, Giacomin, & Janssen, 2012).

This research could convince policy makers to create more enabling platforms for women entrepreneurs to establish and maintain their SMMEs and be able to take advantage of the international market and be able to expand to other parts of the continent.

1.5 Delimitations of the Study

Simon (2011) states that delimitations of the study are characteristics that portray the boundaries of the study. Since this is a research report, the study was conducted within Gauteng Province because there are a lot of women entrepreneurs who are engaged in economic activities, who operate in the SMME space and have aspirations of going international or are already involved with internationalisation.

1.6 Definition of terms

For the purpose of this study, the key terms and concepts used which need further explanations are as follows:

1.6.1 Entrepreneurship

Entrepreneurship is an action that encompasses the discovery and assessment which exploits opportunities that introduces new goods and services, ways of classifying, markets, processes and raw materials through categorising efforts that did not exist before. Venkataraman (1997); Shane & Venkataraman (2000) and Kirzner (1997) defined the entrepreneur as an individual who is attentive to opportunities for trade. The entrepreneur in his/her actions can identify suppliers and customers and acts as a middle person where profit arises, as a result of the transitional function (Deakins & Freel, 2006). By difference, Schumpeter (1934) defined entrepreneurship as an act of innovation that results in new mixtures that promotes creative destruction where the newly created goods, services or firms can hurt existing goods, services or firms (Shane, 2003). Zimmerer and Scarborough (2005) posit that entrepreneurs are new businesses that achieve profit and growth as a result of using combinations of or risk and uncertainty

1.6.2 Small, Medium and Micro Enterprises (SMME)

According to the South African National Business Act of 102 of 1996, an SMME is defined as:

1. Micro-business which has a staff population of five or less
2. A very small business which employs six and twenty staff members
3. A small business which is able to employ a total of twenty and fifty staff members and finally
4. A medium sized enterprise which is able to employ between fifty-one and two hundred staff members (OECD, 2016).

1.6.3 Internationalisation

McDougall (1989) described international entrepreneurship as the development of international new ventures or start-ups that, from their inception engage in international business.

International Entrepreneurship entails a combination of innovation, proactiveness and risk-taking behaviour that creates value across national borders (McDougall & Oviatt, 2000).

1.7 Assumptions

1.7. 1 Research Assumptions

Simon (2011) defined assumptions as “things that somewhat are not in control of the researcher, but if they disappear the study become irrelevant”

The following assumptions were generated:

It is assumed that the respondents who will be women entrepreneurs, will be able to comprehend and answer questionnaires to the best of their knowledge and ensure that they are sincere with their answers.

It is assumed that the women entrepreneurs would be located in Gauteng Province.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

This section offered some key and working definitions that are important to this research. It was followed by a synthesis of theories that explained the concept of SMMEs, their motivations, and types of international entry strategies. It also highlighted the human, social and financial factors that influenced the women-owned SMMEs to internationalise and expand their market share.

2.2 Definition of topic or background discussion

McDougall & Oviatt (2000) defined entrepreneurship as an activity that is able to discover and exploit opportunities that other people to do not recognize or see on the market. These markets may exist in the locality of the business entity or externally to other parts of the globe. International Entrepreneurship entails a combination of innovation, proactiveness, and risk-taking behaviour that creates value across national borders.

According to the theory of planned behaviour (TPB), entrepreneurial intentions involve the efforts that an individual take in order to accomplish an entrepreneurial activity (Ajzen, 1991). This, therefore, translates that the likelihood for an individual to act on a decision increases when the intention of the individual is strengthened. Likewise, Bird (1988) labelled intentions as a state of cognizance that directs a person's attention to achieve objectives that are intended. Following on, Ajzen (1991) emphasized that there needs to be a degree of perceived control over the behaviour in order for intentions to influence the behaviour, which he termed as "volitional control." Krueger, Reilly and Carsrud (2000) created links between the intentional model and entrepreneurship, and they claimed that the intention to start a business is a planned and intentional process. They further based their rationale on the emphasis that is placed on the business planning and practical aspect of starting a new business. Moreover, they claimed that an entrepreneurial action is a planned and intentional process that places emphasis on opportunities over threats.

Research by Autio, Keeley, Klofsten, Parker and Hay (2001) confirmed that intentions are influenced by perceived behavioural control; which is the combined effort of the individual's actual control and perceptions of control over the behaviour. They explained that although attitudes toward the behaviour and subjective norm impact intention, they play a supportive role within the theory because apparent behavioural control is seen as significant for action (Krueger & Carsrud, 1993). Internationalisation among SMMEs are concepts that have gained global relevance, owing mainly to the observed growth effects of cross-border venturing, and the demonstrated ability of SMMEs to induce economic development at national, regional and global levels (OECD, 2016).

2.3 Theories on SMME internationalisation

For the purposes of this research, this paper explored the relevant theories that explained why SMMEs internationalized and expanded its market share.

2.3.1 Motivation theories on internationalisation

Research conducted by Korsakiene and Baranauskiene (2011) and Wilson (2006) showed that within the sphere of internationalisation, the motivation of SMMEs to go international is a significant factor to the successful internationalisation of SMMEs. Furthermore, the elements that motivate SMMEs to internationalise are one of the important aspects which would bring an interest in various stakeholders, and policy-makers in the light of substantial SMMEs internationalisation-linked spending by various governments across the world (Stewart & McAuley, 1999).

According to Korsakiene and Tvaronaviciene (2012) and Mwiti, Ofafa & Mkim (2013), there are internal and external motives and they considered internal motives as those factors related to influences within firms; while the external factors are those that arise from the firm's external environment (i.e. domestic or foreign). Motivation can be viewed from a "pull" and "push" perspective; where the pull factors are defined as those motives that attract the SMMEs to foreign markets (Onkelix & Sleuwagen, 2008). On the other hand, Onkelix and Sleuwagen (2008) labelled push factors as those motives that force the SMMEs towards other foreign markets. Push factors portray a

unique firm characteristic by taking into account the resources, the product life cycle, and competitiveness. Czinkota and Ronkainen (2012) and Hollensen (2008) viewed such motives as either proactive or reactive.

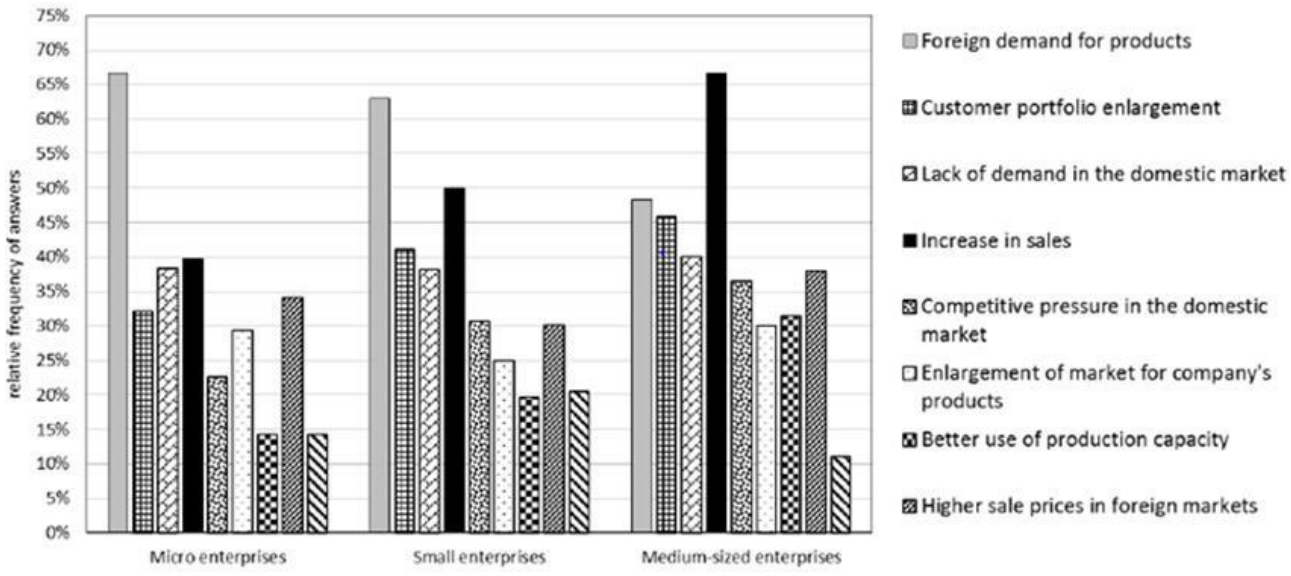
Table 1 shows proactive and reactive internationalisation motives of a firm. Proactive motives are internal and based on a firm's interests in using its expertise and technical know-how or market opportunities. On the other hand, reactive motives are external or internal; and they are mainly due to threats within the domestic or foreign markets (Hollensen, 2008 & Stewart and McAuley, 1999).

Table 1: Proactive and Reactive internationalisation motives

Proactive motives	Reactive motives
Profit and growth goals	Competitive pressures
Management urge	Domestic market: Small and saturated
Technology/competence/unique product	Overproduction/ excessive capacity
Foreign market opportunities	Unsolicited foreign orders
Economies of scale	Extend sale of products
Tax benefits	Proximity to an international market

Source: Adapted from Czinkota and Ronkainen (2012)

Figure 1 shows the top motives for going international of different sizes of enterprises

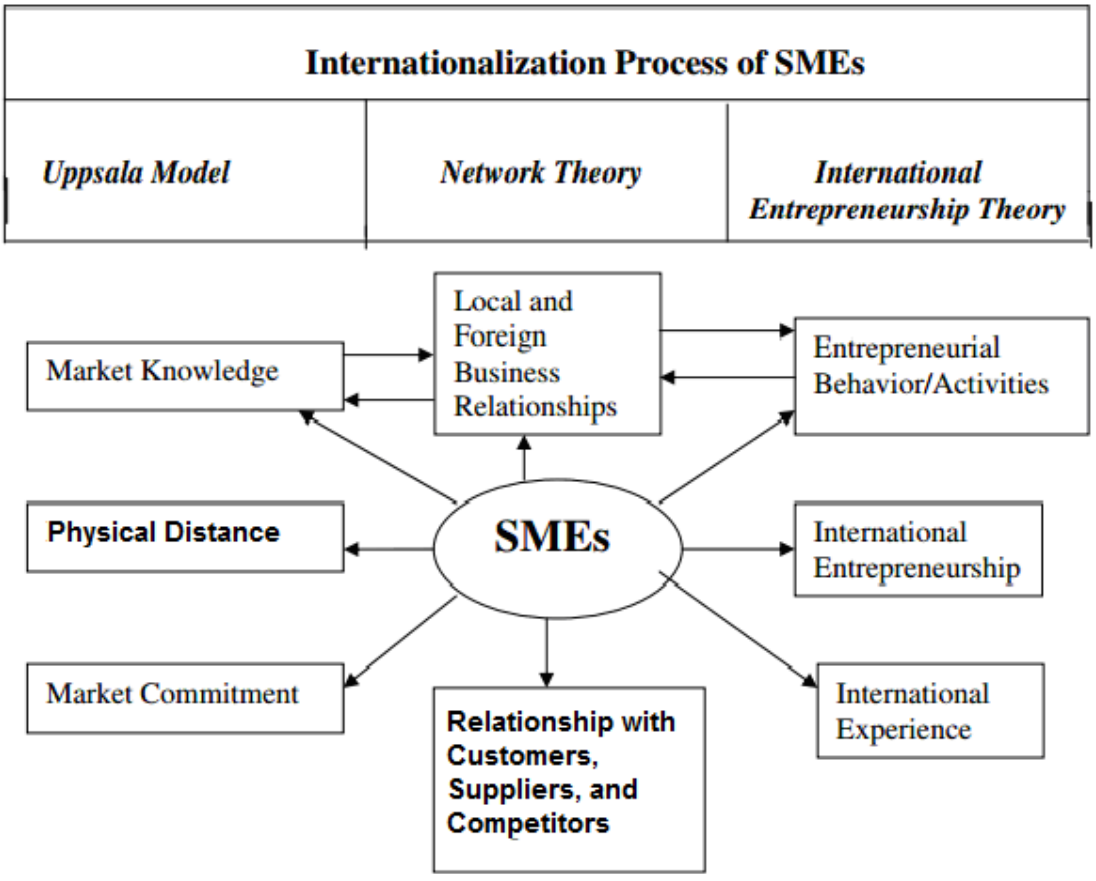


(Source: Kubíčková, Votoupalová, & Toulová, 2014, pp. 326)

Figure 1 shows the level of each type of motivation for going international, which is determined across the range of SMMEs. From the table, it can be deduced that micro- and small enterprises are motivated to internationalise mainly as a result of the foreign demand for their products or services; while medium-sized enterprises are motivated to internationalise as a result of the increase in their sales of goods and services.

2.3.2 Internationalisation Process theories

Figure 2 shows the processes of internationalisation of SMMEs and they are the Uppsala, network, and international entrepreneurship theories. These theories formed the basis for this research report and are expatiated below.



(Source: Masum, Mohibul Islam & Alejandra Fernandez, 2008, pp. 975)

The Process/ Uppsala International Process Model

The process theory, also known as the Uppsala model, looked at internationalisation as a process of acquiring knowledge on global markets to the use of it to exploit opportunities in the global or foreign markets. The Uppsala model is therefore an approach that looks at entering the global market through a gradual phase or stage-based model of international operational development (Bouncken, Muench & Kraus, 2015). According to Bouncken et al, (2015), aspects of internationalisation are known to be the resources that have been dedicated to catering for the global market. This would, therefore, include the commitment decisions of the business as well as its market knowledge. Market knowledge assists the management with strategic decision making. Market commitment is the actual funds or capital that will be used to exploit the global opportunity that has been identified. This commitment would also indicate the level of investment that a firm is prepared to make to exploit the opportunity that has been.

The U-model and the I-models were developed under the Uppsala process model and they are explained below.

The U-model

The Uppsala internationalisation model which is also known as the U-model is the second school of thought that focused on internationalisation. During the early 1970s, the growth of SMMEs was said to have started in Denmark, Finland, Iceland, Norway and Sweden. Researchers who were situated in Sweden and Finland developed their own models of internationalisation and it was referred to as Nordic models or learning models. Johanson and Vahlne (1990) were influenced by the behavioral theory of the firm and Penrose's theory of knowledge and change in organizations and they developed the Uppsala International model (Pentose, 1959). The internationalisation of the firm is seen as a process of increasing the different types of learning as a result of the international participation of a company. Johanson and Vahlne (1990) further estimated that the commitment decisions and business activities of firms are influenced by experiential market knowledge and resource commitment of the firm. This model shows that firms can increase their international association through incremental steps in foreign countries in which they operate, due to psychic distance,

differences in language, education, and business practices. This collected knowledge in managing and doing international processes drives internationalisation by influencing the entry-mode and country-market selection.

In the Uppsala model, the idea of foreign market commitment is composed of two factors: the number of useful things/valuable supplies committed and the degree of commitment. The Nordic internationalisation models have had a relatively large influence on studies focusing on the internationalisation of firms and significant efforts have been made to further test and refine the ideas. Although research has given some (based on actually seeing things) support for the Nordic models, some criticisms have come out. The Uppsala internationalisation model has been criticized as pre-decided and, if firms were to develop by using the model, people would then have no (related to a plan to reach a goal) choices (Madsen & Servais, 1997). Another challenge is that many firms today simply do not follow the usual pattern of internationalisation proposed by stage explanation. Some authors have proposed separating the research into international start-ups from traditional small business internationalisation. These arguments for separation are largely constructed on the specificity of the time of internationalisation. In terms of internationalisation related issues, the argument is somewhat random at best (Oviatt & McDougall, 1995).

Innovation related models (I-models)

Madsen, & Servais (1997) talked of an aspect of innovation of the firm as a stage of internationalisation. Nelson & Winter (1982) focussed their research exclusively on the export development process, in particular of small and medium-sized firms. They noted that the models are in a number of fixed and sequential stages. However, the number of stages varies considerably between models, ranging from as few as three to as many as six. They also identified three generic stages: the pre-export stage; the initial export stage, and the advanced export stage. Anderson (1993) pointed out that generally the models are relatively similar, and the differences tend to be in the number of stages and terminology used. The models state that individual learning and learning behaviour of top managers are pivotal in understanding a firm's international behaviour.

Network theory

The network approach was focused on having the involved firms come together and get closer through the information that the firms acquire, by building good and sustainable relations with all the relevant stakeholders. These relations were founded on trust and a shared vision between the firms and the stakeholders (Coviello & Munro, 1997). The relations in a business' network are not easy to imitate. The relations result in three consequences: the built-up information is readily available to the firms that are within the group, timing and referrals; the firms in the network group have access to numerous benefits such as learning from other firms within the group who may have experience and knowledge on markets they have operated in, giving each other good competitive advantage on the manner in which they choose to enter the markets; and the timing in which a firm has access to information is critical to the decision making of the firm and will help them implement decisions at their earliest convenience. The relations in a network can be either good or bad, the strength of these relations will be the direct consequence on how much each of the individual firms brings to the group (Coviello & Munro, 1997).

Firstly, before a firm enters the global market it needs to understand the market it wishes to be in, the conditions of that every environment and the ties the firm has in that environment with relevant stakeholders and other firms. According to the network theory, a business will enter a global market when it is comfortable with the strength of its ties to the other firms in its network group and with the relevant stakeholders in the market it wishes to enter. The greater the strength of the firm's network, the more comfortable a firm will be to enter the foreign market. Once a firm has entered a foreign market, it can make moves toward integrating internationally by further developing their network with other firms that are based in that very market and in other global market places as well. Knowledge and resources can be used and readily accessible to a firm that is within this network as opposed to those that are not in the group. (Coviello & Munro, 1997). International social ties and networks could also be used to explain the network theory and it is explained below.

International social ties and network relationships

This rationale for international social ties and network relationships were built on the understanding that firms are entrenched actors in business networks. The network perspective has gained popularity among scholars in explaining the internationalisation process, by suggesting that the process is influenced by the firm's network of relationships (Inkpen & Tsang, 2005). In their extension of the social-capital network theory, Johanson and Mattson (1988) suggested that there exist business relationships within networks. These networks are the relationships the firms have with its customers, distributors, suppliers, competitors, and the government as an entity. Authors have found within the network approach of entrepreneurial literature that entrepreneurial firms need resources as a result of the various networks, which in some cases are controlled by other firms (Chetty & Holm, 2000). These beneficial networks are able to offer entrepreneurial firms the needed resources that assist them to be able to discover, conduct evaluation and be able to exploit international opportunities. Firms are able to achieve market growth as a result of being able to select the right market as well as the beneficial mode of entry. However, there appears to be sparsely researched issues with regards to the network approach. Less research has been conducted on the impactful role of individuals, especially entrepreneurs, who are seen as having the ability to possess, develop and maintain interpersonal and inter-firm relationships. Prior international experience grants entrepreneurs with connections to foreign-market ties, through which they can access information that regards opportunities, types and sources of finance and the likelihood to be able to discover and exploit international entrepreneurial opportunities (Chetty & Holm, 2000).

International Entrepreneurship theory

International New Ventures (INVs) or Born Globals (BG) are small business entities that seek to gain significant competitive market share by using scarce resources to achieve maximum output of goods and services. INVs/ BGs are a growing phenomenon and small businesses are utilizing its benefits by expanding to new markets and gaining more market share in the process (Bouncken, Muench & Kraus, 2015).

According to Oviatt and McDougall (1994), an international new venture (INV) is a business organization that, from establishment strives to obtain important competitive advantage from the use of resources and the sale of outputs in many countries. According to Knight and Liesch (2016), the emergence of huge numbers of born global is transforming the traditional character of international business, assisting to modify the global economy. Born global firms can be established in advanced economies such as Australia, Denmark, Japan, and United States and in some developing markets like China and India, where BGs have consistently existed, particularly in countries with small domestic markets. Such business seems to be remarkably manifesting in large numbers around the world (Cavusguil and Knight, 2009).

Born Globals and New Venture have the following characteristics and they are explained below:

Highly active in international markets from near inception

Exporting products or services according to Tallman & Fladmoe-Lindquist (2002), are the fundamental market entry mode for the majority of Born Globals. Within a few years of their inception, they can export part of their total production. The majority of Born Globals operate in multiple countries worldwide (Sleuwaegen & Onkelinx, 2014). According to Saarenketo (2002), the conclusion to involve the firm into a systematic internationalisation process is often determined by the kind of the original firm, the kind of technology which has been established, or the firm's specialization with the specific industry sector, value chain and market. Apart from that, the specific market situation is very crucial, because the extent to which a firm can be categorized as "born global" rather than "born local" rely on the firm's own early decisions. Moreover, the vision of the Born Global founder at the time of incorporation seemed to be critical for a firm's early internationalisation pattern (Tanev, 2012).

Characterizes by limited financial and tangible resources

Tanev (2012), stated that most of the BGs are SMMEs and are relatively small firms. Being the least organization, BGs possess fewer financial, human, and tangible resources than large multinational enterprises that have been the superior force in global trade and investment. History has proven that small businesses did not have

access to international business. Nevertheless, different trends have caused conducting international business on attainable an alternative for all firms.

They usually underscore a differentiation strategy

BGs according to Cavusgil & Knight (2009), are inclined to accentuate differentiation strategy that indicates typical products of differentiated design, targets different products to niche markets and may be insufficient to fascinate large firms. The purpose of a differentiation strategy is to stimulate customer loyalty by solely achieving a certain need. People and firms prefer specialized and personalized products, hence niche markets have become a vital cause of opportunities for small firms.

Often emphasize superior product quality sought by internationally dispersed customers

Literature by Cavusgil and Knight (2009) indicated that BGs often offer new high tech niche products and services that are better designed than competitor's offerings, like specialized machinery, high design product such as furniture and fashion, high-quality foods and high- quality know-how services (Hennart, 2014). They are usually at the main technological edge of their industry or product category, because buyers of niche products have very particular tastes that are similar in the niche and knowledge of their products l (Bell & McNaughton, 2000). Their products are likely to be requested by customers aware of their quality and ready to buy (Moen, 2001; Rasmussen & Madsen, 2002).

Using independent intermediaries for distribution in foreign markets

According to Hennart (2014), the majority of BGs diversify internationally through exporting, because their size is small besides they have limited resources. Hence, they undertake in direct international sales or leverage the resources of independent intermediaries positioned abroad. Most of the BGs depend on external facilities, to organize international shipments. Exporting and leveraging bring versatile international operations for BGs, giving the firm the ability to enter or leave the foreign markets quickly and easily (Bell & McNaughton, 2000). Most skilled BGs strategize exporting by opting for joint ventures and foreign direct investment. This strategy and

leveraging foreign partners are cost-effective and have low risk since it makes exporting suitable for young companies (Ruzzier, Hisrich & Antoncic, 2006).

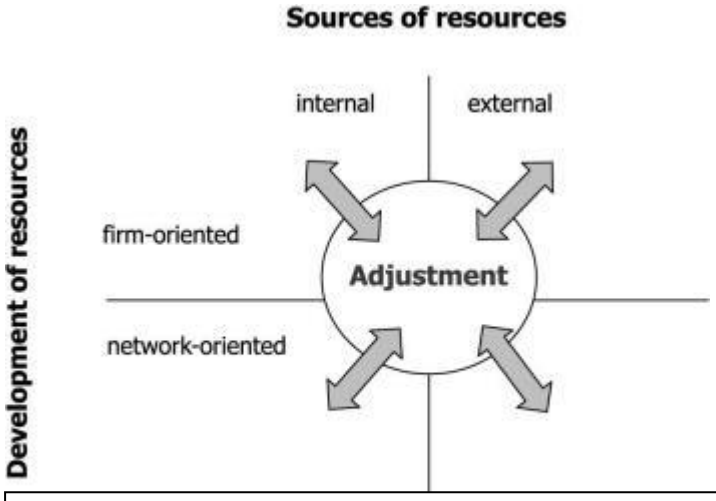
2.3.3 Resource-Based View (RBV)

According to Conner (1991), the RBV was developed within the field of strategic management and it addressed the theory of the growth of the firm, and characterizing firms as a collection of heterogeneous or firm-specific resources. Recently, many scholars have strengthened on the concern about the resources and capabilities of firms. A firm's ability to attain and keep profitable market positions depends on its ability to gain and defend advantageous positions with regard to relevant resources important to the firm. The resource-based models recognize the importance of intangible knowledge-based resources in providing a competitive advantage and competing favourably with other firms.

Grant and Klyver (2010) stated that for resources to be considered as an asset to a firm, they must be durable, transparent, able to be transferred to other locations and finally to replicate. Barney (1991), on the other hand, stated that resources must be valuable, rare and cannot be substituted to allow the firm to have a competitive edge over other firms. This in general terms could be considered stocks of available tangible or intangible factors that are owned or controlled by the firm and converted into products or services, using a variety of other resources and bonding mechanisms. This adjustment behaviour is analysed along two dimensions, namely, where do the resources reside? I.e. what is their source – and can they be considered as internal or external to the firm; and does a firm-oriented manner or in a network-oriented manner affect the development of resources? From the perspective of the firm, these two dimensions lead to four hypothetical modes of resource adjustment: the adjustment of internal resources in a firm-oriented mode; external resources in a firm-oriented mode; internal resources in a network-oriented mode; and external resources in a network-oriented mode (Grant & Klyver, 2010).

Figure 3 below shows the source and development of resources. The first kind of resource adjustment can be seen as the development strategy of a firm, that tries alone to develop the critical resources needed for internationalisation. This is done by

entering into international activities and learning from experience, without depending on externally available resources (Barney, 1991).



Source: (Ruzzier, Hisrich & Antoncic, 2006, pp. 487)

External resources help to develop the firm's internal resources and they include the relationships with various expert organizations, research institutions or universities, represent the second mode of adjustment (Barney, 1991).

Internal resources in a network-oriented mode and it involves development activities traditionally associated with co-operation in any field from R&D to international after-sales services, where both partners share an interest in developing resources jointly.

Networking behaviour talks of the sharing of the resource stock interdependencies of the firm to also sharing control over the firm's resources.

2.4 Types of internationalisation market entry strategies available to women-owned SMMEs

2.4.1 Resources Based View theory (RBV) on Exporting and importing

According to White (2004), scare resources in the form of human, financial, social and physical are important to entrepreneurial behaviour, due to the benefits they come with. Entrepreneurial firms will be able to compete effectively internationally when resources are allocated judiciously. The RBV focuses on the firms' competencies as

well as the resources and capacity and in doing so, be able to develop entry strategies to an international market.

Cheptegei (2012) proposed that resources from the international company will make it have a larger share of the market for its products. The potential of a company in the view of the RBV is that a company that can evaluate its strengths and weaknesses based on its competitive advantages and resources that they can use to achieve a larger market share. The most common strategy that is used by international companies is import and export of goods, materials and services. Exporting involves the production of goods and services in the domestic country for consumption in a foreign destination. There are two types of exporting, which are direct and indirect. Indirect exports come in the form of the use of marketing agents, who take the products or services to the international market on behalf of the company. However, with direct exports, the company is involved in the marketing of its products on the international market (Hitt, Ireland & Hoskisson, 2001).

2.4.2 Eclectic Theory on Direct investments, Strategic alliances and Licensing

Hill (2009) suggested a framework of three constructs based on eclectic theory: strategic, environmental and transaction variables. These three constructs affected the entry decision of an international firm and are design to improve the weakness of the above-mentioned theory. The framework offered multiple advantages of a market entry strategy. It is useful in identifying factors and evaluating entry strategies, as well as providing an analytic framework from which to compare and contrast the three constructs. Hill's eclectic theory has implications on direct investment, strategic alliances and licensing.

Strategic alliances

A strategic alliance is a term used to describe a variety of cooperative agreements between different firms, such as shared research, formal joint ventures, or minority equity participation (Campbell & Reuer, 2001).

Strategic alliances can take the form of (Czinkota, Ronkainen & Moffet, 2002):

- Informal co-operation in which partners work together

- Contractual agreements
- Management contracts
- Equity participation
- Joint ventures and
- Forming consortia

The greatest disadvantage of strategic alliances is the risk of competitive collaboration, where some strategic alliances involve firms that are in fierce competition outside the specific scope of the alliance. This creates the risk that one or both partners will try to use the alliance to create an advantage over the other (Czinkota, Ronkainen & Moffet, 2002).

Licensing

Entrepreneurs may enter into licensing agreements, whereby they grant foreign organizations the right to use their intellectual property in exchange for royalty payments. In doing so, the licensee will be able to produce the licensor's products, market these products in his assigned territory and pay the licensor fees and royalties usually related to the sales volume of the products (Venter & Urban, 2015).

2.4.3 Network theory and Joint Ventures

According to Holm, Eriksson & Johanson (1996), "While most research on foreign market entry has focused on entry mode selection, our findings indicate that the development of cooperative relationships with customers, suppliers or other business partners may be critical." The network model of internationalisation allows for the influence of external actors or organisations on the internationalisation of the firm. Comprising of two dimensions, the degree of internationalisation of the firm and the market. The network model enlarges on the process model by allowing for multilateral influences on the international decision making of the firm.

With regard to foreign joint ventures, the international firm has an equity position and a management voice in a foreign firm. A partnership between host- and home-country firms are formed, usually resulting in the creation of a third firm. This type of agreement gives the international firm better control over operations and also access to local market knowledge. The international firm has access to the network of relationships

of the franchisee and is less exposed to the risk expropriation thanks to the partnership with the local firm. Foreign joint ventures are popular due to the fact that it permits the avoidance of control problems of the other types of foreign market entry strategies (Kagethe, 2012).

2.4.4 Transaction cost analysis theory and Franchising

Kraaijenbrink, Spender, & Groen (2010) supported the transaction costs analysis theory and they further stated that the function of the trade-off from control and the cost of course commitment is the most suitable entry mode. In addition, they use the theory, which combines different factors such as industrial organisation, organisation theory and contract law, to measure the trade-offs to make a vertical integration decision.

Cherop (2011) stated that a franchising system can be defined as a system in which a franchisee pays fees and royalties to a parent company, which is a franchisor in return for the right to become identified with its trademark. This is done so that the franchisee can sell its products or services, and often use its business format and system. Franchising agreements tend to be longer and the franchisor offers a broader package of rights and resources which usually includes: equipment managerial systems, operation manual, initial training, site approval and all the support necessary for the franchisee to run its business in the same way it is done by the franchisor. A franchising agreement will include aspects such as intellectual property and trade secrets in franchising. It is, however, limited to trademarks and operating know-how of the business.

2.5 Human Capital (HC) and its influence on the internationalisation of women-owned SMMEs

2.5.1 Human Capital Theories

According to Davidsson & Honig (2013), human capital can be defined as knowledge and skills acquired by individuals from investment in education, on the job training, and other experiential exposure. The human capital theory maintains that knowledge

provides individuals with increased cognitive abilities, leading to more productive and efficient potential activity. Theodore Schultz developed a theory of entrepreneurship based on the concept of human capital. He conceptualized entrepreneurs as being able to deal with disequilibrium.

Human Capital (HC), according to Schultz (1961), begun in the early 1960s. He suggested that HC consisted of the 'knowledge, skills and abilities of the people employed in an organisation'. While brief, Shultz's initial definition of HC is to some extent limited. This is because it does not take into consideration the concept of 'value' and the importance of 'investment' in HC. Schultz, however, altered this definition in 1981 and defined HC as: '…all human abilities to be either innate or acquired. Attributes … which are valuable and can be augmented by appropriate investment will be human capital' (Schultz, 1961, pp. 1-17).

Studies from De Jager (2004) on the productive uses of human capital and Yadavalli (2001), who conducted research on the value of human capital in productivity strengthened the point on the impact of human capital on a firm's performance. Van Zyl (2004) further suggested the duality of cost production as an instrument to measure labour productivity, as well as a unique microeconomic instrument that expresses productivity in monetary terms. He further states that human resources are an important factor of production and have a direct impact on the competitiveness of firms. Human capital can be referred to as the components in humans that enhance the quality of labour, with regards to their skills, knowledge and wisdom; which make it worth more in the production process. Improvement in the quality of human resources can lead to lower unit costs of production and sales and in that way decreases marginal cost structures, enabling firms to trade products at lower prices and better quality. A supply of quality labour in a country can then lead to competitive markets and growth. Becker (1964) and Mincer (1958) developed the theory of human capital. This was also cited by Unger, Rauch, Frese, & Rosenbusch (2011) and they built mainly on the assumption that knowledge increases the cognitive abilities of the workforce; which leads to efficiency and productivity, which translates to return of investments of the firm. Unger et al. (2011) built on the theory that was developed by Becker (1964) and Mincer (1958) and they defined human capital as skills and knowledge derived from investments in formal education, knowledge, training,

employment experience and other types of experience, such as the background of the parents as well as the knowledge of running a business.

Human capital can be considered to be an instrumental source of competitive advantage (Coleman, 1990). Javalgi, Todd & Granot (2011) observed that human capital is a critical driver of recognising entrepreneurial opportunities and therefore increase economic growth. According to the process view of entrepreneurship, and within the context of internationalisation, the better the knowledge and experience contained within a firm or entrepreneur, the higher the likelihood of discovering and exploiting opportunities in the local and international market (Wilson, 2006). Unger et al. (2011), using the theory from Becker (1964), were able to differentiate human capital investments from the outcomes of those investments. They further stated that human-capital investments include education and work experiences; while human capital-investment outcomes are the skills and knowledge thereby obtained. Unger et al. (2011), in their meta-analytical review of 70 independent samples of human-capital research, that spanned over three decades, established that skills and knowledge of human capital investments had a greater impact on the success of an entrepreneurial than education and experience.

2.5.2 Aspects of human capital that promotes international entrepreneurship

Influence of Education on internationalisation

Before the research was conducted on the study of entrepreneurship, it was assumed that a higher amount of entrepreneurs were uneducated and having an educational background was insignificant. This was however refuted since results from the empirical research by Peterman & Kennedy (2003) revealed that entrepreneurs have a higher level of education than non-entrepreneurs do. There was further evidence from the study of Minniti, Bygrave & Autio (2006) whereby they found 30% of individuals who ventured into an entrepreneurial activity or who had the intention to pursue an entrepreneurial activity had at least a secondary form of education, thereby disputing the notion that entrepreneurs are not educated. Furthermore, it was found that less educated entrepreneurs tend to venture less into opportunity based ventures than more educated entrepreneurs. Findings from a South African study on the impact of education on entrepreneurship, which was conducted by Urban and Barreira (2007)

as cited in Urban (2010) discovered that as the training and education of entrepreneurs increased, so did the entrepreneurial activities.

Human capital can also be defined by the level and type of education of the founding entrepreneurs. Formal education may contribute towards the gathering of explicit knowledge providing useful skills for the entrepreneurs. Education is also central to high-growth or opportunity entrepreneurs, as expressed by the human capital theory. Human capital theorists summarize that education is an investment that yields higher wage compensation, in return for an individual's variations of skills, training and experience (Love & Roper, 2015). Venter, Urban & Rwigema (2010) stated that accruing explicit knowledge that provides a knowledge base, the analytical and problem-solving skills that deal more effectively with the demands of entrepreneurship is said to be derived from formal education which is an aspect of human capital. Research by Cooper & Gimeno-Gascon (1994) and Unger et al. (2011) supported the existence of a relationship between the educational level and entrepreneurial performance of firms. They, however, debated that this relationship could only take place in the occurrence that knowledge and skills have a relationship with education and work experience. Research by Unger et al. (2009) suggested that there was a connection between education and experience, and skills and knowledge. Therefore, it can be assumed that education makes a visible influence on the performance of international entrepreneurship.

Influence of Knowledge on internationalisation

The Knowledge-Based View of a firm indicates that knowledge is the foundation for which firms can compete and expand their markets (Reber, 1993). According to Liebeskind (1996, pp. 94), knowledge is defined as the ‘’*information, whose validity has been established through tests of proof*’’ This definition clearly differentiates between information which is validated and proven in contrast to information which is not proven. Knowledge, as emphasised by entrepreneurship literature, plays a pivotal role in internationalisation. This is because, through internationalisation, firms are able to learn and adapt their business operations. Furthermore, the acquisition of knowledge leads to a higher percentage of the firm's resources been committed to international markets (Bouncken et al., 2015). This is because firms are able to act

confidently in their aim to go international, as a result of reduced uncertainty from the knowledge they have. This information can be in the form of codified and non-codified knowledge. Bouncken et al., (2015) stated that codified knowledge refers to the technical know-what, explicit information, formal documents, and procedures. On the other hand, non-codified information talks of the technical know-how, non-codified elements of an activity.

Research by Baron and Shane (2005) strongly suggested that for entrepreneurs to be able to solve complex problems in the entrepreneurial setting, they would require both tacit and explicit knowledge. According to Grant & Gregory (1997), **tacit knowledge** refers to the know-how, the often non-codified components of ability. Tacit as stated by Wong & Radcliffe (2000) and Nonaka and Takeuchi (1995) translates as 'hidden'; and it is knowledge that is hidden from the consciousness of an individual and resides in the human brain which means that it cannot be easily captured or codified. Sveiby (1997) emphasized that majority of human knowledge rests in a tacit dimension and can be observed through the actions of an individual and it expresses itself in human actions in the system of evaluations, attitudes, points of view, competencies, experiences and skills stored in the individual (Koskinen, Pihlanto & Vanharanta, 2003). While tacit knowledge represents great value to the organisation, by its nature, it is far more difficult and sometimes impossible to capture and diffuse (Koulopoulos & Frappolo, 1999; Nonaka, 1994).

On the other hand, **explicit knowledge** refers to the know-what and comprises the type of information normally contained in processes, procedures, formal documentation and educational institutions. Explicit knowledge can be expressed in formal language and easily communicated amongst individuals (Koulopoulos & Frappolo, 1999). Explicit knowledge represents factual statements about such issues that concern material properties, technical information and tool characteristics (Koskinen et al, 2003). Explicit knowledge by its nature can be captured and widely distributed throughout the organisation, and can be compacted into a few summary symbols that can be programmed by language in written words and/or machine. Competitive advantage could be achieved by the firm through the use of tactic and explicit knowledge, since the firms' resources could be put to good use as a result of the application of both tacit and explicit knowledge (Gartner, 1990).

Huber (1991); Flores, Zheng, Rau & Thomas (2012) conducted analysis on research from other researchers and came up with the deduction that: (1) Learning should not continually be conscious or international; (2) learning should not necessarily increase the learner's effectiveness; and (3) learning should not always lead to straightforward knowledge. Huber (1991, pp. 89) and Hult, Ketchen, & Slater (2004), further proposed that, "*an entity learns if, through its processing of information, the range of potential behaviours is changed".* This perspective dispenses the supposition that learning is best reflected on an organisation's effectiveness; but instead, it may be demonstrated by a change in potential behaviours, which could be as a result of the application of such learning. While drawing on the other works of other authors (Johanson and Valhne, 1977; Erikson, Johanson & Majkgard, 1997; Zahra, Korri, & Yu, 2005), Hubler (1991), suggested that learning is categorised by its characteristics, which are: (1) Organisational learning exists if any of its units attain knowledge that is accepted as being potentially beneficial; (2) More organisational learning ensues when more of the organisation's segments obtain this knowledge, and recognise it as potentially useful; (3) More organisational learning occurs when additional diverse explanations are established; and (4) More organisational learning occurs when more organisational components develop uniform understandings of the different comprehensions (Flores, Zheng, Rau & Thomas, 2012; Peiris, Akoorie & Sinha, 2013).

Acquisition of knowledge

Johanson and Vahlne (1990); Xie & Suh (2014) and Erikson et al (1997) researched on the stage model of internationalisation and suggested that uncertainty is reduced through current experiential learning and this aids in encouraging international commitment. The emergence of Born Globals, who start their business operations early and expand rapidly into international markets, as a result of pre-existing knowledge, international contacts and their swift attainment of knowledge, this view of learning were later falsified (Coviello, 1995; Oviatt & McDougall, 2005). Significant studies, from De Clerq, Sapienza, Yavuz and Zhou (2012) convinced Johanson and Vahlne to revisit their notion in 2009, and they made some changes and suggested that experiential learning could possibly be supplemented with other methods of emerging knowledge. Huber (1991) as cited by Casillas, Barbero, & Sapienza (2015) stated that there are five dimensions of acquisition of knowledge and they are

congenital knowledge, grafted knowledge, experiential knowledge, vicarious knowledge and search knowledge.

Congenital knowledge plays an instrumental role in Born Globals (BG) since it is the knowledge that is acquired by the firm's founders before creating the business. This knowledge, according to the author, affects how new knowledge is understood and integrated by the firm and determines the direction of the firms' internationalisation (Huber, 1991; Oviatt and McDougall, 2005). To further support the argument, Sapienza, Autio, George & Zahra (2006) stated that this knowledge reduces the uncertainty that is perceived as well as the costs of the firm. Furthermore, (1) There is the awareness on the part of Managers with respect to being aware of the value of international opportunities and the methods that are proven to exploit them and finally (2) prior experience increases the likelihood of internationalisation since it provides the managers with confidence to act on an opportunity (Casillas et al., 2015).

Casillas et al. (2015) defined **grafted knowledge** as knowledge that is attained by way of hiring managers who have gained international experience outside the venture, which basically will assist the firms in been able to decrease their perceived risks and be able to identify opportunities in other places. Literature has found that new managers who have international experience often cause positive effects to the firm, by way of their increased alertness and enhanced knowledge of foreign markets. This, therefore, leads to confidence when making international decisions (Peng & York, 2001). Managers with grafted knowledge may have a positive attitude towards international markets and they bring the necessary absorptive capacity that is necessary to be able to discover and exploit opportunities in the international market. Furthermore, it is able to enhance the search and indirect forms of learning within the organisation and which in turn will increase the internationalisation of the firm (Sapienza et al., 2006).

Experiential knowledge involved knowledge that is needed for running the day-to-day activities of the firm, a by-product of normal operations (Casillas et al., 2015). Experiential knowledge is important because it represents knowledge that is not easy to acquire, and it talks about the interaction the firm has with the external environment. Casillas et al. (2015) stated that experiential learning is found in numerous local and

foreign ways, which comprises of organisational experiments. It principally involves the efforts intended at increasing the accurateness of response on the cause-and-effect correlation between a firm's actions and results. Organisational self-appraisal, on the other hand, entails the collecting of information on problems, and necessary changes from employees, and distributing such information with them, and finally engaging them in the change process.

Vicarious learning is less costly than direct learning and is either tacit or explicit learning that is acquired by observing the actions and the results of others in the field (Casillas et al., 2015). Vicarious learning is gained through consultations, meeting professionals, publications and trade shows (Huber, 1991).

Search learning is objective knowledge and it involves the process whereby firms seek explicit information on countries, institutions and markets. It was noted that search learning is seen not to be advantageous to the internationalisation process of firms (Casillas et al., 2015). Search learning can be characterised into the following forms: (1) **Scanning**, which involves scanning of the firm's external environment in a wider context; (2) **Focused search**, which takes place when a firm vigorously searches a narrow niche section of the firm's internal or external environment; (3) **Performance monitoring**, where a firm measures its set goals to see if it is effective; and finally (4) **Noticing**, which refers to the unintentional attainment of knowledge of the firm's internal or external environment in relation to its performance.

Influence of work experience on internationalisation

Experience should however not be equated with knowledge, because experience may or may not lead to increased knowledge. Work experience leads to the development of experientially acquired skills or expertise, which will lead in turn to more knowledgeable actions and decisions. Secondly, founders are inclined to start businesses that are similar in terms of industry and geographic area to ventures with which they are familiar, experience influences start-up characteristics. Business owners with previous experience are more likely to avoid costly mistakes than those with no prior experience (Urban & Shree, 2012).

Entrepreneurial experience according to Mosey and Wright (2007) is significant and provides direct learning which aids firms to discover, evaluate and exploit sub-processes within the entrepreneurial process. This prior entrepreneurial experience is seen to be the most constant predictor of future entrepreneurial performance (Singer, 1995). There exist two types of entrepreneurial experience and they are task-specific human capital and industry-specific human capital (Urban et al., 2010). The task-specific experience involves scanning the environment, identifying and selecting opportunities and formulating strategies, managing and leading the firm (Shane and Venkatraman, 2000). Literature from Gimeno, Folta, Cooper & Woo (1997) indicated that actors with a high level of task-related human capital have a better knowledge of suppliers, customers, products and services. Prior experience assists managers to detect and exploit new business opportunities, as well as enhance the entrepreneur's ability to assimilate new knowledge (Unger et al., 2011). Industry-specific experience, on the other hand, suggests experience in a particular job or industry that enhances productivity in that job, regardless of the firm (Urban, 2010). Research studies that were conducted by Shane (2003) and Barringer, Jones & Neubaum (2005) suggested that because of the knowledge of the dynamics of the market, customers, suppliers, the entrepreneur would have an advantage with regards to discovering and exploiting opportunities within a particular industry. Timmons (1999) suggested that successful entrepreneurs must possess an extensive variety of management skills and know-how in the form of finance, marketing, sales and research and development. In his study, Timmons (1999) maintained that entrepreneurs need fundamental knowledge in marketing, finance, production, operations, technology, administration and law, and lastly taxation (Venter et al., 2010).

2.5.3 Human capital and entrepreneurial success

Firstly, it is to aid the entrepreneur to be able to discover and explore business opportunities and therefore increasing their capacities to perform entrepreneurial tasks that are considered generic. Human capital creates success by way of contributing constructively to the strategy and planning of the SMMEs. Thirdly, knowledge is important to be able to acquire other utilitarian resources such as financial and physical capital and can partially compensate for a lack of financial capital. Human capital is necessary for learning new knowledge and skills. Owners with higher human

capital are more effective and efficient. Human capital leads to higher performance only if it is applied and successfully transferred (Unger, Rauch, Frese & Rosenbusch, 2011).

2.5.4 Human capital and the internationalisation of SMMEs

Human capital has been found to increase individuals' and firms' cognitive abilities in the discovery, evaluation and exploitation of entrepreneurial domestic or international opportunities. Therefore it would follow that the higher the probability of firms discovering and exploiting international experience, the greater the likelihood of having a firm having more operations outside their national borders. According to studies by various authors (Xie & Suh, 2014), knowledge is a highly meaningful resource and an important source of competitive advantage; and it is key for international growth and opportunity identification. It is crucial for SMMEs to have managers who have prior industry, product, customer, supplier, studying experience within the international arena. This further enhances the firms' ability to learn and create new knowledge, which serves as a competitive advantage and facilitates efficiency and the effectiveness of the discovery and exploitation of international opportunities (Shane & Venkatraman, 2000). Prior experience helps in detecting and exploiting new business opportunities, as well as enhancing the entrepreneur's ability to absorb new knowledge; since it is likely to be aligned with prior knowledge. Industry-specific experience suggests experience in a particular job or industry that enhances productivity in that job, regardless of the firm (Urban & Shree, 2012).

Hypothesis 1: There is a positive and significant relationship between human capital and the internationalisation of women-owned SMMEs in Gauteng.

2.6 Components of Social Capital (SC) and the impact on the internationalisation of women-owned SMMEs

Bourdieu (1986, pp. 241-258) defined social capital as 'the relational networks in actual and potential capital based on individual or social units'. Tzakanis (2013) stated that network members effectively develop social capital through connections and mutual trust. Trust is an important element of social capital. For example, for people

to come together and achieve goals and objectives, there is a need for trust (Field et al, 2003). The role of trust is further highlighted by Coleman (1990) and he suggested that social capital is 'a human asset, categorised as trust, social structure, and effective sanction'. (Nahapiet & Ghoshal, 1998, pp. 243)

Urban and Shree (2012) argued that social capital may be understood as the goodwill that is engendered by the fabric of social relations and can be mobilized to facilitate action. Bourdieu defines social capacity as the aggregate of the actual or potential resources which are linked to the possession of a durable network of more or less institutionalized relationships of mutual acquaintance or recognition.

Premanatne (2002) stated that social capital theories include the transaction cost theory, resources dependency theory and social network theory. Premanatne (2002) argued that one of the widely used theoretical approaches to study enterprise social capital is the transaction cost theory. Transaction costs mean all costs involved in the transfer of goods and services from one unit to another. Coase (1937), introduced the idea that transactions form the basis of economic thinking. Commons argues that individual actions are real transactions instead of either individual behaviour or the exchange of commodities.

2.6.1 Social capital theories

Network approach

Coviello and Munro (1997) defined the network theory as an organisation that utilises international suppliers, distributors, consultants and strategic alliances in order to compete favourably on the international market. The internationalisation process involves growing the firm's knowledge, experience and commitment in foreign markets. Networks are a precondition for international growth, as they facilitate the acquisition of experiential knowledge about foreign markets. Networks are established through suppliers, distributors and customers (Johanson & Mattsson, 1988). Furthermore, SMMEs are able to access network ties in the environment and take advantage of opportunities as a result of the use of various networks ranging from friends, family and acquaintances (Coviello & Munro, 1997).

Johanson & Vahlne (1990) and Bierly, Kessler & Christensen (2000), stated that networks play pivotal roles in internationalisation and they influence internationalisation positively. They further stated that prior knowledge about preliminary established contacts in specific markets affects entry decisions into these markets. Therefore, it is crucial to grow and sustain a business network across borders to ensure international market growth. The purpose of networks according to Dana (2004), is to speed up internationalisation and provide synergistic relationships among partners at various stages in the value chain. Networking may be regarded as a source of sharing market information and knowledge. Therefore, networks act as a bridging mechanism that allows for rapid internationalisation. Networks are able to bring the involved parties closer, by using the information that the organisation acquires, by creating mutual relationships with customers, suppliers, the industry, distributors, and the supply and distribution chains. Large international firms, on the other hand, have to rely more on social networks and personal contacts in the internationalisation process comparatively due to their limited financial and human resources (Dana, 2004).

Social Network theory

Bell (1995) stated that the social network theory is derived from the network theory, and it focusses on the fact that relationships and ties are most important, since they act as communication infrastructure and same interests can be shared in personal and business dealings and networks are able to offer the necessary information and contacts. Networks play beneficial roles for firms that are internationalising, since they will be able to gain information about new markets, products or services and the environment, as well as the political and economic climate of the foreign market. An informal relationship is also an instrumental source of information about new markets and it aids in obtaining cultural knowledge from other geographical locations (Johanson & Vahlne, 1990).

Trust is a determining factor in social networks and some researchers think that international transactions cannot be built without the existence of trust. Johanson and Vahlne (1990) defined trust as an ability to predict the behaviour of another individual, and it is characterised by high ethical standards. Trust enables people to share

information with each other and is particularly vital in the situation of uncertainty. Trust is an intangible as well as an emotive dimension that is built over time and it has the propensity to assists individuals in learning and developing new knowledge and capabilities (Bell, 1995). When an organisation's network has international distance between it, trust enables it to have future dealings with each other. Therefore, trust and commitment building become a significant issue in developing a business network in internationalisation. According to the network theory of internationalisation, networks are created slowly with increased trust and commitment. Organisations that are affiliated in social networks, that share mutual knowledge and trust, are at a competitive advantage and are able to internationalise with ease (Covielo & Munro, 1995).

Social capital can be in the form of social ties, networks, entrepreneurial heritage and culture and they are explained below.

2.6.2 Influence of social ties and Network on internationalisation

A network is referred to as the entrepreneur's social capital base, and it is crucial to entrepreneurs encompassing both actual and potential resources flowing through a relationship network. A network can also be defined as a firm's effort to establish long-term relationships with other firms (Venter & Urban, 2015). Entrepreneurial networking is characterized by a sense of urgency, intensity, and impactfulness. From a start-up perspective, social capital provides the networks that facilitate the discovery of opportunities, as well as the identification, collection and allocation of scarce resources (Akhalwaya & Havenga, 2012).

According to Nahapiet and Goshal (1998), the social capital theory is able to provide network connections that give the firm access to valuable resources that are beneficial for the discovery, evaluation and exploitation of opportunities that are available to the entrepreneur (Shane, 2003). Such network ties are able to provide channels of access to information and other significant resources to the firm. Coleman (1988) and Nahapiet and Goshal (1998) proposed that these network ties reduced effort and investment in seeking valuable information, which forms the basis of any decision-making.

According to Burt (1992), benefits of information occurs at three levels and these are (1) having access to valuable information as a result of network links; (2) using personal ties to obtain and make vital information available and (3) using referrals to obtain reputational endorsements. These network ties can occur at both individual and organisational levels and it was observed that strong ties are in most instances from family relationships which are considered as secure and consistent and are significant resources for entrepreneurial commitments. Weak ties, in contrast, are loose associations between groups of people.

Granovetter (1973) discussed the importance of maintaining extended networks, based on the suggestion that weak ties form a connection amongst tightly knit networks and they provide access to resources, which would have not been available within an individual's condensed network. Burt (1992) and Valla (2001), in their research, stated that a sparse network that consists of few redundant ties provides benefits of valuable information. However, dense networks are known to be inefficient since they return less diverse information with the same investment. Although weak and diverse ties create access that enables the search for information, they could inhibit the ease-of-transfer, especially when information is not thoroughly structured (Inkpen & Tsang, 2005).

2.6.3 International social ties and network relationships

This rationale for international social ties and network relationships were built on the understanding that firms are entrenched actors in business networks. The network perspective has gained popularity among scholars in explaining the internationalisation process, by suggesting that the process is influenced by the firm's network of relationships (Inkpen and Tsang, 2005).

In their extension of the Social-capital network theory, Johanson and Mattson (1988) suggested that there exist business relationships within networks are these networks are the relationship the firms have with its customers, distributors, suppliers, competitors and the government as an entity. Authors have found within the network approach of entrepreneurial literature that firms need resources as a result of the various networks, which in some cases are controlled by other firms (Chetty & Holm,

2000).These beneficial networks are able to offer entrepreneurial firms the needed resources that assist them to be able to discover, conduct evaluation and be able to exploit international opportunities. Firms are able to achieve market growth as a result of being able to select the right market as well as the beneficial mode of entry.

However, there appears to be sparsely researched issues with regards to the network approach. Less research has been conducted on the impactful role of individuals, especially entrepreneurs, who are seen as having the ability to possess, develop and maintain interpersonal and inter-firm relationships. Prior international experience grants the entrepreneurs with connections to foreign-market ties, through which to access information that regards opportunities, types and sources of finance and the likelihood to be able to discover and exploit international entrepreneurial opportunities.

Research by Johanson and Vahlne (1990); Xie & Suh (2014) through the incorporation of the Uppsala model and the network perspective to internationalisation, stated that foreign-market entry follows a gradual process which is mainly driven by development and the management of relationships over a period of time. Bonaccorsis (1992), through his research, observed that there was significant growth of internationalisation of firms as a result of the relationships that occurred when firms imported from a foreign supplier.

Studies by Renzuli, Aldrich & Moody (2000) found that women entrepreneurs do face some challenges when it comes to having access to other forms of capital. It is said that they possess less capital with which to barter, in order to gain access to these social structures, which are mostly dominated by men. Women have been found to struggle with issues that are related to social capital with specific focus on business-ownership networks. Women struggle with business ownership when compared to their male counterparts. Studies conducted by Akhalwaya and Havenga (2012) showed that entrepreneurial women differ from men in the kind of networks they develop and take advantage of. Women were found to participate in personal networks that are more appropriate to family-related matters, rather than those networks that would allow for access to critical resources that are essential for entrepreneurial success.

Empirical evidence within the context of South Africa as stated by Urban and Shree (2012) showed that social capital had an irrelevant relationship with internationalisation. They noted that research on social network perspective had been conducted mostly in the developed markets and they argued and found that social networks play less critical roles in South Africa, as compared to the critical roles they played in developed economies in the process of internationalisation. This was mainly as a result of the differences between the two types of economies. Studies that were conducted in South Africa, have shown that women normally struggle to network, as a result of family responsibilities which causes disruptions in their careers (Urban and Shree, 2012). This clearly connotes that they would also find it difficult to develop and maintain networks in the context of international business. Evidence from the studies also show that women may probably lack the international experience as top managers, which is linked to higher levels of internationalisation. In the international context, social ties and networks are very instrumental to women entrepreneurs if they want their SMMEs to compete favourably in the international market (Akhalwaya & Havenga, 2012).

2.6.4 Influence of Entrepreneurial heritage and culture on internationalisation

Entrepreneurial heritage is used to describe the importance of social capital in entrepreneurship by specifically examining the institutional legacy and the family background of the entrepreneur. Instructional legacy tells of the humanly devised constraints that shape human interaction as well as the family background of an individual (Venter & Urban, 2015). Entrepreneurial heritage, which essentially includes factors, such as the father's occupation, the family work-ethic and religion, family size and growing-up experiences and the like are utilised mostly to highlight the importance of family background for the entrepreneur (Venter, Urban & Rwigema, 2010). Hirsrich (1990) conducted research on 5000 women entrepreneurs and was able to find that the majority of the women in his sample size had fathers who were self-employed. This clearly shows the impact that a family has on entrepreneurial behaviour. It is therefore said that entrepreneurial behaviour is a function of entrepreneurial role models which in turn induces the entrepreneurial culture (Venter et al., 2010).

Culture, which is a form of social capital is defined by Hofstede defines culture as the ‘’*collective programming of the mind that distinguishes the members of one group or category of people from another*’’ (Venter & Urban, 2015). The authors further suggest that culture is developed in the social environment and at the same time not inherited and therefore is learned. This social environment consists of actors and in most cases, they are individuals and firms that are often within a network. Culture is the set of characteristics, common to a particular group of people, and by using a multiple systems method, as a way of approaching, one can see that culture refers to both objective and subjective aspects of man-made elements. Hofstede in reflecting on national culture, found values to be a key defining component (Akhalwaya & Havenga, 2012).The globe dimensions define culture as both practices and values and deal with cross-cultural issues. Hofstede evolved four dimensions of culture, namely, individualism versus collectivism, power distance, uncertainty avoidance and masculinity versus feminity (Venter et al., 2015). Researchers have found that female entrepreneurs have been found to be collectivist, instead of individualistic, which is not associated with a culture of entrepreneurship (Hofstede, 1998, 2001). There has been much debate on national culture, and research has shown places or countries where culture is not valued, entrepreneurship is either associated with corruption or criminal behaviour (Urban, 2010).

2.6.5 Social capital and the internationalisation of SMMEs

Prior experience helps in detecting and exploiting new business opportunities, as well as enhancing the entrepreneur's ability to absorb new knowledge; since it is likely to be aligned with prior knowledge. Industry-specific experience suggests experience in a particular job or industry that enhances productivity in that job, regardless of the firm (Urban & Shree, 2012). It must be noted that empirical evidence exists within the context of South Africa in Urban and Shree (2012), which showed that social capital had an insignificant relationship with internationalisation. This research involved men and women; however, it does provide a reference point to suggest that although this is sparsely researched, there is a possibility that the pervasive theory does not hold.

Furthermore, it was noted that the social network perspective on internationalisation has its roots in the North American economic sociological tradition; and that most

literature within this perspective has focused on developed markets firms. Research that was conducted on women entrepreneurs found that women differ from men when it comes to the type of networks they develop. They also engage in personal networks that are more suited to family-related matters, rather than those networks that allow for access to those critical resources that are required for entrepreneurial success (OECD, 2016). In South Africa, it was found that women struggled with regards to sustaining networks and this was as a result of family responsibilities and their careers (Akhalwaya & Havenga, 2012). This further suggests that they would also struggle to develop and maintain networks in the international context. Women within the South African context and globally have shown a general lack of managerial experience (Akhalwaya & Havenga, 2012).

Hypothesis 2: There is a positive and significant relationship between social capital and the internationalisation of women-owned SMMEs in Gauteng

2.7 Aspects of Financial Capital (FC) and the effect on the internationalisation of women-owned SMMEs

The Resource-Based Theory is used to demonstrate the significance of financial capital to the performance of SMMEs. SMMEs having access to financial capital to purchase fixed and current assets is instrumental since it is able to sustain a firm's competitive advantage. Empirical studies that were conducted by Wiklund and Shephered (2004) and they identified that for SMMEs to take advantage of business opportunities, they need to have access to financial capital to be able to obtain physical resources. Most SMMEs fail due to the lack of physical resources (Wright & Ricks, 1994).

Bollingtoft, Ulhoi , Madsen and Neergaard (2003) pointed out that for an SMME to set up and sustain itself, it will need to have access to different types of resources (i) human capital; (ii) physical capital; and (iii) financial capital, each playing different, but equally important roles during the life cycle of a new SMME. Bolingtoft et al. (2003) further emphasize that most SMMEs fail due to the fact that they are resourcefully handicapped to be able to expand their businesses to other geographical locations.

Garcial-Teruel and Martinez- Solano (2007) argued that most SMMEs do not grow and survive, as a result of the non-availability of working capital. Pretorius and Shaw (2004), theorize that financial capital can be internal or external. A vast majority of SMMEs depend on internal finance. Internal finance is often inadequate for SMMEs to survive and grow. Carpenter and Petersen (2002) found that the growth of SMMEs is constrained by dependence on internal finance. Fierce competition in the light of globalization trends, rapid technological development, shorter product cycles, and innovation requirements has put pressure on SMMEs to increase and speed up their development investments. It is, however, increasingly difficult to keep the costs within the constraints of self-financing. Therefore, SMMEs need capital from external sources.

According to Daniels (2003), access to financial capital is one of the key facilitators of firm survival and growth. Cooper et al. (1991) in their empirical studies of financial capital, found that a greater pool of capital allows more ambitious strategies (i.e. internationalisation) and flexibility for overcoming mistakes. The literature has suggested that SMME development is prominently constrained by the availability and access to finance. Furthermore, women, in general, face obstacles when it comes to issues pertaining to access to financial capital (Klyver & Grant, 2010). In the South African context, this is as a result of not having collateral, lacking meaningful networks, the lack of education and managerial experience and discrimination in the business world (O'Neil & Viljoen, 2001; Meyer, 2009). SMMEs, in general, possess limited financial and managerial resources to enable them to exploit international opportunities, especially with the perceived high cost of internationalisation (Xie and Suh, 2014; Erikson et al, 1977; Cavusgil 1985). As a result, the government of South Africa embarked on a series of programmes to make finance available to SMMEs which was largely driven by the Department of Trade and Industry. This has reflected strongly in the NDP (2013), as a key focus area, in terms of ensuring that there is support for small businesses through better coordination of the relevant agencies, development of business incubators.

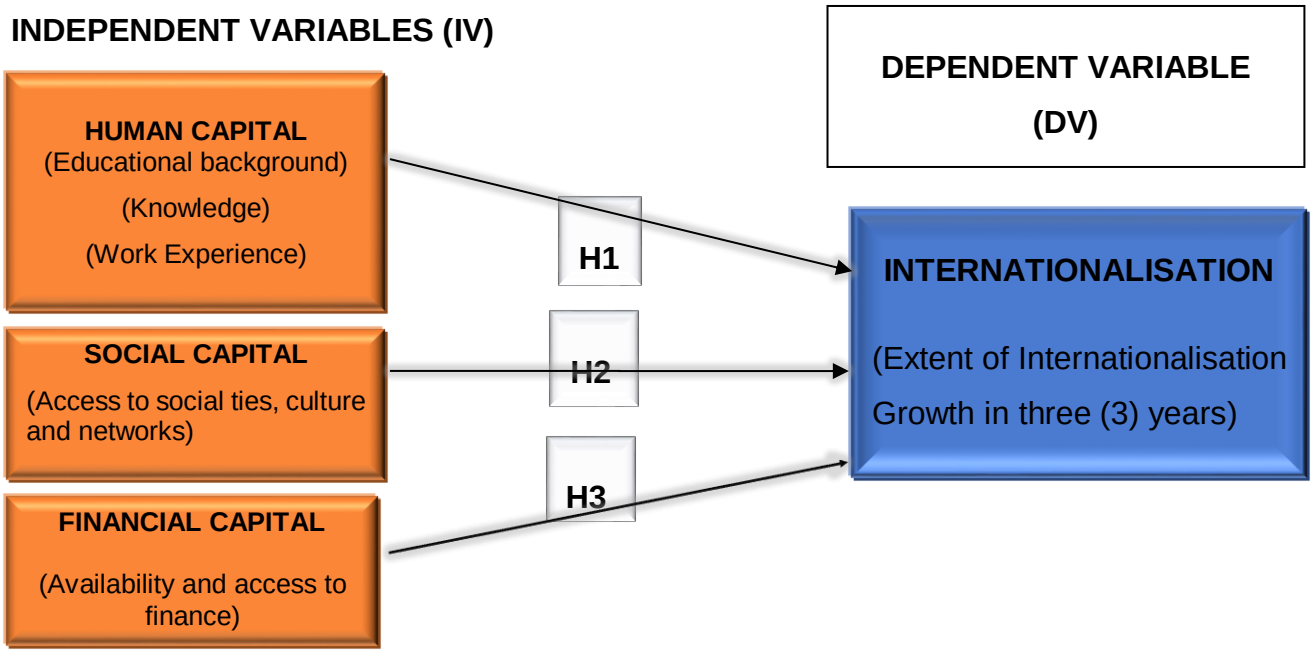
Hypothesis 3: There is a positive and significant relationship between financial capital and the internationalisation of women-owned SMMEs in Gauteng.

2.8 Conceptual Framework

Kawulich (2011) stated that conceptual frameworks are done to categorize and be able to describe concepts that are relevant to a research topic. Furthermore conceptual frameworks are able to map the relationships that exist among the concepts. The authors further state that using a conceptual framework, the researcher is able to demonstrate the importance of the study by means of definition of the main ideas and the network of relationships that exist between them. The conceptualisation of the relationships in the framework is informed by the discussions from literature presented above, focusing on the influence of human, social and financial capital on the internationalisation of women-owned SMMEs in Gauteng (Kawulich, 2011).

In this research, the dependent variable was internationalisation, whilst the independent variables were human, social and financial capitals. The extent of internationalisation used the working definition which states that for a firm to be considered as internationalized, the activity of the firm has to cross international borders. (Kawulich, 2011) The diagram below shows the relationship between the independent and dependent variables in the conceptual framework. The independent variables influence the dependent variable. The diagram for the conceptual framework is below.

Figure 4 shows the conceptual framework



2.9 Conclusion of Literature Review

This chapter shed light on the concept of SMMEs, and the various theories to support their internationalisation. The motivation theories as well as the process theories were highlighted and lastly the international entrepreneurship theory, with specific reference to born globals and the International New Ventures (INV). This chapter also delved into issues regarding the various internationalisation market entry strategies that SMMES could explore to ensure they remain on the global market.

This chapter further highlighted the influence of social, human and financial factors that impact on women-owned SMMEs in Gauteng, South Africa and further highlighted the issues that are associated with the various factors that enhance internationalisation of women-owned SMMEs. The human capital factors talked about the influence of knowledge, educational background and work experience that supports the internationalisation agenda of women-owned SMMEs. The social capital aspect delved into issues such as social ties, networking, culture and its impact on internationalisation and also talked about the network theory as well as social network theory. The financial capital aspect talked about the role of financial resources and its impact on women-owned SMME internationalisation. The theoretical review of literature presented in this section provided the basis for formulation of the hypotheses which aided in the data design and collection.

Hypothesis 1: There is a positive and significant relationship between human capital and the internationalisation of women-owned SMMEs in Gauteng.

Hypothesis 2: There is a positive and significant relationship between social capital and the internationalisation of women-owned SMMEs in Gauteng

Hypothesis 3: There is a positive and significant relationship between financial capital and the internationalisation of women-owned SMMEs in Gauteng.

CHAPTER 3: RESEARCH METHODOLOGY

This section delved into the research paradigm and the design, followed by a definition of the population, together with the sampling method and the data-collection technique(s). The research instrument and data analysis techniques were discussed, followed by a consideration of the validity and reliability of design, as well as the limitations to the study.

3.1 Research methodology/ paradigm

This research developed the hypotheses from theory and made use of quantitative analysis as well as testing the research hypothesis through the means of data collection.

According to Cooper & Schindler (2008), quantitative data in all its form and nature is represented through numerical figures, and this research uses statistics and percentages to present the data. Presenting the data in this format allows the researcher to ask questions in a direct and narrow manner. The results from using statistical approaches tends to be unbiased and reflect the true nature of the population sample. This research made use of findings from previous studies on internationalisation.

The objective of the research from a quantitative perspective, was primarily to quantify the data and proceed to generalise the results from women entrepreneurs who own or manage SMMEs in Gauteng. Using this population group, the target number of entrepreneurs for this research was aimed at 300 women entrepreneurs. This sample size was imperative as it allowed the research to collect data in a highly structured and statistical manner. This also ensured that the significance levels were increased because as the sample size increases, so does the significance levels and a reduction in the margins of error. (Cooper & Schindler, 2008).

Using quantitative research methods for this study allowed the research to make certain assumptions. Thus, the assumptions for this research were that the notion of reality is a constant and it is assumed that the respondents will be women entrepreneurs, will be able to comprehend and answer questionnaires to the best of their knowledge and ensure that they are sincere with their answers. It was also assumed that the respondents may have knowledge pertaining to entrepreneurship and international entrepreneurship as a whole.

It was further assumed that the respondents will be engaged in SMME activity and may be the managers or owners of the business entity.

The constant and strong element of this study was the fact that the measure of success and growth of the SMMEs was over a three-year period, as well as the subject of internationalisation can be measured. From these measurables, this study drew conclusions and made assumptions in order to test the validity of the study.

3.2 Research approach

According to Schwandt (2001), a paradigm is a shared view that represents the beliefs and values in a discipline and it guides how the problems are solved. A paradigm therefore leads the researcher to ask certain questions and be able to use approaches to systematically investigate an inquiry.

This study followed a positivists approach and Schwandt (2001) stated that positivism is knowledge that is based on the use of the senses and makes use of observations and experiments. It made use of knowledge that is based on the frame of principles and assumptions of science. Positivism relates to objectivity, predictability, measurability and finally controllability and constructs as well as behavioural rules of humans. Positivism is knowledge that is based on the use of the senses and makes use of observations and experiments. It made use of knowledge that is based on the frame of principles and assumptions of science. Positivism relates to objectivity, predictability, measurability and finally controllability and constructs as well as behavioural rules of humans (Korb, 2012).

3.3 Research Design

The research made use of quantitative research using non-experimental correlation design and made use primary data that was obtained from the participants through the use of questionnaires and online surveys. The data was collected from a sample of the population of this study, which was women that had internationalized their businesses or had the intention to go international. The primary survey tested the influence of the independent variables on the dependent variable as depicted in the conceptual framework figure in chapter 2.

This approach is in line with the objectives of the research paradigm, in ensuring that knowledge is shaped by the data and the evidence, and that it is in line with key strategies of inquiry used in quantitative studies (Creswell, 2002). The following was adhered to in terms of the research design and they are below:

- This research made use of online as well as hard copies of the questionnaires.
- The online as well as hard copies of the questionnaires ensured that respondents were not be required to answer any unnecessary questions, thus making the data-collection process efficient and relevant.
- The questionnaires were assumed to be efficient since it made use of online as well as hard copies to cater for all respondents and this ensured that all the data was collected in a standardised manner.
- All the respondents were able to answer the questions anonymously, and this ensured accurate answers.

3.4 Population and sample

3.4.1 Population

A research population can be defined as a section of the entire components that a sample is taken for a study (Dana, 2004). Given this definition, the research population of this study was selected from female-owned SMMES operating in Gauteng. This study defined SMMEs using the South African National Small Business Act 102 of 1996, which states that SMMEs are separate and distinct business entities operating in South Africa. The Act further stipulates that SMMEs have the following characteristics:

- Micro enterprises: 1-5 employees
- Very small enterprises: less than 10 employees
- Small enterprises: less than 100 employees
- Medium enterprises: up to 200 employees

The next step from a sample size is called the sample frame. The sample frame represents the definite section from which the final research population is selected and in the case of this study, the sample frame consisted of female owned SMMEs operation in Gauteng Province.

3.4.2 Sample and sampling method

Data sampling involves the act of selecting representations of elements of a population which can allow for inferences to be made about the entire population. In addition, data sampling contains gathering data and information from a section of the large group and thereafter draw inference from the larger population (Mertler, 2005).

According to Cooper and Schindler (2014), crucial to quantitative research is that of representative sampling, which is a reflection go actual population is. Representativeness tends to be one of the main concerns in data sampling and must be carefully attended to. Mertler (2006) and Dana (2004) stated that sample size is another issue in data sampling. With regards to sample size, one of the conditions is that it must be a large group so as to allow inferences to be made. Choosing the right sample size is key to quantitative research; a very small sample size might be unrepresentative. Furthermore, a key determinant in choosing the suitable sample size for a study is the population numbers, finances and available time for conducting the study.

Furthermore, this research made use of a judgement sampling and it refers to a non-probability research sampling technique where participants are chosen based on certain conditions such as their knowledge, expertise and experience. Judgement sampling was chosen as the focus of this study because the respondents were females with knowledge, expertise and experience in entrepreneurship. Using judgement sampling for this research was best fit as it allowed the researcher to obtain data and information from a select group of participants (Cooper & Schindler, 2014).

The population sample for this study stemmed from multiple sources including government entities, private sector incubation and enterprise support organisations that provide support to female owned businesses. The selection criteria of the respondents included females from different education background, with some level of access to social media networks, and SMMES operating in Gauteng. It is also important to note that respondents were not forced to be part of the study. By accepting to complete the online questionnaire, respondents did so voluntarily and with a given consent.

3.5 The research instrument

For the purpose of this research, human, social and financial capital were identified as the independent variables and internationalisation, the dependent variable.

The quantitative data collection tool for this study was in the form of survey questionnaires (hard copies as well as soft copies) that contained information on various sections of the entrepreneur's business as well as social media networks. The questionnaires had four (4) sections: demographics and internationalisation, human capital variables, social capital variables and financial capital variables.

Table 2 shows the types of questions

Section	Type of Question
Section 1: Demographics and internationalisation	Questions relating to entity size, duration of operation and bio data of entrepreneur as well as level of internationalisation
Section 2: Human Capital constructs	Question in this section were based on knowledge, educational background and work experience of the owner, managers and employees of the SMMEs.
Section 3: Social Capital constructs	Questions were based on the role of social tie, culture and networks in the promotion of internationalisation of the SMMEs
Section 4: Financial Capital constructs	Questions were based on the role that availability and access to finance has on the internationalisation of SMMEs

The questionnaires were arrived at through a process that must be stated.

Firstly, the hypothesis for this research was developed from data and information from the literature review. Secondly, the questionnaires were developed from the conceptual

framework. The conclusions and analysis were arrived at using the responses from the questionnaires (See attached questionnaire in Appendix A).

It also made use of close ended questions making use of a 7-point Likert scale, where the range was from 1 to 7, where 1 indicated as strongly disagree and 7 indicates as strongly agree.

3.6 Procedure for data collection

Each data collection method is unique and has its own strengths and weaknesses. With regards to the choice of data collection technique chosen for this study, the strengths of using questionnaires include, cost efficiency, it can be easily administered, and analysis is easy (Schwandt, 2001).This study made use of the questionnaire method to collect data because of its strengths which include the collection of valuable data. It also made use of hard copies of the questionnaire as well as soft copies to accommodate the different types of respondents.

The questionnaire designed was best suited for a quantitative study. Quantitative questionnaires are normally structured to gather demographic data from respondents as well as responses from a measurement or scale. One of the strengths of questionnaires is that it is much easier to administer, and it has the potential to reach a much larger population sample than interviews. With regards to quantitative analysis, the researcher could easily analyse the responses and keep a record of the questionnaire for reference or later use. This made use of the Likert scale format in designing the questionnaire. By using the Likert Scale, the analysis tends to be much simplified and easier (Bernard, 2002). Another strength of using a questionnaire in research is that it can be anonymous, as the respondents do not have to reveal their identity, thereby rendering the possibility that the responses was honest. While it was possible that respondents may have been honest, it was also possible that some respondents might not have been honest in their response, thus limiting the quality of the overall findings of the study (Neuman, 1997).

In addition, some other drawbacks with regards to questionnaires is that not all respondents may have understood some questions and others may have misinterpreted

questions since the researcher is not available to provide clarity. Moreover, given the voluntary nature of completing the questionnaires, not all respondents will complete, as there is no incentive for questionnaire completion. In the same vein, some respondents may not return completed questionnaires for various reasons.

To this end, incomplete questionnaires or poor questionnaire returns may hinder the findings and analysis of the study. However, self-administered questionnaires, when distributed by the researcher, tend to have a higher return rate. Finally, self- administered questionnaires in most cases require the respondent to understand the context of the questions alluding to the fact that the respondent had to be literate and had some form of reasoning (Neuman, 1997).The questionnaires were designed with a view that it would be accessed through the internet and hard copies were also be made available. The survey URL link was distributed to the list of identified potential respondents in the population sample. The list was obtained from Small Enterprise Development Agency (SEDA), the South African Business Ideas Network, Women in business and idea sharing, Women in business, South Africa and Women Entrepreneurs under Ekurhuleni Metropolitan Municipality. Informed consent for the respondent's purview was provided on the opening page of the online survey. An important element in using an online means of survey was that responses were stored automatically into a database for analysis (Mertler, 2005).

3.7 Data analysis and interpretation

To determine the demography of the respondents, this study gathered descriptive information of the respondents, as well as, the use of standard deviations (means, modes and range). Furthermore, the Pearson and Spearman product moment correlation coefficients, were used as statistical analysis to determine if there was a relationship between human, social and financial capital on the internationalisation of women-owned SMMEs in Gauteng.

3.7.1 Descriptive statistics

The empirical analyses started with descriptive statistics that were used both to help cross-check and clean the regression model variables (Lee, 2016) and to describe the sample.

Descriptive statistics such as measures of centrality (mean, standard deviation etc.), spread and distribution of variables were computed on each of the dependent and independent variables. The results from descriptive analysis of the data were presented in tables and figures. The results for skewness, and normality tests of distributions for the variables were also reviewed through the data analysis. For the descriptive analysis to be discussed, the scales of human, social and financial capital had to be explained and they are below.

Human Capital scale

The study made use of a nine-item scale to gather data on the respondents' educational background, the knowledge base and finally the level of work experience. The totals for each of the three components were generated and analysis conducted to determine the influence of each component on the internationalisation of the SMMEs (Shree & Urban, 2012; Casillas, Barbero & Sapienza, 2015).

Social Capital scale

The study made use of an eight-item scale to gather data on the respondents' influence of social ties, influence of culture and the influence of networks. The totals for each of the three components were generated and analysis conducted to determine the influence of each component on the internationalisation of the SMMEs (Shree & Urban, 2012).

Financial Capital scale

The study made use of an eight-item scale to gather data on the respondents' availability of finance and access to finance. The totals for each of the three components were generated and analysis was conducted to determine the influence of each component on the internationalisation of the SMMEs (Shree and Urban, 2012; Kamunge, Njeru & Tirimba, 2014).

3.7.2 Correlation analysis

The influence of human, social and financial capital on internationalisation was analysed using correlation analysis before estimating the regression model. Two main tests of correlation are: Pearson correlation which tested relationships between continuous variables and Spearman correlation which tested relationship between ordinal variables (Lee, 2016).

According to Lee (2016), the Pearson correlation coefficient, which is also known as a correlation coefficient, or as r, is the most extensively used correlation coefficient and it is able to summarize the relationship between two variables that have a straight line or linear relationship with each other. If the two variables have a straight line relationship in the positive direction then r will be positive and considerably above 0. (Rodgers & Nicewader, 1988; Daniels, 1944) Pearson correlation was used to test the relationships between continuous variables. This correlation was analysed to check the relationships between the dependent and independent variables. Human, social and financial capital variables were tested with internationalisation to ascertain if there was a positive influence with internationalisation.

Spearman Correlation Coefficient is also referred to as Spearman Rank Correlation or Spearman's rho. It is typically denoted either with the Greek letter *rho*. Spearman's rho, like all correlation coefficients, measures the strength of association of two variables. As such, the Spearman Correlation Coefficient is a close sibling to Pearson's Bivariate Correlation Coefficient and it analyses the strength of linkage between two variables in a single value between -1 and +1. This value is called the *correlation coefficient*. A positive correlation coefficient indicates a positive relationship between the two variables while a negative correlation coefficients expresses a negative relationship (Daniels, 1944).

3.8 Validity and reliability of research design

Validity and reliability were significant to the research design since it contributed to the credibility of the information that was obtained by the researcher. The reliability of human, social and financial capital components were tested using the Cronbach’s alpha coefficient

(Hair, Anderson, Babin & Black 2010). The convergent validity (Cronbach's alpha) of the measures was tested to determine the degree to which multiple attempts to measure the same concept. For the validity purposes, a Cronbach's alpha value which was less than .6 indicates a poor internal consistency reliability whilst between .6 and .7 is acceptable. The idle would be greater than .7 which is considered good (Hair et al., 2010).

3.8.1 External validity

External validity of this research involved generalizing the research in terms of the people, settings and this ensured that the target population was isolated from the whole population (Drost, 2011). The target population of this research were women entrepreneurs who have set up their SMMEs and were running their firms. Furthermore, the criteria included women-owned SMMEs who had the intention to internationalize or who were already engaging in international trade. The chosen population represented the target population in Gauteng, South Africa.

3.8.2 Internal validity

Internal validity is important for the research design since it allows the researcher to draw accurate conclusions about the research (Drost, 2011).The questionnaires were designed to appeal to the respondents. Furthermore, answering the questionnaires was not time consuming and the respondents were aware of the objectives of the research, as well as them participating with their own free will ensured anonymity. Internal validity aids the researcher to be accurate with the research instrument.

3.8.3 Reliability

Reliability relates to how consistent the research instrument measure. Homogeneity (or internal consistency) talks of the extent to which all the items on a scale measure one construct. The Cronbach's α. was used to test for internal consistency. Using the Cronbach's α., the average of all correlations in every combination of split-halves was determined. The Cronbach's α result is a number between 0 and 1. An acceptable reliability score is one that is 0.7 and higher (Korb, 2012; Shuttleworth, 2015).

Stability talks of the consistency of results using an instrument with repeated testing. In this study, stability was tested using test–retest and parallel or alternate-form reliability testing. Test–retest reliability was assessed when the research instrument was given to the same participants in the pilot as well as the main study (Korb, 2012; Laerd, 2013 & Shuttleworth, 2015).

3.9 Processes for testing validity and reliability for this research

3.9.1 Processes for testing reliability

To ensure internal consistency and therefore reliability, the research questionnaire were improved through repeatability since a pilot study was conducted using the questionnaire. The questionnaire were revised and edited to improve its reliability. This was able to assess the degree to which different respondents agreed when measuring the same phenomenon simultaneously (Dana, 2004).

The stability of the survey questionnaire was obtained through an initial small pilot of the instrument. Test-re-test reliability showed the same results were obtained with the second administration.

3.9.2 Processes for testing Validity

In this study, each hypothesis was tested for significance, thereby evaluating the criterion-related validity of the measures. External validity of the research is the generalisability of the results of the study to other settings. This was considered by opening up the research to all women entrepreneurs regardless of industry within Gauteng to represent other settings.

Internal validity ensured that the data collection process is uniform throughout. Content, criterion feedback of the survey instrument was established. The study ensured internal validity by replicating the structured questionnaires. Validity of the study was enhanced by systematic feedback with the appointed supervisor (Dana, 2004).

3.10 Limitations of the study

Research has its limitations and this study will be reliant on the response of a sample of individuals, therefore the following limitations will be considered:

- The responses may be subjective in nature by not having a qualitative study to delve deeper into respondent views and perceptions on human, social and financial capital and internationalisation, which may be seen as bias.
- The participation method was voluntary; therefore, some entrepreneurs may not have deemed it necessary to complete the questionnaire.
- Some respondents may have not comprehended the questions as well as thought they would and this may have altered their answers.

3.11 Ethical considerations

Ethical issues was addressed in this study. Ethical considerations were addressed as follows: respondents were assured of the voluntary choice to participate or not in the study and that all responses from the study were strictly confidential (see cover letter and consent form for participation in Appendix B). The consent form (Appendix B) describes the nature of the research and how participation in the study will affect them. In addition, respondents voluntarily agreed to participate in this study were asked to sign a consent before completing the questionnaire. The study did not request any identifying information that could be traced to the respondent such as name of the respondent or that of the business venture.

3.12 Conclusion

This chapter made use of positivism which is under Quantitative research methods, and this formed the basis of this research. It delved into judgement sampling which refers to a non-probability research sampling technique where participants are chosen based on certain conditions such as their knowledge, expertise and experience. This study made use of online surveys as well as hard copies to be able to capture the population under

study and the questions were used for the purpose of collecting. The interpretation and analysis of the data made use of descriptive analysis, the use of graphs and tables and finally Spearman's and Pearson's correlation analysis. The data was captured and coded in excel before being imported into the SPSS software for analysis. The instruments scales were tested for reliability and validity using Cronbach's alpha coefficient

CHAPTER 4 PRESENTATION OF RESULTS

4.1 Introduction

This chapter delved into the results that were obtained from the hard copies as well as the online questionnaires and they were presented and described to give meaning to the responses that were noted. This chapter begun with the demographic profile of the women respondents, which also included the presentation of the description of the SMMEs. The characteristics of the SMMEs followed with visual presentations of the results. This was followed by analysis of the reliability and the validity of human, social and financial constructs. Spearman's and Pearson's correlation analysis were conducted on the human, social and financial constructs and then the results and the conclusion on each hypothesis. A summary of the results were also highlighted.

4.2 Demographic profile of the respondents

The data used for empirical analysis were based on responses from online as well as hard copies of research questionnaires. 300 questionnaires were sent out and only 250 were returned. Out of 250 responses, 58 were incomplete responses which therefore gave a total valid response of the study of 192. This sample size was imperative as it allowed the research to collect data in a highly structured and statistical manner. This also ensured that the significance levels were increased because as the sample size increases, so does the significance levels and a reduction in the margins of error (Cooper & Schindler, 2008).This resulted in 192 responses being used for analysis within this study which represented a 64% response rate.

Figure 5: Description of respondents

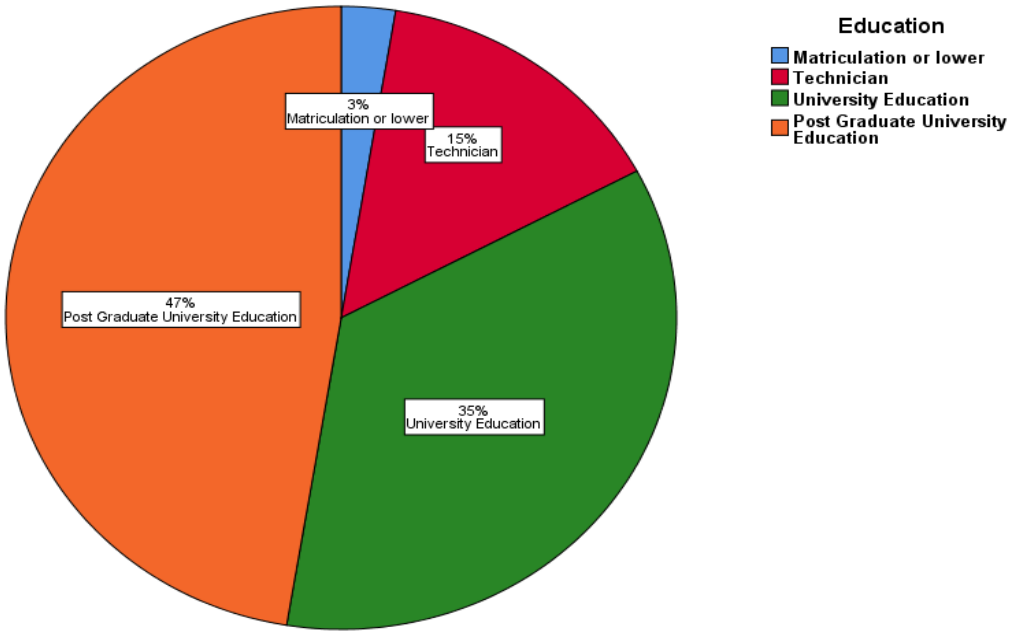


Figure 5 shows the Respondent's highest level of education completed (n=192)

192 total valid responses were used for the analysis, which consisted of 3% of the respondents having Matriculation or lower, then 15% of the respondents having a Technician course and 35 % respondents having a University degree and lastly 47 % of the participants having a Post Graduate University Degree respectively which was an anomaly. The results therefore translates a 97% of the respondents having a higher level of education that is significantly higher than Matriculation.

4.3 Characteristics of all SMMEs

The respondents were characterised by demographics such as the age of the SMME, the number of employees, the type of industry in which the SMME operated in, the age at which the SMME engaged in internationalisation and the number of countries that the SMME operated in. Additionally, the financial performance of the SMME as well as the growth of SMME in terms of internationalisation.

Figure 6: Age of the SMMEs (n=192)

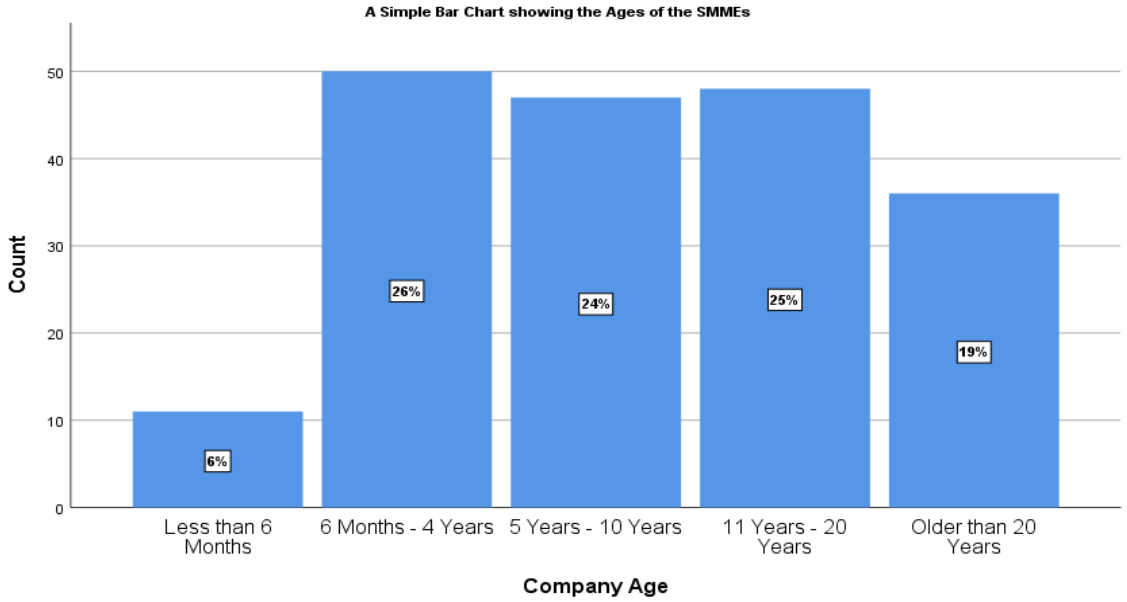


Figure 6 shows the Age of the SMMEs (n=192). The sample size consisted of 192 respondents and the breakdown of the percentages were as follows: 26% of the respondents had 6 months to 4 years as their ages, then followed by 25% of the respondents having ages 11 years to 20 years. Ages 5 years to 10 years had a 24% and older than 20 years had a 19% of the total percentage. The least was 6% which represented less than 6 months.

Figure 7: Number of employees (n=192)

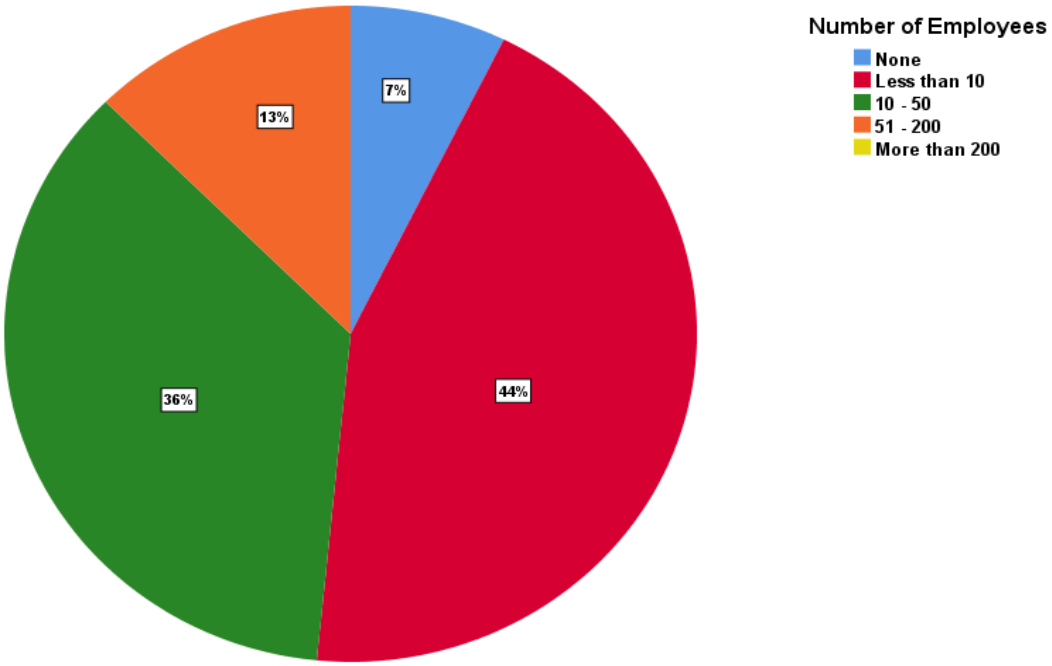


Figure 7 depicts the number of employees (n=192) and it shows that majority of the respondents had less than 10 employees which accounted for 44% of the total population. 36 % of the respondents also had 10 to 50 employees, then 13 % of the respondents had 51 to 200 employees and then finally 7% of the respondents had no employees. This therefore translates that 80% of the respondents had an employee range of less than 10 employees to 50 employees.

Figure 8 shows the Industry distribution (n=192)

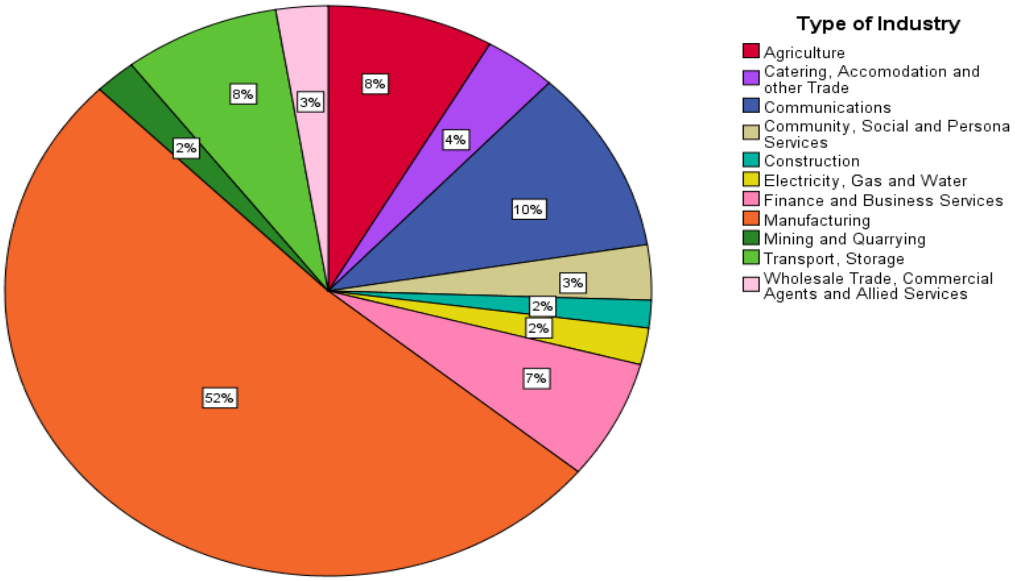


Figure 8 shows the industry distribution of the 192 respondents (n=192). It is evident from the pie chart that 52% of the SMMEs were into Manufacturing, then followed by Communications which had 10% of the respondents. Agriculture accounted for 8%, then followed by Transport, storage which also had 8% of the respondents. Finance and business services accounted for 7% of the respondents. Catering, accommodation and other trade accounted for 4% of the respondents. Community, social and personal services accounted for 3% of the respondents. Mining and quarrying, electricity, gas and water and finally construction accounted for 2% of the respondents. It is clear that most of the SMMES were engaged in manufacturing as depicted in **Figure 8**.

Figure 9 shows the number of foreign countries the SMMEs operate in (n=192)

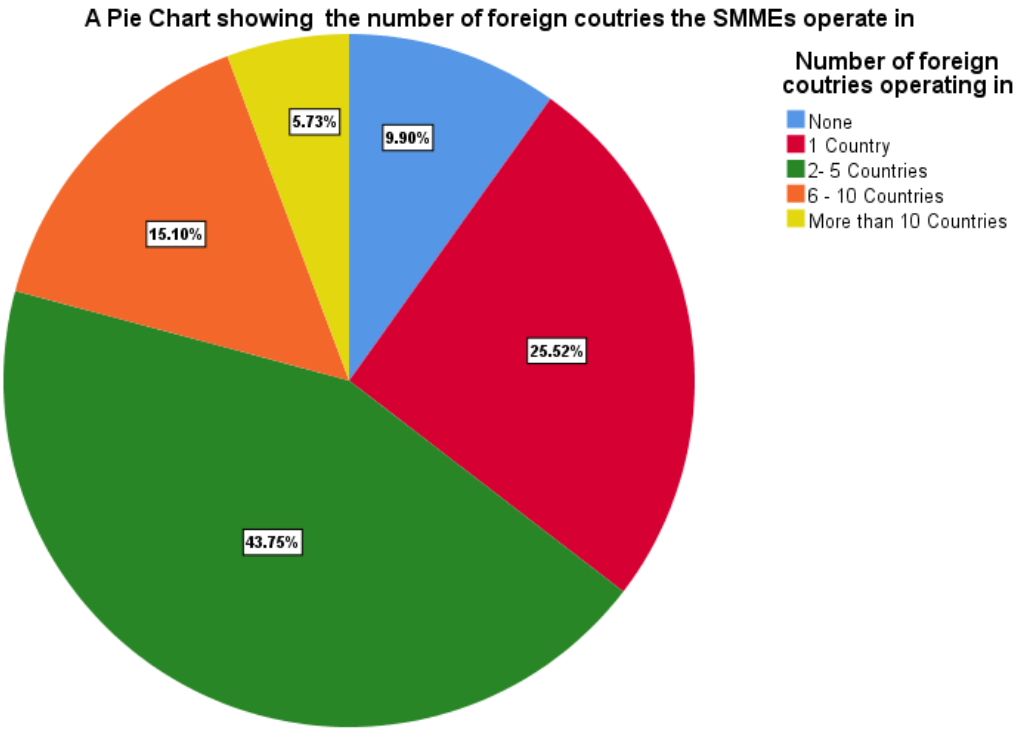


Figure 9 shows the number of foreign countries that the SMMEs operate in (n=192). 43.75% of the respondents had SMMEs that operated in 6 to 10 countries, then followed by 25.52% of the respondents having SMMEs in 2 to 5 countries. 15.10% of the total respondents operated in 6 to 10 countries and 9.90% of the respondents were not operating in any country although they had ambitions to do so. 5.73% of the respondents had SMMEs that operated in more than 10 countries. This also shows that 90.10% of the SMMEs had internationalised and 9.90% of the SMMEs had not internationalized.

Figure 10 shows the performance of the SMMEs in the past three (3) years

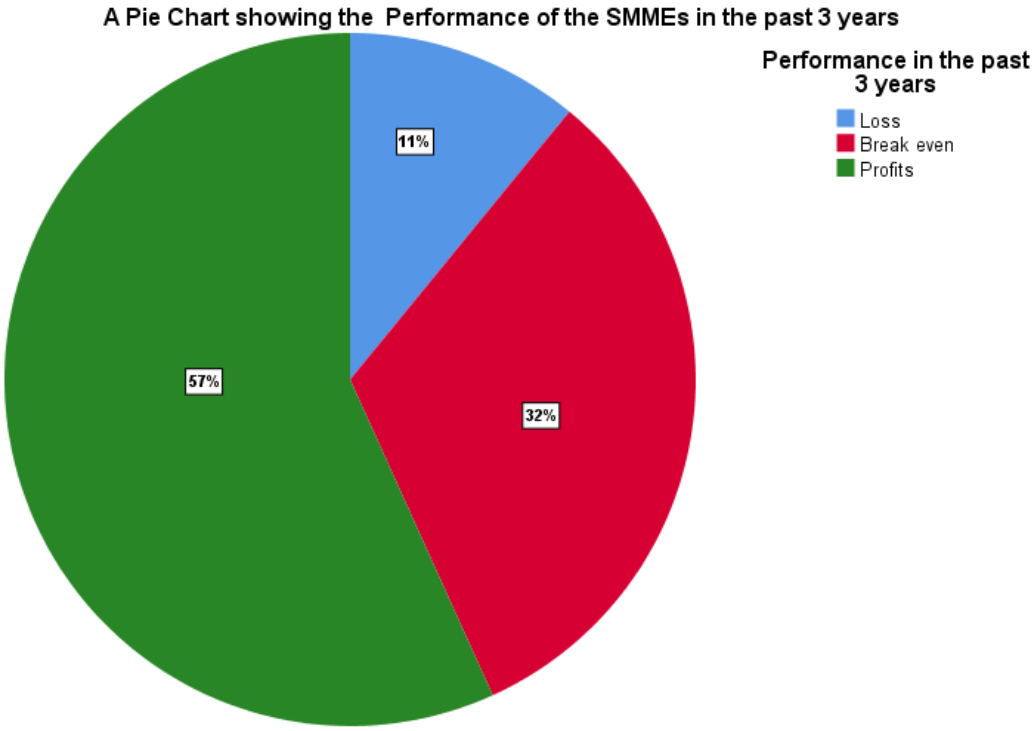


Figure 10 shows the performance of the SMMEs in the past three (3) years (n=192). 57% of the respondents were making profits with their SMMEs, 32% were breaking even and 11% of the respondents were making losses with their SMMEs. This therefore shows that more than 50% of the respondents were making profits as shown in the pie chart.

Figure 11 shows the performance of the various sectors over the past three (3) (n=192)

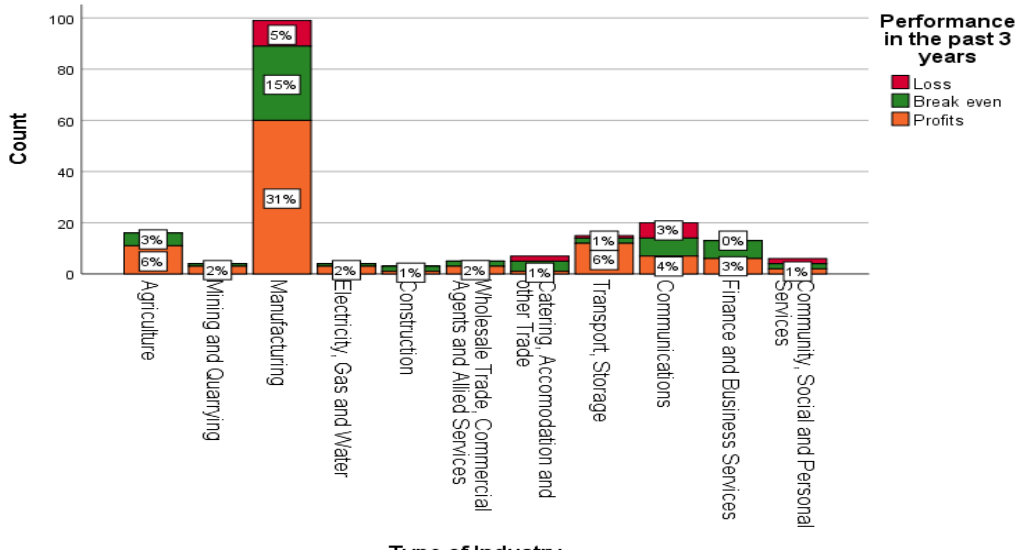


Figure 11 shows the performance of the various sectors over the past three (3) years (n=192). From the graph, it is clearly visible that the manufacturing sector had made profits and this was represented by 31%, the sector made a loss of 5% which was represented on the graph. Agriculture also made profits and was represented by 6% and had a breakeven which represented 3%. Transport and storage made profits which was represented by 6% and breakeven which is 1%. The graph clearly showed that most of the industries under the SMMEs were either making profits or breaking even which is illustrated on the graph above.

Figure 12 shows the SMME internationalisation (or have the intention of going international)

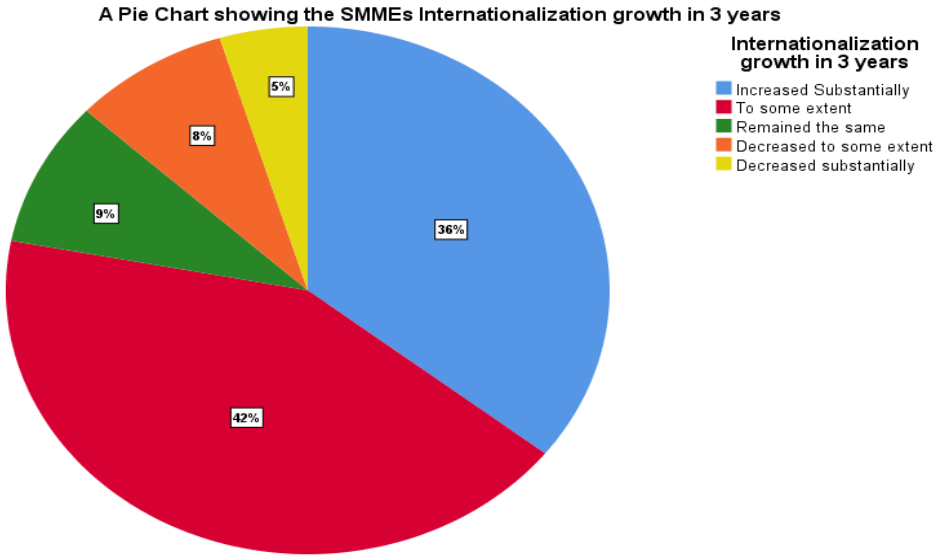


Figure 12 shows the internationalisation growth of the SMMEs in the past three (3) years (n=192). The pie chart shows that 42% of the respondents had witnessed growth in their business to some extent. Then followed by 36% respondents who had witnessed substantial increase in their SMMEs. 9% of the respondents answered that their SMMEs remained the same, 8% of the respondents saw a decrease in their SMME growth and 5% of the respondents witnessed a substantial decrease in the SMMEs as a result of internationalisation.

Figure 13 shows the internationalisation growth of the SMMEs and the various industries (n=192)

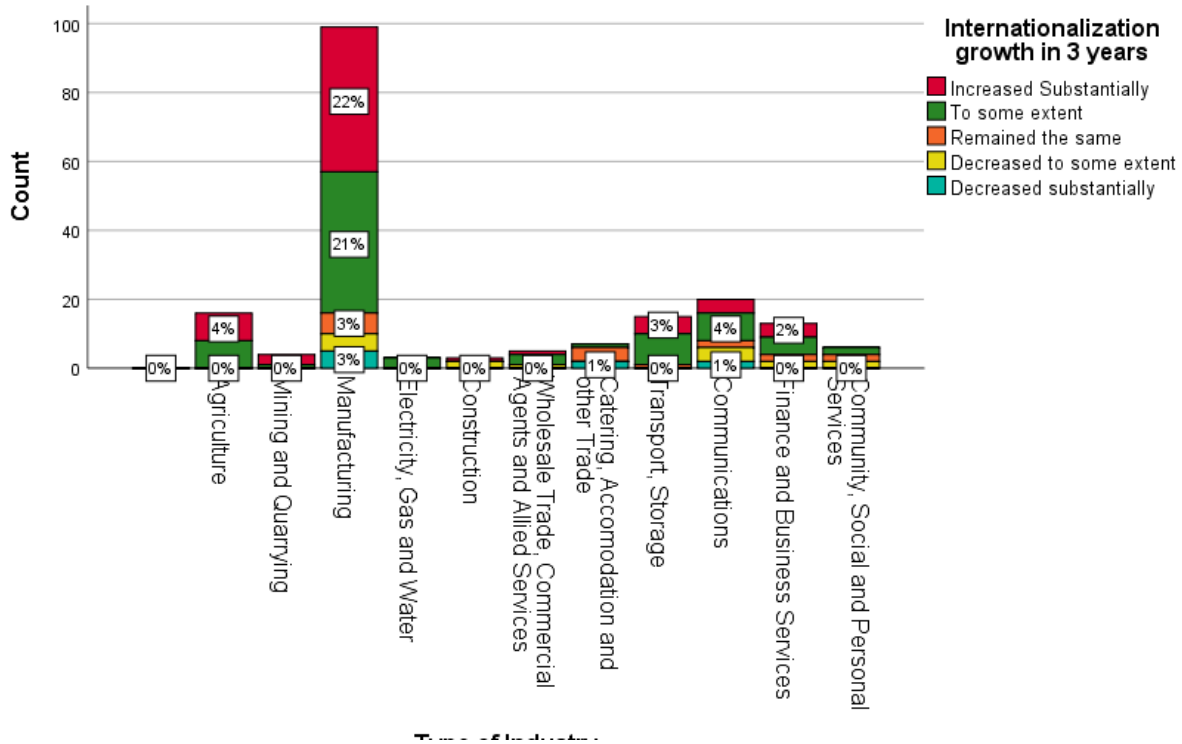


Figure 13 shows the internationalisation growth of the SMMEs and the various industries (n=192). Most of the respondents who have SMMEs which are into manufacturing showed an increased substantial growth of 22% and increased growth to some extent at 21%. SMMEs which are into agriculture also showed a substantial increased growth of 4%. SMMEs which are into providing communications showed 4% growth to some extent.

4.4 Graphical Frequency Distributions

This section explained the descriptive statistics that were obtained from the study as well as histograms. A Histogram is a vertical bar chart that depicts the distribution of a set of data. The histograms were used to graphically summarize and display the distribution of the data that was obtained. (Field, 2009).

Table 3 shows the Descriptive statistics for the measurement scales

Construct	Variable	Variable Type	Number of Items	Valid N	Mean	Median	Std. Dev	Skewness	Kurtosis
HC		IV	9	192	45.89	48.00	8.557	-.387	-.614
	Educational background	IV	3	192	14.82	15.00	3.580	-.070	-.713
	Knowledge	IV	3	192	16.61	16.50	2.994	-.364	-.656
	Work Experience	IV	3	192	14.46	15.00	3.872	-.414	-.262
SC		IV	8	192	45.41	46.50	6.244	-.678	0.17
	Social Ties	IV	3	192	17.47	18.00	3.051	-1.300	2.246
	Culture	IV	2	192	11.85	12.00	1.874	-.806	.008
	Networks	IV	3	192	16.09	16.00	2.521	-.240	-.462
FC		IV	8	192	46.07	46.50	6.385	-.524	-.254
	Availability of Finance	IV	4	192	23.04	23.50	3.243	-.550	-.140

	Access to Finance	IV	4	192	23.03	23.00	3.155	-.521	-.234
Internationalisation		DV	1	192	3.96	4.00	1.106	-1.184	.812

The median and the mean in this study measured the central tendency. From **Table 3**, the data appeared to be skewed to the left which therefore explains why the medians of all the values are greater than the means of the values.

According to Field (2009), the standard deviation measures the average distance between the values of the data in the set and the mean. Values from **Table 3** indicated that majority of the values were low indicating a low standard deviation which therefore indicated that the data points were very close to the mean.

The measure of skewness according to Howell (2006), indicates the extent to which the data are not symmetrical. All the values in **Table 3** were negatively skewed indicating that the tail of the distribution was to the left which therefore indicating that the left tail is long relative to the right tail.

The measure of Kurtosis indicates how the peak and tails of the distribution differ from the normal distribution (Yule, 1907). With the exception of social ties, majority of values had lighter tails and flatter peaks than the normal distribution in **Table 3**.

The frequency distributions for human, social and financial capitals on internationalisation are presented below.

Figure 14: A Histogram showing the level of Internationalisation

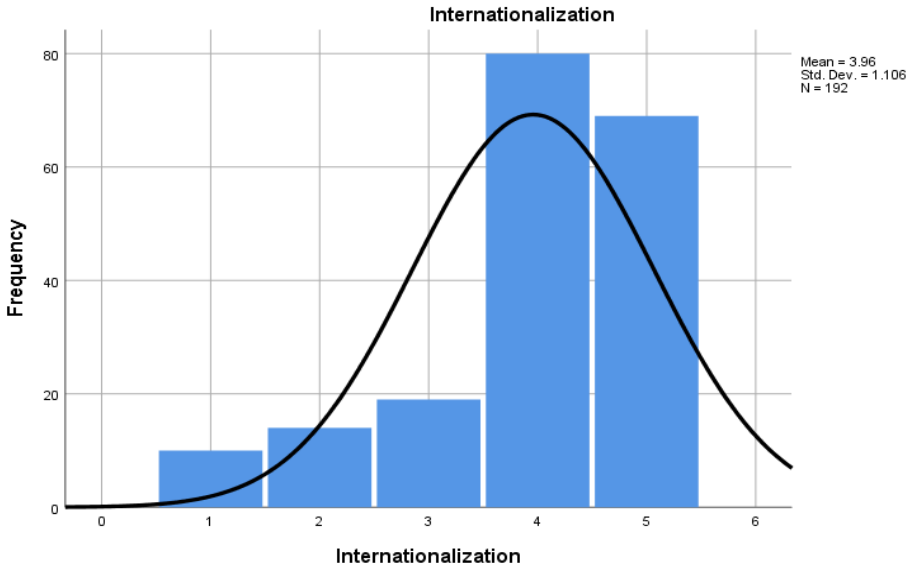


Figure 14 shows the level of internationalisation which had a mean of 3.96 and standard deviation of 1.106 and is also the dependent variable. Internationalisation also had positive Kurtosis of **.812.**

4.4.1 Histograms showing the influence of Human capital constructs on internationalisation

Figure 15: A Histogram showing the influence of Educational background on internationalisation

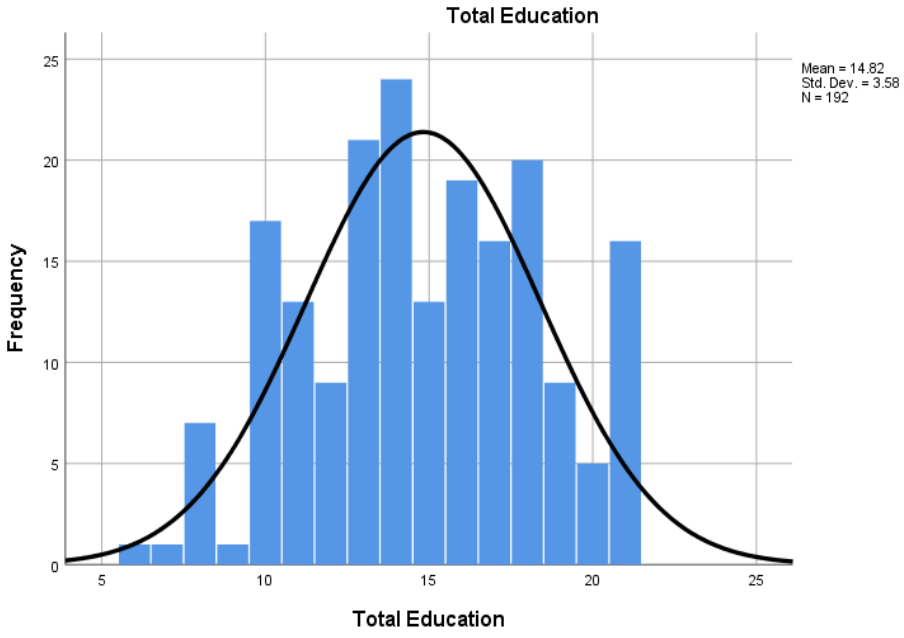


Figure 16: A Histogram showing the Influence of Knowledge on internationalisation

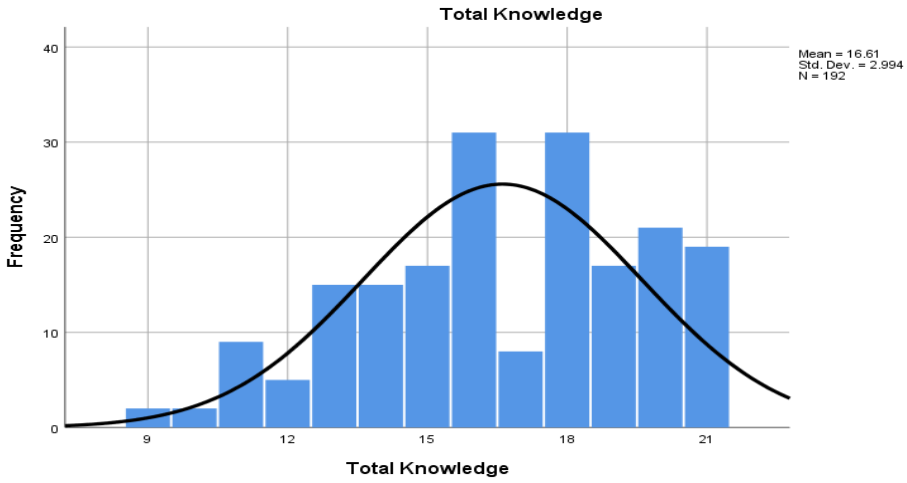
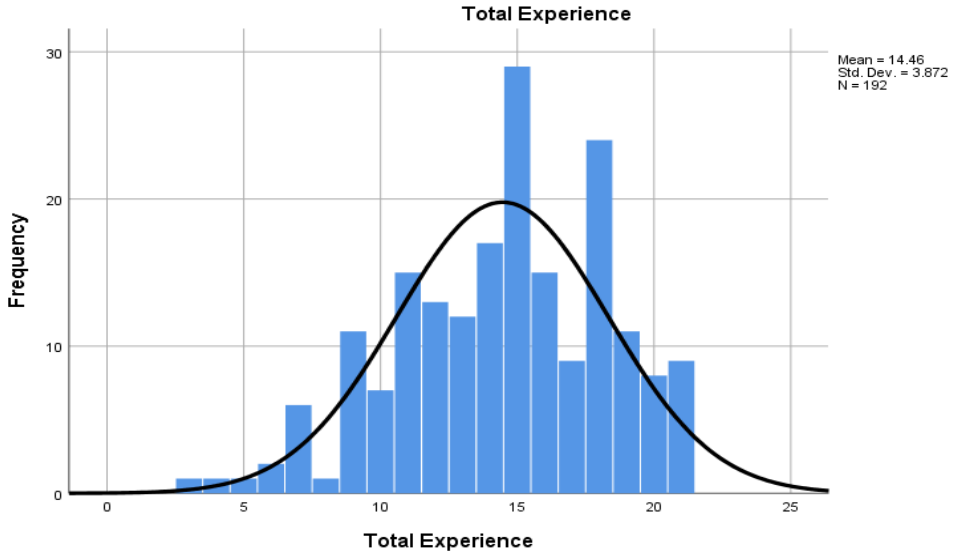


Figure 17: A Histogram showing the influence of Experience on internationalisation



Figures **14** to **17** depict the components of human capital with specific reference to education which had a mean of **14.82** and standard deviation of **3.580.** Knowledge had **16.61** as its mean and **2.994** as standard deviation and work experience had a mean of **14.46** and a standard deviation of **3.872.** The values for Kurtosis for all the variables were mostly negative. From observing the frequency distributions as well as descriptive statistics, it was deduced that most of the values for human capital constructs were clustered around each other and at the centre of the graph, showing that the distributions were fairly normal and the deviations from normality was not drastic.

4.4.2 Histograms showing the influence of Social Capital costructs on internationalisation

Figure 18: A Histogram showing the influence of Social Ties on internationalisation

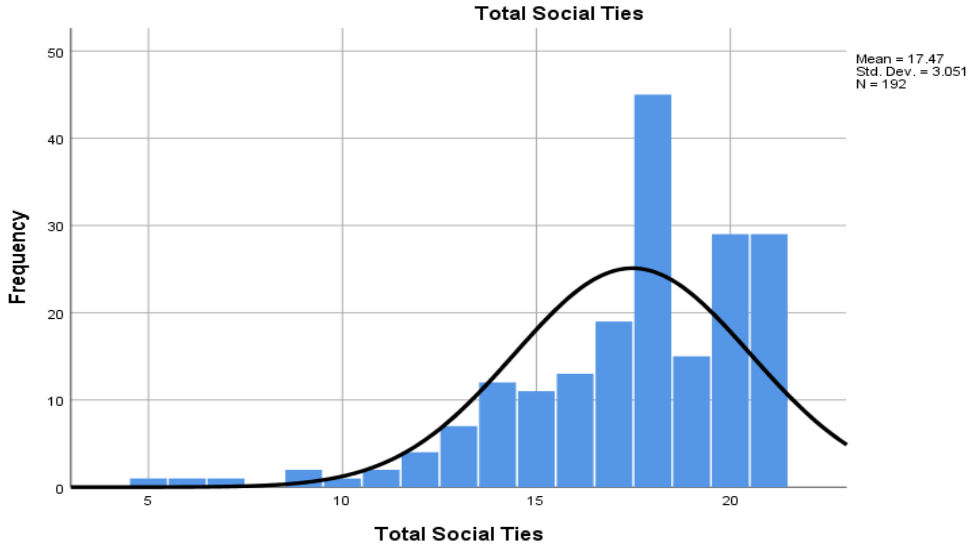


Figure 19: A Histogram showing the influence of Culture on Internationalisation

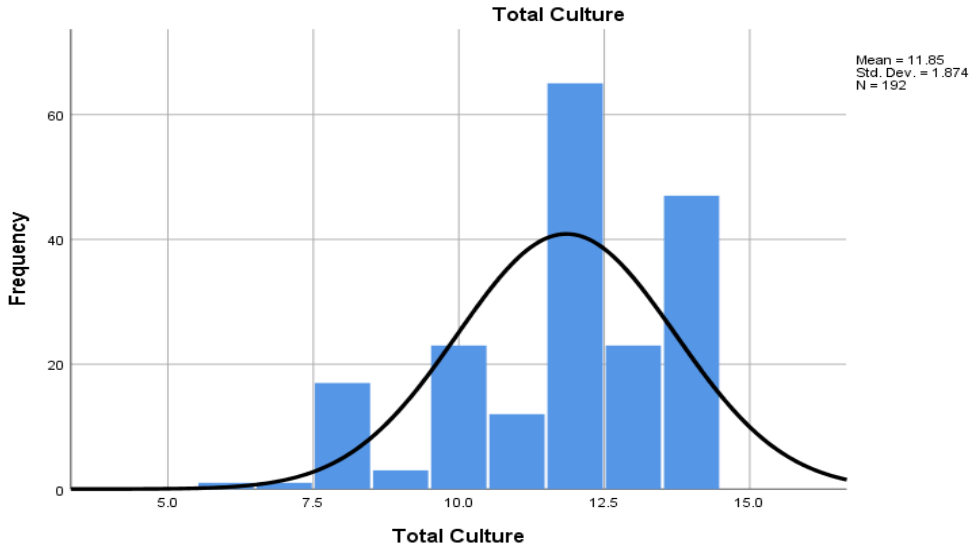
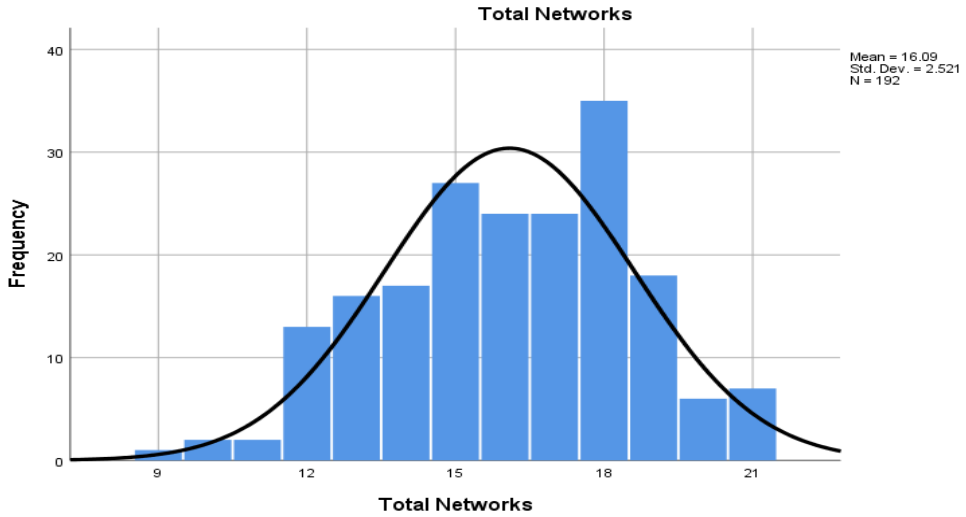


Figure 20: A Histogram showing the influence of Networks on Internationalisation



Figures **18** to **20** depict the components of social capital with specific reference to social ties which had a mean of **17.47** and standard deviation of **3.051.** Culture had **11.85** as its mean and **1.874** as standard deviation and Networks had a mean of **16.09** and a standard deviation of **2.521.** Networks had negative Kurtosis whilst Social ties had **2.246** and culture with **.008** as its Kurtosis values. From observing the frequency distributions as well as descriptive statistics, it was deduced that most of the values for social capital constructs were clustered around each other and at the centre of the graph, showing that the distributions were fairly normal and the deviations from normality was not drastic.

4.4.3 Histograms showing the influence of Financial Capital constructs on Internationalisation

Figure 21: A Histogram showing the influence of availability of Finance on internationalisation

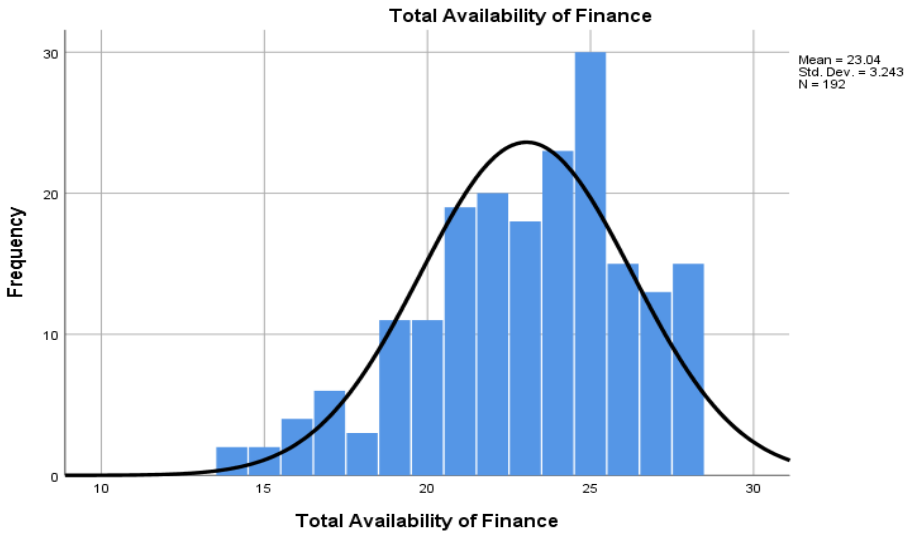
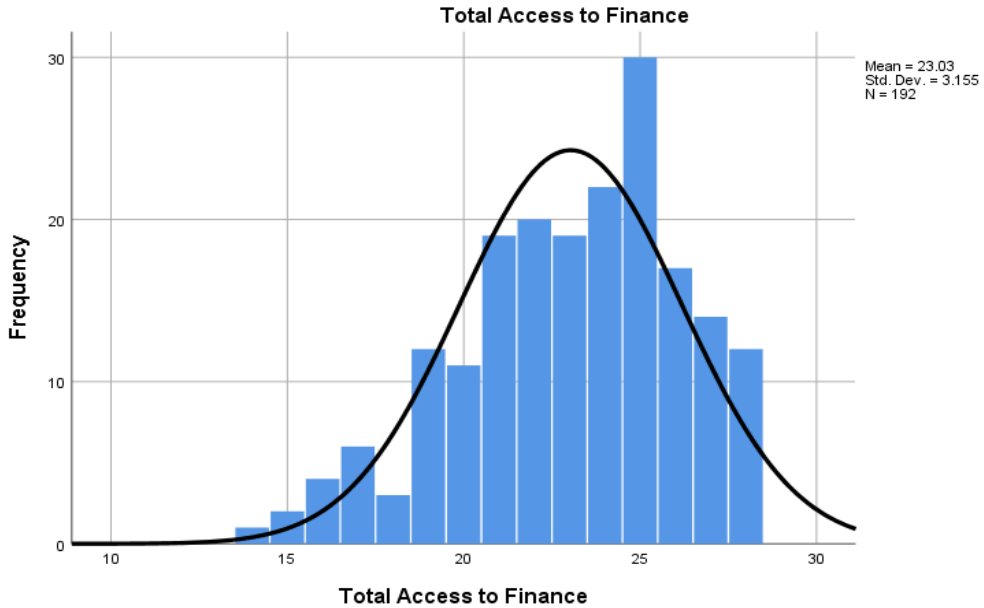


Figure 22: A Histogram showing the influence of access to Finance on internationalisation



Figures **21** to **22** depicts the components of financial capital. Availability of finance had a mean of **23.04** and standard deviation of **3.051.** Access to finance had **23.03** as its mean and **3.243** as standard deviation and Networks had a mean of **16.09** and a standard

deviation of **2.521.** All the constructs had negative Kurtosis. From observing the frequency distributions as well as descriptive statistics, it was deduced that most of the values for financial capital constructs were clustered around each other and at the centre of the graph, showing that the distributions were fairly normal and the deviations from normality was not drastic.

4.5 Reliability and Validity tests

Human, social and financial capital influences on internationalisation constructs were analysed using the **Cronbach's Alpha test.**

4.5.1 Cronbach's Alpha test for reliability of Human, Social and Financial constructs

The convergent validity (Cronbach's alpha) of the measures was tested to determine the degree to which multiple attempts to measure the same concept. For validity purposes, a Cronbach's alpha value which is less than **.6** indicates a poor internal consistency reliability whilst between **.6** and **.7** is acceptable. The idle would be greater than **.7** which is considered good (Hair et al., 2010). Results from **Table 4** indicated that the Cronbach's alpha for human capital was **.725,** which was high. It can also be seen that Cronbach's alpha for social capital was **.707** and lastly the Cronbach's alpha value for financial capital was **.781.** With regards to the components of the constructs, **the influence of networks** had a Cronbach's alpha which was less than **.6** which meant that there was poor internal consistency reliability. **Influence of knowledge, culture and influence of access to finance** both had scores of **.683, .635** and **.660** respectively, which were acceptable. The rest of the constructs had values around **.7**, which showed that the results for those constructs were good. It was concluded that the scales for human capital, social capital and financial capital were valid.

Table 4: Cronbach's Alpha test for reliability of constructs

Construct	Cronbach's Alpha	Cronbach's Alpha based on Standardised items
HUMAN CAPITAL		
Influence of education	.720	.720
Influence of knowledge	.683	.679
Influence of experience	.708	.715
Human Capital	.725	.765
SOCIAL CAPITAL		
Influence of social Ties	.732	.733
Influence of culture	.635	.656
Influence of networks	.518	.544
Social Capital	.707	.701
FINANCIAL CAPITAL		
Influence of availability of finance	.734	.745
Influence of access to Finance	.660	.665
Financial Capital	.781	.739

4.6 Correlation analysis

The analysis focussed on the human, social and financial capital influences on internationalisation, using correlation analysis and two main tests of correlation were used. The study made use of both the Pearson Correlation analysis as well as the Spearman's

Correlation analysis. The Pearson Correlation was used to test the hypotheses of this study and the Spearman's was used to test the relationships between the variables.

4.6.1 Spearman's Correlation analysis

Spearman's rho measures the strength of association of two variables. As such, the Spearman Correlation Coefficient is a close sibling to Pearson's Bivariate Correlation Coefficient and it analyses the strength of linkage between two variables in a single value between -1 and +1. This value is called the *correlation coefficient*. A positive correlation coefficient indicates a positive relationship between the two variables while a negative correlation coefficients expresses a negative relationship (Daniels, 1944).

4.6.2 Spearman's Correlation analysis on Human Capital and Internationalisation

Hypothesis 1 predicted a positive and significant relationship between human capital and internationalisation of women-owned SMMEs in Gauteng. The bivariate correlation results in **Table 5** clearly shows that there was a positive and significant relationship at the **0.01** level, with a correlation co-efficient of **.422**. The p value obtained illustrates the strength and significance of the **monotonic relationship** between human capital and internationalisation of women-owned SMMEs in Gauteng. The strength and direction is considered as moderate therefore, **Hypothesis 1** was supported.

Table 5: Spearman's Correlation analysis on influence of Human Capital on internationalisation of SMMEs

Spearman's Correlations				
			Internationalisation	Human Capital
Spearman's rho	Internationalisation	Correlation Coefficient	1.000	.422**
		Sig. (2-tailed)	.	.000
		N	192	192
	Human Capital	Correlation Coefficient	.422**	1.000
		Sig. (2-tailed)	.000	.
		N	192	192
**. Correlation is significant at the 0.01 level (2-tailed).				

4.6.3 Spearman's Correlation analysis for Social Capital and internationalisation of SMMEs

Hypothesis 2 predicted a positive and significant relationship between social capital and internationalisation of women-owned SMMEs in Gauteng. The bivariate correlation results in **Table 6** clearly shows that there was a positive and significant relationship at the **0.01** level, with a correlation co-efficient of **.207** as indicated on **Table 6**. The p value obtained illustrates the strength and significance of the **monotonic relationship** between social capital and internationalisation of women-owned SMMEs in Gauteng. Although the strength and direction was considered as weak, **Hypothesis 2** was supported.

Table 6: Spearman's Correlation analysis on influence of Social Capital and internationalisation of SMMEs

Spearman's Correlations				
			Internationalisation	Social Capital
Spearman's rho	Internationalisation	Correlation Coefficient	1.000	.207**
		Sig. (2-tailed)	.	.004
		N	192	192
	Social Capital	Correlation Coefficient	.207**	1.000
		Sig. (2-tailed)	.004	.
		N	192	192
**. Correlation is significant at the 0.01 level (2-tailed).				

4.6.4 Spearman's Correlation analysis on Financial Capital and internationalisation of SMMES

Hypothesis 3 predicted a positive and significant relationship between financial capital and internationalisation of women-owned SMMEs in Gauteng. The bivariate correlation results in **Table 7** clearly showed that there was a positive and significant relationship at the **0.01** level, with a correlation co-efficient of **.265**. The p value obtained illustrates the strength and significance of the **monotonic relationship** between financial capital and internationalisation of women-owned SMMEs in Gauteng. Although the strength and direction is considered as weak, **Hypothesis 3** was supported.

Table 7: Spearman's Correlation analysis on influence of Financial Capital on internationalisation of SMMEs

Spearman's Correlations				
			Internationalisation	Financial Capital
Spearman's rho	Internationalisation	Correlation Coefficient	1.000	.265**
		Sig. (2-tailed)	.	.000
		N	192	192
	Financial Capital	Correlation Coefficient	.265**	1.000
		Sig. (2-tailed)	.000	.
		N	192	192
**. Correlation is significant at the 0.01 level (2-tailed).				

4.7 Model results

The Pearson Correlation was used to test the model results and according to Lee (2016), the Pearson correlation coefficient, which is also known as a correlation coefficient, or as r, is the most extensively used correlation coefficient and it is able to summarize the relationship between two variables that have a straight line or linear relationship with each other. If the two variables have a straight line relationship in the positive direction then r will be positive and considerably above 0 (Rodgers & Nicewader, 1988; Daniels, 1944). Pearson correlation was used to test the relationships between continuous variables. This correlation was analysed to check the relationships between the dependent and independent variables. Human, social and financial capital variables were tested with internationalisation to ascertain if there was a positive and significant influence on internationalisation.

4.7.1 Hypothesis 1 – Pearson Correlation

$H1_1$: There is a positive and significant relationship between human capital and internationalisation of women-owned SMMEs in Gauteng.

To test this hypothesis, the Pearson correlation was used to determine the significant relationship as well as the direction between the dependent and independent variable.

Hypothesis 1 predicted a positive and significant relationship between human capital and internationalisation of women-owned SMMEs in Gauteng. The graphical representations from **Table 8** shows that there was a positive and significant relationship between human capital components and internationalisation. All the components were tested to find if there was a significant relationship between educational background, knowledge and experience and internationalisation. It was deduced that there was a moderate positive and significant relationship. Educational background, knowledge and work experience had moderate positive significant relationships with internationalisation with the values ranging from .**332** to **.437** at **0.01** level**.** The combined components of human capital had a positive significant relationship value of .**467** at **0.01** significant level. This, indicating that human capital had a straight line significant relationship in the positive direction with internationalisation.

Table 8: Pearson's correlation analysis on the influence of Human Capital (HC) and its constructs on internationalisation

Pearson Correlations						
		Internationalisation	Educational background	Knowledge	Experience	Human Capital
Internationalisation	Pearson Correlation	1	.437**	.382**	.332**	.467**
	Sig. (2-tailed)		.000	.000	.000	.000
	Sum of Squares and Cross-products	233.667	330.583	241.875	271.667	844.125
	Covariance	1.223	1.731	1.266	1.422	4.420
	N	192	192	192	192	192
Educational background	Pearson Correlation	.437**	1	.561**	.387**	.790**
	Sig. (2-tailed)	.000		.000	.000	.000
	Sum of Squares and Cross-products	330.583	2447.979	1148.719	1024.583	4621.281
	Covariance	1.731	12.817	6.014	5.364	24.195
	N	192	192	192	192	192
Knowledge	Pearson Correlation	.382**	.561**	1	.591**	.852**
	Sig. (2-tailed)	.000	.000		.000	.000

	Sum of Squares and Cross-products	241.875	1148.719	1711.703	1308.375	4168.797
	Covariance	1.266	6.014	8.962	6.850	21.826
	N	192	192	192	192	192
Experience	Pearson Correlation	.332**	.387**	.591**	1	.821**
	Sig. (2-tailed)	.000	.000	.000		.000
	Sum of Squares and Cross-products	271.667	1024.583	1308.375	2863.667	5196.625
	Covariance	1.422	5.364	6.850	14.993	27.207
	N	192	192	192	192	192
Human Capital	Pearson Correlation	.467**	.790**	.852**	.821**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	Sum of Squares and Cross-products	844.125	4621.281	4168.797	5196.625	13986.703
	Covariance	4.420	24.195	21.826	27.207	73.229
	N	192	192	192	192	192
**. Correlation is significant at the 0.01 level (2-tailed).						

4.7.2 Hypothesis 2 – Pearson Correlation

$H2_1$: There is a positive and significant relationship between social capital and internationalisation of women-owned SMMEs in Gauteng.

To test this hypothesis, the Pearson correlation was used to assess the significant relationship as well as direction between the dependent and independent variables.

Hypothesis 2 predicted a positive and significant relationship between social capital and internationalisation of women-owned SMMEs in Gauteng. The graphical representations from **Table 9** shows that there was an overall weak positive, yet significant relationship between **social capital** components and internationalisation. All the components were tested to find if there was a positive and significant relationship between **social ties**, **culture** and **networks** and **internationalisation**. It was deduced that although there was a positive and significant relationship between the variables, the relationship could be seen

to be weak. **Social ties** had a weak positive and significant relationship value of **.267** at the level of **0.01**. Culture had a weak positive and significant relationship value of **.169** at the level of **0.05**. However there was a very weak, no significant relationship between **networks** and internationalisation with a value of **.133.** Overall social capital had a weak positive and significant relationship with internationalisation, with a value of **.234** at the level of **0.01** and therefore indicating that social capital had a straight line significant relationship in the positive direction with internationalisation.

Table 9: Pearson Correlation analysis on the influence of Social Capital (SC) and its constructs on internationalisation of SMMEs

Pearson Correlations						
		Internationalisation	Social Ties	Culture	Networks	Social Capital
Internationalisation	Pearson Correlation	1	.267**	.169*	.133	.234**
	Sig. (2-tailed)		.000	.019	.066	.001
	Sum of Squares and Cross-products	233.667	171.792	66.792	70.708	309.292
	Covariance	1.223	.899	.350	.370	1.619
	N	192	192	192	192	192
Social Ties	Pearson Correlation	.267**	1	.663**	.490**	.885**
	Sig. (2-tailed)	.000		.000	.000	.000
	Sum of Squares and Cross-products	171.792	1777.870	723.745	719.943	3221.557
	Covariance	.899	9.308	3.789	3.769	16.867
	N	192	192	192	192	192
Culture	Pearson Correlation	.169*	.663**	1	.497**	.825**
	Sig. (2-tailed)	.019	.000		.000	.000
	Sum of Squares and Cross-products	66.792	723.745	670.620	448.568	1842.932
	Covariance	.350	3.789	3.511	2.349	9.649
	N	192	192	192	192	192
Networks	Pearson Correlation	.133	.490**	.497**	1	.792**
	Sig. (2-tailed)	.066	.000	.000		.000
	Sum of Squares and Cross-products	70.708	719.943	448.568	1213.495	2382.005
	Covariance	.370	3.769	2.349	6.353	12.471
	N	192	192	192	192	192
Social Capital	Pearson Correlation	.234**	.885**	.825**	.792**	1

	Sig. (2-tailed)	.001	.000	.000	.000	
	Sum of Squares and Cross-products	309.292	3221.557	1842.932	2382.005	7446.495
	Covariance	1.619	16.867	9.649	12.471	38.987
	N	192	192	192	192	192
**. Correlation is significant at the 0.01 level (2-tailed).						
*. Correlation is significant at the 0.05 level (2-tailed).						

4.7.3 Hypothesis 3 – Pearson Correlation

$H3_1$: There is a positive and significant relationship between financial capital and internationalisation of women-owned SMMEs in Gauteng.

To test this hypothesis, the Pearson correlation was used to assess the significant relationship as well as direction between the dependent and independent variables.

Hypothesis 3 predicted a positive and significant relationship between financial capital and internationalisation of women-owned SMMEs in Gauteng. The graphical representations from **Table 10** shows that there was a weak positive, yet significant relationship between financial capital components and internationalisation. **Availability of finance** had a weak positive and significant relationship value of **.225** at **0.01** level**,** whilst **access to finance** had a weak positive, yet significant relationship value of **.240** at **0.01** level**.** The combined components of **financial capital** had a weak positive, yet significant relationship value of **.233 at 0.01,** level indicating that financial capital had a straight line significant relationship in the positive direction with internationalisation.

Table 10: Pearson Correlation analysis on the influence of Financial Capital (FC) constructs on internationalisation of SMMEs

Pearson Correlations					
		Internationalisation	Availability of Finance	Access to Finance	Financial Capital
Internationalisation	Pearson Correlation	1	.225**	.240**	.233**
	Sig. (2-tailed)		.002	.001	.001
	Sum of Squares and Cross-products	233.667	154.292	160.250	314.542
	Covariance	1.223	.808	.839	1.647
	N	192	192	192	192

Availability of Finance	Pearson Correlation	.225**	1	.991**	.998**
	Sig. (2-tailed)	.002		.000	.000
	Sum of Squares and Cross-products	154.292	2008.745	1937.781	3946.526
	Covariance	.808	10.517	10.145	20.662
	N	192	192	192	192
Access to Finance	Pearson Correlation	.240**	.991**	1	.998**
	Sig. (2-tailed)	.001	.000		.000
	Sum of Squares and Cross-products	160.250	1937.781	1901.813	3839.594
	Covariance	.839	10.145	9.957	20.103
	N	192	192	192	192
Financial Capital	Pearson Correlation	.233**	.998**	.998**	1
	Sig. (2-tailed)	.001	.000	.000	
	Sum of Squares and Cross-products	314.542	3946.526	3839.594	7786.120
	Covariance	1.647	20.662	20.103	40.765
	N	192	192	192	192
**. Correlation is significant at the 0.01 level (2-tailed).					

4.8 Summary of results

In totality, the descriptive statistics indicated that the total valid response of the study was 192 women-owned SMMEs in Gauteng, indicating a 64% response rate. The reliability as well as the validity of the independent and the dependent variables were tested using the Cronbach's Alpha test. This study also made use of the Spearman's and Pearson Correlation to ascertain the positive and significant relationships between the dependent and independent variables. The dependent variable was the level of internationalisation and the independent variables were human, social and financial capital.

The overall results of the study indicated there was a positive and significant relationship between human capital and internationalisation of women-owned SMMEs in Gauteng which therefore justified Hypothesis 1. On the other hand, Hypothesis 2 and 3 had weak positive and significant relationships with internationalisation. Hypothesis 2 was there is a positive and significant relationship between social capital and internationalisation of women-owned SMMEs in Gauteng and Hypothesis 3 was there is a positive and significant relationship between financial capital and internationalisation of women-owned SMMEs in

Gauteng. The results further stated that internationalisation is affected more by components of human capital than social and financial capitals respectively. The components of human capital being, the educational background, the knowledge base of the individual and finally the experience of the individual which becomes an asset to the SMME.

Table 11: Summary of Hypotheses

Hypotheses	Statement	Outcome
H1	There is a positive and significant relationship between human capital and internationalisation of women-owned SMMEs in Gauteng.	Supported
H2	There is a positive and significant relationship between social capital and internationalisation of women-owned SMMEs in Gauteng.	Supported
H3	There is a positive and significant relationship between financial capital and internationalisation of women-owned SMMEs in Gauteng.	Supported

CHAPTER 5: DISCUSSION OF THE RESULTS

5.1 Introduction

This chapter delved into the results that were presented in Chapter 4 and thorough explanations were discussed. Specific reference was given to the literature and other sources of information regarding the study topic.

This chapter commenced with a thorough discussion of the demographic profile of the respondents which focussed on the description of the respondents and further discussed the characteristics of all the SMMEs. The chapter also focused on each of the hypothesis and they were all discussed separately within sections. Finally, a concluding paragraph was given. The number of valid respondents for this study was 192.

5.2 Demographic profile of the respondents

5.2.1 Description of respondents

The results from formal education showed that 97% of the respondents had attained an education that is higher than basic education. A higher proportion of the respondents had a post graduate education which amounted to 47% of the total population. This was an anomaly and could be explained that some of the respondents were enrolled in a Tertiary institution and this could have increased the percentage on the part of the Post graduate education. Furthermore the DTI's (2007) Strategic Framework on Gender and Women's Economic Empowerment, which was initiated to promote entrepreneurial education and training might have contributed to the change on the level of education of women entrepreneurs in Gauteng. (DTI, 2007) These results were however a deviation from the norm since studies by Akhalwaya and Havenga (2012) and Valla (2001) on the barriers to women entrepreneurs in South Africa, suggested that women lacked high levels of education, due to work and family responsibilities. This was not the case from the results that were obtained.

5.2.2 Age distribution of the SMMEs

With regards to the distribution of age of the SMMEs, it was evident that a higher number of the SMMEs were 10 years or younger, with 56% of them being between less than 6 months to 10 years. There was quite a significant amount of the SMMEs from 11 years and older than 20 years, with a percentage of 44%. Research conducted by Urban and Shree (2012), which included both men and women, found that 59% of firms were 10 years or younger. Results from the study when compared with these results, clearly shows that the women entrepreurship in Gauteng, South Africa are nearly close to that number, with a percentage of 56%.

5.2.3 Number of employees

From the data obtained, it was evident that 80% of the respondents of the research had an employee range of less than 10 employees to 50 employees. 44% of the respondents had less than 10 employees. However it was a bit surprising to find that none of the respondents had employees over 200. These results could also suggest that due to family related responsibilities, women may limit their business size. Another explanation could be that the firm size is small to avoid risk, since women are known to have lower tolerance for risk (Shinnar, Giacomin, & Janssen, 2012). Statistics from the multi-country GEM survey (2013), indicate that firms that are owned by women tend to be smaller than those owned by men, with regards to the turnover of the firm and number of employees. (Tagg & Wilson, 2013)

5.2.4 Industry distribution

It was evident that majority of the SMMEs were into Manufacturing with a 52% and according to Wilson (2006) as well as research from Valla (2001) indicated that women in most cases venture into retail, education and other services, which are supposed to be easier to enter and less important to economic development and this was therefore observed in the results obtained. Communications had a 10% of the respondents. Agriculture accounted for 8%, then followed by Transport, storage which also had 8% of the respondents. Finance and business services accounted for 7% of the respondents. These figures were supported since the multi-country GEM survey (2013) proposes that

entrepreneurial women are getting more involved in sectors that were previously dominated by men, such as construction and it is evident in the results obtained. Catering, accommodation and other trade accounted for 4% of the respondents. Community, social and personal services accounted for 3% of the respondents. Mining and quarrying, electricity, gas and water and finally construction accounted for 2% of the respondents.

5.2.5 Number of foreign countries and SMME performance and internationalisation

Findings from Toulova et al. (2014) suggest, that Micro- and Small- enterprises are motivated mainly by pull factors, rather than by push factors, such as weak domestic markets and this supports the results. This is supported since evidence from the study indicated that majority of the respondents had SMMEs that operated in 6 to 10 countries, which indicates a 43.75%. A section of the SMMEs also had their operations in 2 to 5 countries which represented a 25.52% of the respondents. 15.10% of the total respondents operated in 6 to 10 countries and 9.90% of the respondents were not operating in any country although they had ambitions to do so. 5.73% of the respondents had SMMEs that operated in more than 10 countries. This clearly indicate that 90.10% of the SMMEs have achieved internationalisation and 9.90% of the SMMEs have not internationalized. This further suggests that women display the so-called proactive or pull motives, which originate from perceived desirable conditions or developments in foreign markets (Onkelix and Sleuwagen, 2008).

On the part of the SMME performance, a higher percentage of the respondents were making profits with a 57% of the respondents. The other percentages of the respondents were breaking even with a 32% and those making losses were 11% of the respondents. This therefore shows that more than 50% of the respondents and their SMMEs were making profits.

Statistics from GEM (2012) indicate that South Africa has high unemployment and should therefore have a high percentage of necessity entrepreneurs; but instead, it was found that this is not the case and more women-owned SMMEs have internationalised therefore going contrary to the theory. Figures from the study indicate that, with regards to the level of internationalisation of women-owned SMMEs in Gauteng, 42% of the respondents had witnessed growth in their business to some extent. Then followed by 36% respondents

who witnessed substantial increase in their SMMEs. 9% of the respondents answered that their SMMEs remained the same, 8% of the respondents saw a decrease in their SMME growth and 5% of the respondents witnessed a substantial decrease in the SMMEs as a result of internationalisation. Over all, it was seen that most of the SMMEs were doing well with regards to internationalisation.

5.3 Discussion Pertaining to the Hypotheses

5.3.1 Hypothesis 1

$H1_1$: There is a positive and significant relationship between human capital and the internationalisation of women-owned SMMEs in Gauteng.

The research question was "What are the specific roles played by knowledge, educational background, and work experience in augmenting the internationalisation of women owned SMMEs in Gauteng?" This research question was answered by way of conducting reliability and validity tests to measure the adequacy of the scales as well as conducting Pearson and Spearman's correlation analysis to test for direction and significance. Educational background, influence of knowledge and influence of work experience all showed moderate, yet positive and significant relationships with the dependent variable which is internationalisation when the Spearman's and Pearson's correlation analysis was conducted. The combined components of human capital had a moderate positive and significant relationship with internationalisation. Therefore human capital could be considered to be an instrumental source of competitive advantage and according to Coleman (1988), & Javalgi et al. (2011), human capital is a critical driver of recognising entrepreneurial opportunities and therefore increasing economic growth. According to the process view of entrepreneurship, and within the context of internationalisation, the better the knowledge and experience contained within a firm or entrepreneur, the higher the likelihood of discovering and exploiting opportunities in the local and international market (Wilson, 2006). According to studies by various authors (Xie & Suh, 2014), knowledge is a highly meaningful resource and an important source of competitive advantage; and it is key for international growth and opportunity identification It is crucial for SMMEs to have managers who have prior industry, product, customer, supplier, studying experience within

the international arena. This further enhances the firms' ability to learn and create new knowledge, which serves as a competitive advantage and facilitates efficiency and the effectiveness of the discovery and exploitation of international opportunities (Shane & Venkatraman, 2000). Prior experience helps in detecting and exploiting new business opportunities, as well as enhancing the entrepreneur's ability to absorb new knowledge; since it is likely to be aligned with prior knowledge. Industry-specific experience suggests experience in a particular job or industry that enhances productivity in that job, regardless of the firm (Urban & Shree, 2012).

Based on the above study, Hypothesis 1: there is a positive and significant relationship between human capital and the internationalisation of women-owned SMMEs in Gauteng, which was moderately supported. This suggests that a lack of human capital could impede the level of internationalisation of South African SMMEs with reference to women entrepreneurs.

5.3.2 Hypothesis 2

$H2_1$: There is a positive and significant relationship between social capital and the internationalisation of women-owned SMMEs in Gauteng.

The research question was "What are the influences of social ties, culture and networks on the internationalisation of women-owned SMMEs in Gauteng?" This research question was answered by way of conducting reliability and validity tests to measure the adequacy of the scales as well as conducting Pearson and Spearman's correlation analysis to test for direction and significance. Influence of social ties and culture all showed positive and significant relationships with the dependent variable which is internationalisation, when the Pearson and Spearman's correlation analysis was conducted. However there was a very weak, no significant relationship between networks and internationalisation. Overall the relationship of social capital was a weak positive yet significant relationship with internationalisation. These results were in line with studies that showed that entrepreneurial women differ from entrepreneurial men in the kind of networks they develop and take advantage of. Women were found to participate in personal networks that are more appropriate to family-related matters, rather than those networks that would allow for access to critical resources that are essential for entrepreneurial success

(Akhalwaya & Havenga, 2012). Empirical evidence within the context of South Africa as stated by Urban and Shree (2012) showed that social capital had an irrelevant relationship with internationalisation. 'High risk, high reward' captures the essence of the potential for entrepreneurs that are embedded in risk; hence, it is argued that risk can be positively related to success (Florin, Lubatkin, & Schulze, 2003). In a similar vein, Lumpkin and Dess (1996) argued that firms who make large resource commitments attain high returns through capitalising on market opportunities. Furthermore, evidence in South Africa found that women struggled with regards to sustaining networks and this was as a result of family responsibilities and their careers (Akhalwaya & Havenga, 2012). This further suggests that they would also struggle to develop and maintain networks in the international context. Women within the South African context and globally have shown a general lack of managerial experience (Akhalwaya & Havenga, 2012).

Based on the above study, Hypothesis 2: There is a positive and significant relationship between social capital and the internationalisation of women-owned SMMEs in Gauteng, is supported. This suggests that social capital is a barrier to the internationalisation of South African SMMEs in the context of women entrepreneurs, but very weak since the Pearson and Spearman's correlation co efficient values were very weak.

5.3.3 Hypothesis 3

$H3_1$: There is a positive and significant relationship between financial capital and the internationalisation of women-owned SMMEs in Gauteng.

The research question was "How does access and availability of finance enhance the internationalisation of women-owned SMMEs in Gauteng?" This research question was answered by way of conducting reliability and validity tests to measure the adequacy of the scales as well as conducting Pearson and Spearman's correlation analysis to test for direction and significance. Availability of finance and access to finance all showed positive and significant relationships with the dependent variable which is internationalisation, when the Pearson and Spearman's correlation analysis was conducted. Availability of finance had a weak positive, yet significant relationship whilst access to finance also had a weak positive, yet significant relationship. The combined components of financial capital

had a weak positive, yet significant relationship with internationalisation. This was not in line with research conducted by Carpenter and Petersen (2002), which found that the growth of SMMEs is constrained by dependence on internal finance. Fierce competition in the light of globalization trends, rapid technological development, shorter product cycles, and innovation requirements has put pressure on SMEs to increase and speed up their development investments. It is, however, increasingly difficult to keep the costs within the constraints of self-financing. Access to financial capital has undoubtedly been found to be one of the key facilitators of firm survival and growth. Empirical studies by Cooper found that a greater pool of capital allows more ambitious strategies (i.e. internationalisation) and flexibility for overcoming mistakes. The literature suggested that SMME development and growth is obviously controlled by the availability and access to finance (Daniels, 2003).

Based on the above study, Hypothesis 3: there is a positive and significant relationship between financial capital and the internationalisation of women-owned SMMEs in Gauteng, was weakly supported. This suggests that a lack of human capital could obstruct internationalisation of South African SMMEs with reference to women entrepreneurs, although the positive and significant relationship is weak.

5.4 Conclusion

The discussion of the empirical findings of the data collected, showed that women entrepreneurs in Gauteng, viewed the lack of human capital as a moderate barrier to internationalisation, mainly as a result of how women view grafted and congenital knowledge as being critical to women internationalisation. Therefore, Hypothesis 1: There is a positive and significant relationship between human capital and the internationalisation of women-owned SMMEs, in Gauteng was moderately supported.

Furthermore, the results obtained indicated that the female entrepreneurs did not view a lack of social capital and financial capital as a key obstruction to SMMEs internationalising into the international markets since they had very weak correlation coefficients. The findings were however not so aligned with the literature perhaps due to the network perspective gaining its foundation from Nordic countries and not being localised in its application to emerging markets. This is of the understanding that emerging and developed economies differ with regards to the importance that is attached to networks,

mainly due to the difference between the two types of economies, institutional development, economic development and cultural differences (Kazlauskaite et al., 2015). South African women entrepreurship have been found to create and maintain networks for personal purposes even though they are in business. This is evident in the practice of women entrepreneurs, thus suggesting that they do not place reliance on networks.

Evidence from the study also showed that financial capital was not so important when it came to the internationalisation of women-owned SMMEs in Gauteng. The evidence stated that women entrepreneurs do need the availability and access to finance to expend their business operations internationally but it is not so significant to cause a change in their business operations when compared to human capital. Therefore, both Hypothesis 2: There is a positive and significant relationship between social capital and the internationalisation of women-owned SMMEs in Gauteng and Hypothesis 3: There is a positive and significant relationship between financial capital and the internationalisation of women-owned SMMEs in Gauteng, were supported to some extent since although they both had weak positive relationships, the relationships were seen to be significant.

CHAPTER 6. CONCLUSIONS, IMPLICATIONS AND RECOMMENDATIONS

6.1 Introduction

This chapter offered the findings and recommendations of the study. The findings and conclusions from the empirical analysis were summarised and finally the contribution of the study as well as the future research implications were also discussed below.

6.2 Conclusions of the Study

6.2.1 Summaries of the main objective, findings and hypotheses

The purpose of this study was to investigate human, social and financial capital on the internationalisation of women-owned SMMEs in Gauteng. The information obtained is significant because although SMMEs are instrumental to the economy of South Africa, they still struggle to go international therefore restricting their effectiveness in terms of job creation. Women entrepreneurs in most instances are alienated and may not compete favourably with their male counterparts. Women entrepreneurs in South Africa do not get the recognition they deserve and this research will provide an in-depth analysis of their situation, the challenges they face and their motivations to go international. It will also give valuable knowledge to women entrepreneurs on aspects of human, social and capital factors that could aid them to expand their businesses in other geographical locations and ensure that they benefit from the expansion.

With respect to the conceptual framework, the hypotheses were established and the relationships that the dependent and independent variables have, were analysed. The study made use of quantitative research based on a positivism paradigm. The hypotheses was tested using primary survey data, which made use of online as well as hard copies of questionnaires. The total number of questionnaires for the primary data that were sent out were 300, of which 250 were returned and the other 50 were not returned. 58 of the collected questionnaires were incomplete and 192 complete responses were used, representing a 64% response rate. The Cronbach's alpha coefficient which indicated how

reliable the measurement scales were, suggested that the scales for the human capital (HC), social capital (SC) and financial capital (FC) were all reliable. The study further used Pearson and Spearman's correlation analysis to determine the various relationships human, social and financial capital have on internationalisation as represented on the conceptual framework diagram. The results supported the outcome of the hypotheses and they were illustrated in **Table 11.**

6.2.2 Hypothesis 1

H1: There is a positive and significant relationship between human capital (HC) and the internationalisation of women-owned SMMES in Gauteng.

The objective of this study was to determine the specific roles played by educational background, knowledge and work experience in augmenting the internationalisation of women-owned SMMEs in Gauteng. Reliability and validity tests were conducted to measure the adequacy of the scales. The results obtained were based on a statistically sound measurement basis through the survey conducted. All the components were tested to find if there was a positive and significant relationship between educational background, influence of knowledge and work experience on internationalisation, using the Pearson and Spearman's correlation analysis. It was deduced that educational background, influence of knowledge and international work experience had moderate positive and significant relationships with internationalisation.

6.2.3 Hypothesis 2

H2: There is a positive and significant relationship between social capital (SC) and the internationalisation of women-owned SMMES in Gauteng.

The objective of this study was to determine whether access to social ties, culture and networks under social capital affect the internationalisation of women-owned SMMEs in Gauteng. Reliability and validity tests were conducted to measure the adequacy of the scales. The results obtained are based on a statistically sound measurement basis through the survey conducted. All the components were tested to find if there was a relationship between social ties, culture and networks and internationalisation. It was

deduced that, although there was a positive and significant relationship between the variables, the relationship could be seen to be weak. Social ties had a weak positive and significant relationship, culture had a weak positive and significant relationship. Furthermore, there was a very weak, no significant relationship between networks and internationalisation. Overall, the relationship of social capital was a weak positive and significant relationship with internationalisation. The findings were not so aligned with the literature perhaps due to the network perspective gaining its foundation from Nordic countries and not being localised in its application to emerging markets. This is of the understanding that emerging and developed economies differ with regards to the importance that is attached to networks, mainly due to the difference between the two types of economies, institutional development, economic development and cultural differences (Kazlauskaite et al., 2015).

6.2.4 Hypothesis 3

H3: There is a positive and significant relationship between financial capital (FC) and the internationalisation of women-owned SMMES in Gauteng.

The objective of this study was to ascertain whether access and availability of finance with respect to financial capital enhance the internationalisation of women-owned SMMEs in Gauteng. Reliability and validity tests were conducted to measure the adequacy of the scales. The results obtained are based on a statistically sound measurement basis through the survey conducted. All the components were tested to find if there was a positive and significant relationship between financial capital and internationalisation. It was observed that there was a weak positive and significant relationship. Availability of finance had a weak positive and significant relationship and access to finance had a weak positive and significant relationship. Evidence from the study therefore showed that financial capital was not so important when it comes to the internationalisation of women-owned SMMEs in Gauteng, South Africa. The evidence states that women entrepreneurs do need the availability and access to finance to expend their business operations internationally but it is not so significant to cause a change in their business operations when compared to human capital.

6.3 Implications and Recommendations

This sub-section is concerned with the implications and recommendations for policy-makers, women entrepreneurs as well as corporate bodies, and research knowledge which are based on the results of this study.

6.3.1 Policy makers

The South African governments with its mandate to create and maintain conducive and supportive environment for entrepreneurship to thrive, therefore facilitating economic growth formulated a Draft Strategic Framework on Gender and Women's Economic Empowerment which sought to address limitations in respect of entrepreneurial capitals through various initiatives, including entrepreneurial education and training, financing, and international trade-focused programmes Studies have shown that men when compared to women show more awareness in when it comes to business expansion into new markets or territories. (DTI, 2007). Results from this study clearly showed that the lack of international social ties and networks were not a barrier to internationalisation. This therefore suggests that measure by the government to promote social capital to enhance internationalisation of SMMES is not achieving the targets set. From the results, women entrepreneurs did not really view social capital as so significant for international expansion. Furthermore, the results also depicted a very weak relationship between financial capital and internationalisation. Women entrepreneurs viewed availability and access to finance as not so significant to the internationalisation of SMMEs. This therefore translates that government resources that are allocated to financing women-owned SMMEs may not be achieving the desired outcomes or the resources are not adequate enough. It is therefore recommended that government revisits its mandates in order to make financing of these SMMEs effective for financial capital to have a significant impact on internationalisation of women-owned SMMEs in Gauteng, South Africa.

The government is however recommended to channel its resources on entrepreneurial education and training initiatives. Human capital had a moderate positive relationship with internationalisation. The study clearly showed that human capital had a moderate effect on internationalisation of women-owned SMMEs in Gauteng, South Africa and therefore

should be promoted to ensure that SMMEs expand to other geographical locations which would translate to more jobs created and contribute to GDP as a whole.

6.3.2 Women Entrepreneurs

This study was able to show the relevance of formal education in internationalisation, and thereby supporting studies by Unger et al. (2011), in their view that formal education has a greater impact in developing economies when compared to developed economies. This study has shown that female entrepreneurs are greatly educated, since most of the respondents do have secondary education or higher therefore signifying that education is an important factor to the internationalisation process and therefore should be promoted.

Social capital was seen as a barrier but not so significant to internationalisation, therefore it is recommended that women entrepreneurs measure the cost of that are involved in establishing and maintaining networks and ties versus the benefit obtained. Furthermore, it is encouraged that platforms of networking that are foreign to women be maximised, in order to further assist businesses.

The results of the study could also provide valuable knowledge to corporates running enterprise development divisions in SMME operations.

6.3.3 Research knowledge

This study will contribute to the body of knowledge on issues pertaining to the internationalisation of women owed SMMEs in Gauteng Province and the factors that affect their SMMEs in their efforts to expand to other international markets.

Studies have shown that entrepreneurial women differ from entrepreneurial men in the kind of networks they develop and take advantage of. Women were found to participate in personal networks that are more appropriate to family-related matters, rather than those networks that would allow for access to critical resources that are essential for entrepreneurial success. (Akhalwaya & Havenga, 2012) This was supported by the research study since women viewed social ties as not significant to internationalisation. Empirical research in Europe showed that social capital had a positive and significant

relationship with internationalisation. However, the results from the research proved otherwise. This, therefore shows that there is a gap within this niche area in understanding the differences between developed and emerging markets in the context of internationalisation and entrepreneurial capitals.

6.4 Limitations of the Study

The limitations of this study relate to the method in which the data was collected. It is accepted that possibly a more structured approach to identifying the sample population would have been ideal, instead of approaching SMMEs specifically for the research. The questions on the survey could have been revised to remove any ambiguity since some respondents may not have comprehended some of the questions asked. The following points are considered as limitations of this study:

- Some respondents may not have given accurate information.
- There was a lack of interest among some women entrepreneurs in participating in the research. Time constraints and confidentially were offered as reasons not to partake in the research.
- The amount of time available for the research was a limiting factor.

6.5 Suggestions for Further Research

From this study, there are a few research avenues that could build on this study as well as international entrepreneurship in total. It would prove useful to determine the markets selected by profitable SMMEs, including their mode of entry. This, in particular would offer insights for all role players with regards to being able to pinpoint the industry, market, and entry mode of the SMMEs in order to facilitate better allocation of resources and also give valuable information to finance providers. (Public or private)

This would possibly lead to a better return on invested entrepreneurial capitals, and induce much-needed economic growth.

Future studies could investigate the impact of social and financial capital and internationalisation in the developed and developing economies and compare and contrast the various issues that pertain to SMME internationalisation.

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APPENDIX A: ACTUAL RESEARCH INSTRUMENT

Women SMME Internationalisation in Gauteng, South Africa

1 What is the Age of the company?

a. Less than 6 months

b. 6 months – 4 yrs.

c. 5yrs to 10yrs

d. 11yrs to 20yrs

e. Older than 20 yrs.

2. What is the number of employees?

a. None

b. Less than 10

c. 10 -50

d. 51- 200

e. More than 200

3. Highest education completed. Please tick one

Matriculation or lower	
Technician	
University Education	
Post graduate University Education	

4 Indicate the Industry that best fits your company based on the SA National Small Business Act 102 of 1996.

a. Agriculture

b. Mining and Quarrying

c. Manufacturing

d. Electricity, Gas and Water

e. Construction

f. Retail and Motor Trade and Repair Services

g. Wholesale Trade, Commercial Agents and Allied Services

h. Catering, Accommodation and other Trade

i. Transport, Storage

j. Communications

k. Finance and Business Services

l. Community, Social and Personal Services

5. At what age did your firm first engage in internationalisation?

a. Less than 6 months

b. 6 months – 4 yrs.

c. 5yrs to 10yrs

d. 11yrs to 20yrs

e. Older than 20 years

6. How many foreign countries does your company operate in?

a. None

b. 1 country

c. 2-5 countries

d. 6-10 countries

e. More than 10 countries

7. What is the performance of your company in the past 3 financial years? Please tick one

Loss	
Break even	
Profits	

8. How much has the level of internationalisation grown in the past 3 years? Please tick one

	Increased Substantially	To some extent	Remained the same	Decreased to some extent	Decreased substantially
Extent of internationalisation growth in the past three years					

Please indicate how much agree or disagree with the following statements by ticking one option in each line:	**Strongly disagree**	**Disagree**	**Disagree Somewhat**	**Neither Agree or disagree**	**Agree Somewhat**	**Agree**	**Strongly Agree**
Human Capital (Shree and Urban, 2012; Casillas, Barbero & Sapienza, 2015)	**1**	**2**	**3**	**4**	**5**	**6**	**7**
9. I hired managers who have obtained degrees or studied abroad							
10. I hired managers with international working experience							
11. It is important for my employees to have knowledge of international markets and economies							
12. Sharing knowledge and information with international contacts is important for enhancing the company's overall learning							
13. I have experience working in or with a foreign market							
14. The company continuously searches for potential international markets							
15. The company engaged in a variety of international activities							

16. The company is regularly involved in activities related to other exporters							
17. International knowledge and experience necessary for successful internationalisation is affected by family responsibilities and other cultural norms							
Please indicate how much agree or disagree with the following statements by ticking one option in each line:	**Strongly disagree**	**Disagree**	**Disagree Somewha**	**Neither Agree or disagree**	**Agree Somewha**	**Agree**	**Strongly Agree**
Social Capital (Shree and Urban, 2012)	**1**	**2**	**3**	**4**	**5**	**6**	**7**
18. Obtaining an international partner or entering into an international joint venture is helpful for accessing resources for internationalisation							
19. I think the Internet has a positive effect on internationalisation of SMMEs.							
20. Strong relationships with working partners overseas are important for successful internationalisation							
21. Internationalisation of SMMEs are made easier through the use of social ties and networks.							
22. Social ties and networks are a good way to find the necessary resources to run the firm internationally							
23. Social network tools such as (Skype, Facebook and Twitter) enhances the growth of SMMEs on the international market.							

24. Having a few social ties and networks is a major preventative factor that obstructs SMMEs from expanding internationally.							
25. Cultural and societal norms such as the roles of women in the society, are barriers to women accessing social ties and networks necessary for successful internationalisation							
Please indicate how much agree or disagree with the following statements by ticking one option in each line:	**Strongly disagree**	**Disagree**	**Disagree Somewh**	**Neither Agree or disagree**	**Agree Somewh**	**Agree**	**Strongly Agree**
	1	**2**	**3**	**4**	**5**	**6**	**7**
Financial Capital (Shree and Urban, 2012; Kamunge, Njeru & Tirimba, 2014)							
26. If funding was available, I would prefer to use it for global expansion rather than reinvesting it in the domestic company							
27. I believe low level of financial capital is a major preventative factors that obstructs SMMEs from globalising							
28. Internationalisation is easier for large companies with significant financial resources that it is for SMMEs							
29. Accessibility to capital for my business is very challenging							
30. Accessibility to capital has led to higher levels of internationalisation							
31. Accessibility to capital exposes my business to better opportunities for internationalisation							
32. South African trade tariffs on imports and exports hinder SMME business							
33. It is financially challenging to adapt my product or service to the international market							

Thank you for your time

The online link is below

https://wits.eu.qualtrics.com/jfe/form/SV_9LlXjZq3rugZks5

APPENDIX B: COVER LETTER AND CONSENT FORM



Human, social and financial capital influences on the internationalisation of women-owned SMMEs in Gauteng.

Who I am

Hello, My name is Michael Appeaning (Student Number: 1580405) and I am conducting research for the purpose of completing my Master of Management in Entrepreneurship and New Venture Creation at Wits Business School.

What I am doing

I am conducting a quantitative study on **Human, social and financial capital influences on the internationalisation of women-owned SMMEs in Gauteng.**

Your participation

I am asking you whether you will allow me to conduct one interview with you. If you agree, I will ask you to participate in one interview for approximately 15 minutes.

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 take part, you will not be affected in any way whatsoever.

CONFIDENTIALITY

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

All study records will be destroyed after the completion and marking of my research assignment. I will refer to you by a code number or pseudonym (another name) in the research assignment.

CONSENT

I hereby agree to participate in the research **human, social and financial capital influences on the internationalisation of women-owned SMMEs in Gauteng.**

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: ……..

TABLE 12: APPENDIX C: CONSISTENCY MATRIX

Human, social and financial capital influences on the internationalisation of women-owned SMMEs in Gauteng.						
Aims of research	**Literature Review**	**Hypotheses or Propositions or Research questions**	**Research Questions**	**Source of data**	**Type of data**	**Analysis**
Determine the specific roles played by educational background, knowledge and work experience under human capital in augmenting the internationalisation of women-owned SMMEs in the Gauteng	De Jager (2004), Yadavalli (2001), Davidsson & Honig (2013), Schultz (1961), Unger, Rauch, Frese, & Rosenbusch, (2011), Javalgi, Todd & Granot, (2011), (Wilson, 2006), Minniti, Bygrave & Autio (2006), Urban and Barreira (2007), (Love & Roper, 2015), Venter, Urban & Rwigema, (2010), (Bouncken et al., 2015), Baron and Shane (2005), Huber (1991), Johanson and Vahlne (1990), De Clerq, Sapienza, Yavuz & Zhou (2012), (Coviello, 1995; Oviatt & McDougall, 2005), Sapienza, Autio, George & Zahra (2006), Casillas, Barbero & Sapienza (2015). (Peng & York, 2001), (Urban & Shree, 2012), Mosey and Wright (2007), (Shane and Venkatraman, 2000), (Urban, 2010), (Xie & Suh, 2014), (Shane & Venkatraman, 2000)	**H1**: There is a positive and significant relationship between human capital and the internationalisation of women-owned SMMEs in Gauteng.	What are the specific roles played by knowledge, educational background, and work experience in augmenting the internationalisation of women-owned SMMEs in Gauteng?	Actual questionnaire questions that will provide the data and use of surveys. (Questions 9-17)	Ordinal data	The use of descriptive statistics, reliability and validity tests and correlation analysis

Human, social and financial capital influences on the internationalisation of women-owned SMMEs in Gauteng.						
Aims of research	**Literature Review**	**Hypotheses or Propositions or Research questions**	**Research Questions**	**Source of data**	**Type of data**	**Analysis**
Determine the influences of social ties, culture and networks under social capital on the internationalisation of women-owned SMMEs in Gauteng	Urban and Shree (2012), (Coviello & Munro, 1997, pp. 361-386), Dana (2004), (Johanson & Vahlne, 1990), (Covielo & Munro, 1995), (Venter & Urban, 2015), Nahapiet and Goshal (1998), (Inkpen and Tsang, 2005), (Chetty & Holm, 2000, p. 263-277), Renzuli, Aldrich & Moody (2000, p. 523-547), (Venter, Urban & Rwigema, 2010), (Akhalwaya & Havenga, 2012, p.11-28), (OECD, 2016)	**H2**: There is a positive and significant relationship between social capital and the internationalisation of women-owned SMMEs in Gauteng.	What are the influences of social ties, culture and networks on the internationalisation of women-owned SMMEs in Gauteng?	Actual questionnaire questions that will provide the data and use of surveys. (Questions 18-25)	Ordinal data	The use of descriptive statistics, reliability and validity tests and correlation analysis

Human, social and financial capital influences on the internationalisation of women-owned SMMEs in Gauteng.						
Aims of research	**Literature Review**	**Hypotheses or Propositions or Research questions**	**Research Questions**	**Source of data**	**Type of data**	**Analysis**
Ascertain whether access and availability of finance with respect to financial capital enhances the internationalisation of women-owned SMMEs in the Gauteng	Wright & Ricks (1994) Bollingtoft, Ulhoi , Madsen, Neergaard (2003) Garcial-Teruel and Martinez- Solano (2007) Wiklund and Shephered (2004) Carpenter and Petersen (2002) Pretorius and Shaw (2004)	**H3**: There is a positive and significant relationship between financial capital and the internationalisation of women-owned SMMEs in Gauteng.	How does access and availability of finance enhance the internationalisation of women-owned SMMEs in Gauteng?	Actual questionnaire questions that will provide the data and use of surveys. (Questions 26-33)	Ordinal data	The use of descriptive statistics, reliability and validity tests and correlation analysis