

# **The ability of platform businesses to create employment through shared value principles**

**Lauren Primo**

**Student Number: 1986995**

**1986995@students.wits.ac.za**

**Supervisor: Leona Craffert**

**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 the field of Digital Business**

**28 February 2022**

**Johannesburg**

## DECLARATION

I, Lauren Jane Primo, student number:1986995, declare that this research article 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 Digital Business in the Graduate School of Business Administration, University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

Lauren Jane Primo

Signed at Johannesburg on this 25<sup>th</sup> day of February 2020.

Full Name of Candidate	Lauren Jane Primo
Student Number	1986995
Cell Number	079 881 0523
Email Address	<a href="mailto:ljprimo@icloud.com">ljprimo@icloud.com</a>   <a href="mailto:1986995@students.wits.ac.za">1986995@students.wits.ac.za</a>
Year of Registration	2020
Date of Research Report Submission	28 February 2022
Name of Supervisor	Leona Craffert

## **DEDICATION**

I would like to dedicate my thesis study to my Dad, Everyll Primo, watching me and guiding me from heaven! Thank you for the strength, courage and perseverance you have instilled in me to achieve everything I set my mind to. You are always with me and I live to make you proud!

And to my Mom, Carol Primo, who is the most supportive and loving person I know. Thank you for doing everything possible to make my dreams come true! There is nothing I have dreamt of that you have not tried to make a reality. I love you eternally!

To God, for whom I do all things to the glory of His Name! Thank you for your hand of grace, love and strength that has always been over me! I am overwhelmed by your love and favour over my life and thank You for calling me Your child!

## **ACKNOWLEDGEMENTS**

To my supervisor Leona Craffert, who is kind and gentle and holds a wealth of knowledge and advice. Thank you for your patience and understanding in working with me. You have encouraged me to continue when it all seemed like too much and it has been reassuring knowing that you have been on my side.

To my editor, Patricia Crane, thank you for working with me under almost impossible circumstances. You have assisted me greatly in submitting a document that I am proud and confident in. I am truly grateful for the sacrifice you have made in assisting me.

To the WBS Digital Business lecturers, Thank you! Thank you for sharing your wealth of knowledge and for staying abreast of the latest innovations in technology. Digital Business is not an easy topic to teach due to the consistently changing nature of technology and new innovations arising. Thank you for your passion, sacrifice and flexibility under various circumstances!

## **ABSTRACT**

Over the past 10 years, the world has seen a rapid increase in the number of platform businesses which have been developed. These platform businesses have made a huge impact on the concept of traditional business and the principles which guide engagement, creating new methods, new markets and new ways of doing business. Platform businesses and technology based organisations occupy 7 of the top 10 spots of the global stock exchange market which is a radical shift from the traditional businesses known to occupy those space for decades.

As a result of the drastic change in the business landscape, jobs and the nature of employment has also been greatly impacted. Employment, as it was once known, was being employed by one organisation for many years. The organisation would be the sole employer to the employee and the only means to an income for the employee. Employment today, has become more of an entrepreneurial venture, where an individual can offer their services to various companies simultaneously for short periods of time. This change in the nature of employment as a result in the rise of platform business has led to the question of whether platform business have the ability to create employment through shared value principles.

The concept of shared value is a new concept developed by Michael Porter and Mark Kramer in 2006. The concepts' aim was to change organisations approach towards Corporate Social Responsibility (CRS) due to its unsustainable nature as well as change the perception of capitalism that seeks to exploit society for profit. Porter and Kramer believed that organisations would be able to assist in the eradication of social and environmental challenges by encompassing these challenges into their strategic business objectives. The concept ultimately is for organisations to encompass social and environmental challenges into their strategic business objectives while simultaneously making a profit.

The study depicts the potential for platform businesses to encompass shared value principles due to their ability to provide opportunities to society as actors on the platform business. As actors individuals would take on the entrepreneurial approach to employment in order to generate an income from the platform. A qualitative

approach consisting of eight open-ended interviews were conducted amongst platform business owners and managers. All participants were based in South Africa.

## TABLE OF CONTENTS

<b>DECLARATION</b> .....	2
<b>DEDICATION</b> .....	3
<b>ACKNOWLEDGEMENTS</b> .....	4
<b>ABSTRACT</b> .....	5
<b>TABLE OF CONTENTS</b> .....	7
<b>LIST OF TABLES</b> .....	10
<b>LIST OF FIGURES</b> .....	11
<b>ABBREVIATIONS AND ACRONYMS</b> .....	12
<b>CHAPTER 1: OVERVIEW OF THE STUDY</b> .....	14
<b>1. Introduction</b> .....	14
1.1 Purpose of the Study.....	14
1.2 Context of the Study.....	14
1.3 Research Problem.....	15
1.4 Research Objectives.....	16
1.5 Significance of the Study.....	16
1.6 Delimitations of the Study.....	17
1.7 Assumptions.....	17
1.8 Outline of the Chapters.....	18
<b>CHAPTER 2: LITERATURE REVIEW</b> .....	19
2.1 Introduction.....	19
2.2 Background.....	19
2.3 Platform Business.....	20
2.4 Shared Value.....	22
2.6 Shared Value and the Bottom of the Pyramid.....	23
2.7 Employment Creation.....	24
2.8 Shared Value Framework.....	25
2.9 Theoretical Model Underlying the Study.....	29
2.10 Conclusion of the Literature Review.....	29
<b>CHAPTER 3: RESEARCH METHODOLOGY</b> .....	30
3.1 Research Approach.....	30
3.2 Research Design.....	30
3.3 Data Collection Methods.....	31
3.4 Population and Sample.....	31
3.4.1 Population.....	31
3.4.2 Sample and sampling method.....	32

3.5 The Research Instrument .....	32
3.6 Procedure for Data Collection .....	32
3.7 Data Analysis and Interpretation .....	33
3.8 Transferability, Credibility and Dependability .....	34
3.9 Limitations of the Study .....	35
3.10 Ethical Considerations .....	35
<b>CHAPTER 4: PRESENTATION OF FINDINGS .....</b>	<b>37</b>
4.1 Introduction.....	37
Table 4.1: Summary table of propositions, main themes and sub-themes derived from thematic analysis .....	38
4.2 Demographic Profile of Participants .....	38
Table 4.2: Demographic Profile of Participants .....	39
4.3 Proposition 1: Principles Are Applied that Guide the Design and Development of a Platform Business. ....	39
4.3.1 Sub-theme 1: Digitisation and digitalisation .....	40
Table 4.3: Interview Findings from the Data Analysis on the Sub-Theme Digitisation and Digitalisation .....	40
4.3.2 Sub-theme 2: Market Access .....	45
Table 4.4: Interview Findings from the Data Analysis on the Sub-Theme Market Access .....	45
4.3.3 Sub-theme 3: Eco-systems .....	49
Table 4.5: Interview findings from the data analysis on the sub-theme Eco-systems .....	49
4.4 Proposition 2: Factors Exist That Enable and Inhibit the Ability of Platform Businesses to Create Employment. ....	52
4.4.1 Sub-theme 1: Employment as a by-product.....	52
Table 4.6: Interview findings from the data analysis on the sub-theme Employment as a by-product .....	52
4.4.2 Sub-theme 2: Independent contractors.....	55
Table 4.7: Interview findings from the data analysis on the sub-theme Independent Contractors .....	55
4.4.3 Sub-theme 3: Entrepreneurship .....	57
Table 4.8: Interview findings from the data analysis on the sub-theme Entrepreneurship .....	57
Table 4.9 Interview findings from the data analysis on the sub-theme skills gap .....	61
4.5 Proposition 3: Shared Value Principles and Approaches are Applied to Employment Creation.....	63
4.5.1 Sub-theme 1: Unknowingly achieving shared value principles .....	63
Table 4.10: Interview Findings from the Data Analysis on the Sub-Theme, Unknowingly Achieving Shared Value Principles .....	63
4.5.2 Sub-theme 2: Methodology for shared value.....	66
Table 4.11: Interview findings from the Data Analysis on the Sub-Theme: Methodology for Shared Value .....	66
4.6 Summary of Findings.....	68
<b>CHAPTER 5: DISCUSSION OF THE FINDINGS.....</b>	<b>69</b>
5.1 Introduction.....	69
5.2 Proposition 1 Discussion.....	69
5.2.1 Platform business .....	69
5.2.1.1 Digitalisation and opportunity .....	69
5.2.1.2 Market access .....	70
5.2.1.3 Ecosystems .....	71

<b>5.3 Proposition 2 Discussion</b> .....	<b>71</b>
<b>5.3.1 Employment creation</b> .....	<b>72</b>
5.3.1.1 <i>Employment as a by-product</i> .....	72
5.3.1.2 <i>independent contracting</i> .....	73
5.3.1.3 <i>Entrepreneurship</i> .....	74
5.3.1.4 <i>Skills gaps</i> .....	76
<b>5.4 Proposition 3 Discussion</b> .....	<b>77</b>
<b>5.4.1 Shared value</b> .....	<b>77</b>
5.4.1.1. <i>Unknowingly achieving shared value principles</i> .....	77
5.4.1.2 <i>Methodology for shared value</i> .....	78
<b>Chapter 6: Conclusion and Recommendations</b> .....	<b>80</b>
6.1 Introduction.....	80
6.2 Conclusion of Research Objective 1 .....	80
6.3 Conclusion of Research Objective 2 .....	82
6.4. Conclusion of Research Objective 3 .....	83
6.1 Recommendations & Suggestions .....	84
<b>REFERENCES</b> .....	<b>85</b>
<b>ANNEXURE 1</b> .....	<b>92</b>
<b>Research Instrument</b> .....	<b>92</b>
Research Interview Questions .....	92

## LIST OF TABLES

Table 2.1: Levels of Shared Value and the Business and Social Results of Shared Value	13
Table 2.2: Ten Building Blocks for Firms to Create Shared Value	14
Table 4.1: Summary table of Propositions, Main Themes and Sub-Themes derived from Thematic Analysis	25
Table 4.2: Demographic Profile of Participants	26
Table 4.3: Interview Findings from the Data Analysis on the Sub-Theme, Digitisation and Digitalisation	27
Table 4.4: Interview Findings from the Data Analysis on the Sub-Theme, Market Access	32
Table 4.5: Interview Findings from the Data Analysis on the Sub-Theme, Eco-systems	36
Table 4.6: Interview Findings from the Data Analysis on the Sub-Theme, Independent Contractors	39
Table 4.7: Interview Findings from the Data Analysis on the Sub-Theme, Entrepreneurship	42
Table 4.8: Interview Findings from the Data Analysis on the Sub-Theme, Skills Gap	44
Table 4.9: Interview Findings from the Data Analysis on the Sub-Theme Unknowingly Achieving Shared Value Principles	48
Table 4.10: Interview Findings from the Data Analysis on the Sub-Theme Methodology for Shared Value.	50
Table 4.11: Interview Findings from the Data Analysis on the Sub-Theme, Methodology for Shared Value	53

## **LIST OF FIGURES**

Figure 2.1: Business Model for Platform Business	7
Figure 2.2: Platform Types and Sides	8
Figure 2.3 : Model for Shared Value	13
Figure 5.1: Graph of the Types of Platform Work with Spatial and Skill Considerations	63

## **ABBREVIATIONS AND ACRONYMS**

BOP	bottom of the pyramid
CSR	corporate social responsibility
SLA	service level agreement

# **DEFINITION OF TERMS**

## **Platform Business**

Platform business, is defined as “a business model that creates value by facilitating exchanges between two or more interdependent groups, usually consumers and producers” (Moazed. n.d. Para 1)

## **Platform Sides**

Platform sides refers to the type of platform business developed namely a transactional or innovation platform business (Gawer, 2020). Transaction platforms are defined as having a primary role in facilitating an exchange between individuals and organisations across sides. Innovation platforms create value by allowing others to create value on the platform by developing complementary services or products on the innovation platform (Gawer, 2020).

## **Shared Value**

Shared value is defined as enhancing the policies and operational practices of an organisation while simultaneously improving economic and social challenges in the communities in which it operates. Shared value seeks to expand the connection between social and economic progress. (Porter & Kramer, 2011, p.6).

## **Employment Creation**

Employment creation is defined as interventions of short or long term job creation by the government or private organisations, as policies to promote self-employment through the creation of small or medium sized enterprises and at macro-level measures to stimulate employment growth (Holmes et al. 2013).

# CHAPTER 1: OVERVIEW OF THE STUDY

## 1. Introduction

### 1.1 Purpose of the Study

The purpose of the study is to discover the approaches and principles applied by locally developed platform businesses in South Africa, to create employment through shared value principles.

### 1.2 Context of the Study

Platform business, also known as platform-based business or platforms, is defined as a business model that facilitating exchanges between two or more groups, usually independent of each other, who create value from each other (Moazed, n.d., para. 3). The exponential rise and growth of platform businesses has brought many opportunities, especially for those seeking employment. With estimates of fifty billion US dollars a year being earned worldwide on digital labour platforms (Heeks, 2019), there is good reason to take a closer look at the mechanics of this sector.

While the platform economy offers many opportunities for income and employment, due to the unregulated nature of the industry many workers encounter unfair and unjust working arrangements, and are faced with issues of low pay, unreasonable working hours, discrimination, unfair dismissal, and unsafe working environments (Graham, Heeks, Woodcock, Mungai, Van Belle, du Toit, Fredman, Osiki, van der Spuy & Silberman, S. 2020). Furthermore, workers lack the ability to bargain and fall outside of traditional employment laws (Graham et al., 2020).

As a country, South Africa has been plagued with a devastatingly high rate of unemployment, recorded at 29,1% during the fourth quarter of 2019 (Yu et al., 2022). The long-term unemployment challenge in South Africa has been considered chronic by Yu et al. (2022) following their study which gathered information on the topic from 1998. This study took into consideration various socio-economic problems, such as crime, poverty, violence, and inequality, that plagued South Africa (Yu et al., 2022).

It is with this understanding that this paper sought to uncover the approaches to employment of platform businesses during its design, development and construction to gain a better understanding of their employment approaches and intentions.

### **1.3 Research Problem**

Karippacheril et al. (2013), state:

“Four billion people at the base of the economic pyramid live on incomes below \$3000 (R51 000.00) a year in local purchasing power, and more often than not, lack consistent access to services, such as water, healthcare, banking or agricultural know-how. Rapid advances in (mobile) technology offer the potential to mediate access to essential services” (p. 24).

Yu et al. (2022) explain poverty, inequality and unemployment as the most pressing challenges South Africans have faced in the socio-economic sphere since the advent of democracy in 1994.

It has been argued that platform businesses have provided opportunities to all and afford many who previously had no opportunities with an abundance of income-earning possibilities (Wood, Graham, Lehdonvirta, & Hjorth. 2019). While this may be the case, due to the unregulated nature of the platform economy with low wages, unfair dismissal, and unreasonable and long working hours, one may find that the individuals concerned are not necessarily better off (Wood et al., 2019). Prassl and Risak (2016) take into account the perspective of platforms as employers versus the independent contractor approach, that is, those who are operating as small businesses, susceptible to market fluctuations and challenges. However, the concept of unique laws and regulations is also proposed as a consideration for this newly developed and dynamic sector (Prassl & Risak, 2016).

## **1.4 Research Objectives**

To explore a mutually beneficial middle ground for businesses which seek the profitable potential of platform businesses developed in South Africa, while simultaneously solving the pressing societal issue of unemployment in the country, the study followed the research objectives listed below.

1. To explore the principles that guide the design and development of a platform business.
2. To explore the principles applied in employment creation in achieving shared value principles.
3. To explore the factors that enable and inhibit the ability of platform businesses to create employment.

The propositions discussed based on the research objectives are defined as follows;

1. What are the principles applied in the design and development of a platform business?
2. What are the approaches platform businesses apply in view of employment creation and shared value?
3. What are the factors that facilitate and inhibit the ability of platform businesses to contribute towards employment creation?

## **1.5 Significance of the Study**

The significance of the study refers to platform businesses taking the market and industries globally by storm. Traditional businesses looking for ways to innovate can find a clear option in platform businesses, which offer rapid growth, scalability, exponential profits, and increased market share (Hagel, 2015). It is with this understanding of the potential offered by platform business that traditional business can innovate their business models, seeking new value streams and ways of doing business (Moazed, n.d.).

The significance of the study seeks to explore how businesses, in their strategic move towards the development of platform businesses, can embed the creation of employment as part and parcel of the overall objectives of the platform. A large portion

of data available explains that the potential loss in jobs due to the rise in technology and innovating business models are not centered on the development of people and the creation of employment but are focused on global scale and profits. (Garcia-Murillo & MacInnes, 2018).

It is with this in mind that the models and frameworks developed in platform businesses need to be geared toward ensuring that with the rise in these enterprises the social issue of unemployment is taken into consideration, specifically in the South African context where unemployment remains a chronic issue (Yu et al., 2022).

## **1.6 Delimitations of the Study**

The delimitations of the study have been identified to enable an appropriate and effective research study in the South African business context of:

- Platforms Businesses developed in South Africa;
- Employment Creation
- Shared Value;

Thus, the report takes an organisational perspective to better understand the strategic approach of business to shared value creation. A South African perspective is adopted as South Africa is the only country in the world with a constitution that identifies sustainable development as a human right (Lüdeke-Freund, Massa, Bocken, Brent, & Musango, 2016).

The study excludes platform businesses developed outside of South Africa.

## **1.7 Assumptions**

The assumptions of the research were that:

- labour requirements in the development of a platform business are taken into consideration at the stage of conceptualisation and development;
- employment creation is a key driver behind the development of the platform business;
- the creation of employment is a key measurable of the platform business; and
- social and environment issues are considered in the development of the platform business.

## **1.8 Outline of the Chapters**

Chapter 1 provides the purpose of the study, the context of the study, the research problem and research objectives, research questions, and the significance of the study. Chapter 2 provides the key definitions, prior studies, and the literature review on the various sources that have contributed to the concepts of shared value, platform business and employment creation. Chapter 3 outlines the research methodology used in the study., covering the research design, research method, population and sample set, data collection, validity and reliability, limitations, and ethical considerations. Chapter 4 provides an overview of the interview findings and presents the data analysis according to the main themes and sub-themes identified. Chapter 5 provides a discussion of the interview findings with reference to the research objectives and propositions identified for this study. Chapter 6 concludes the study with recommendations for future consideration.

# **CHAPTER 2: LITERATURE REVIEW**

## **2.1 Introduction**

This chapter seeks to explore the concepts of creating shared value and platform businesses to gain an understanding of whether the combination of these concepts could result in the creation of an increase in employment in South Africa. The chapter defines and introduces the concepts of shared value and platform-based business before reviewing the most recently available information on the employment landscape in South Africa.

## **2.2 Background**

Platform business, cloud technology and the digital era have taken the world by storm, uprooting traditional ways of doing business and transacting, and moving business into a completely new way of operating (Moazed, n.d.). New players have entered the market, creating new value streams and developing enterprises that do not follow the traditional methods of doing business (Hagel, 2015). As a result, platform businesses have grown exponentially and – in a fraction of the time taken by traditional businesses – have a global reach and have generated more profits than ever seen before, boasting exorbitant billion-dollar valuations after only a few years in operation (Uenlue, 2017).

It is with this understanding of the way in which platform businesses grow and scale globally that begs the question whether they could be doing more to solve social and environmental issues. The concept of shared value addresses this question directly: can businesses solve social and environmental challenges in the same way in which they approach their core business objectives to make profits?

## 2.3 Platform Business

Figure 2.1 Business Model for Platform Business



Source: **Platform Business Model – Definition | What is it? | Explanation.** URL: <https://www.applcoinc.com/blog/what-is-a-platform-business-model/#:-:text=A%20platform%20is%20a%20business,can%20be%20accessed%20on%20demand>

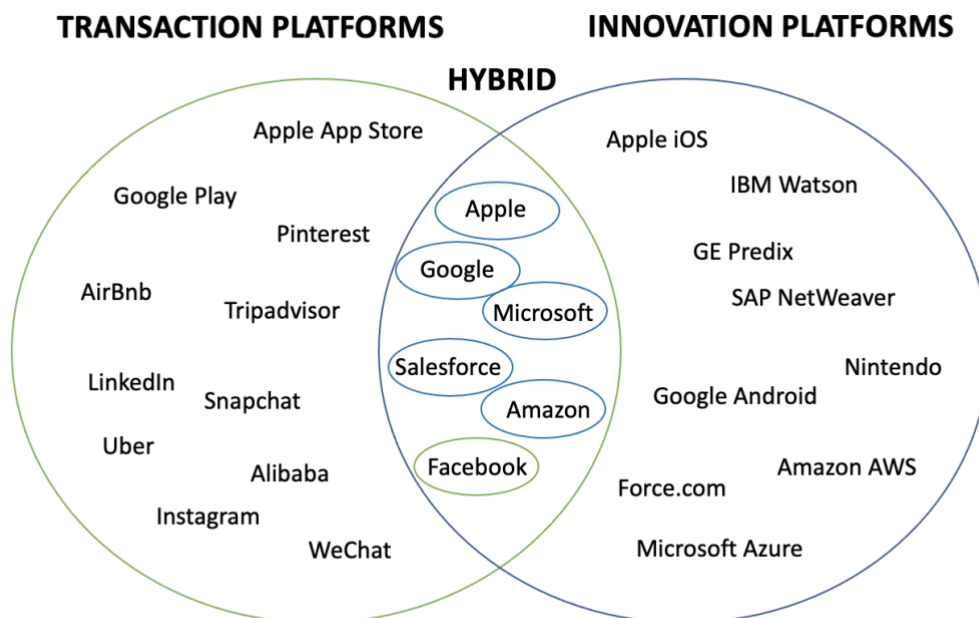
According to Moazed (n.d.), and as displayed in Figure 2.1, a platform business, is defined as a business model that facilitating exchanges between two or more groups, usually independent of each other, who create value from each other. Hagel (2015) explains that platforms assist in making resources and participants that, in some cases, were not likely to meet, more accessible to each other on an as-required basis. It is with this understanding that platforms have changed the way business is done and value is derived. Hagel (2015) explains platforms in terms of ecosystems and their importance, saying, “Ecosystems are dynamic with co-evolving communities of diverse actors who create new value chains through increasingly sophisticated and productive models for both collaboration and competition” (p. iii).

Gawer (2020), explores the factors that drive digital platforms to define their boundaries. Three types of interconnected boundaries, can be identified:

1. The scope of the platform organisation (the assets, the labour, and the activities performed by the organisation);
2. The formation of the platform sides (the groups of customers that have access to the platform); and
3. The digital interfaces (the 2-way interchange of data between the platform and each of its sides).

The configuration of a platform side is a key determinant of the way in which the platform will operate and which group of customers it will include. Gawer (2020) states that not all platforms are the same, with the distinction between transaction and innovation platforms being key. Transaction platforms are defined as having a primary role in facilitating an exchange or transaction between individuals and organisations across sides. Innovation platforms create value by allowing others to create value on the platform by developing complementary services or products on the innovation platform, which is also known as an innovation ecosystem (Gawer, 2020). Figure 2.2 explains the different sides of platforms and provides the appropriate examples for each.

Figure 2.2 Platform Sides and Types



Adapted from Source: Cusumano, M. G., Gawer, A., & Yoffie. (2019). *The business of platforms: Strategy in the age of digital competition, innovation, and power*. Harper Business.

Cusumano, Gawer, & Yoffie (2019) explain that platform founders and inventors make strategic decisions on the formation of the platform type and the formation of the sides which the platforms seeks to be associated with. These decisions separate the economic agents in terms of who is able to access the platform and who is not, and this composes the boundary decision. For this study, the research will focus on all sides of platform businesses available in South Africa with reference to those that seek to provide or create employment.

## 2.4 Shared Value

Shared value;

“...can be defined as policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates. Shared Value creation focuses on identifying and expanding the connections between societal and economic progress” (Porter & Kramer, 2011, p.6 ).

The article further explained that the concept rested greatly on the premise of value principles in both societal and economic progress.

As a concept, shared value was introduced by Porter and Kramer (2006) in an article which sought to redefine the approach organisations took towards corporate social responsibility (CSR). CSR was described as “... fragmented and disconnected from business and strategy” (Porter & Kramer, 2006, p. 3). It is with this view on CSR that the concept of shared value refers to organisations approaching their social responsibility with a more strategic focus and intention of solving social challenges while still achieving their capitalist objectives of making profit and maintaining a competitive advantage (Porter & Kramer, 2006).

While observing organisations and their approach to CSR with the aim of solving social and environmental challenges, Porter and Kramer (2006) discovered evidence that displayed organisations’ inability to effectively make contributions to solving these social and environmental challenges through CSR on a long term, permanent basis (Porter & Kramer, 2006). This led to them establishing the concept of shared value.

The literature available on the concept of shared value is limited. The literature obtained mainly focuses on the introduction and expansion of the concept of shared value as defined by Porter and Kramer (2006). The subsequent literature comes from limited sources associated with Porter and Kramer. Some of the more extensive literature available that is closely linked to the concept of shared value is that on the Bottom of the Pyramid (BOP) introduced by Prahalad & Hammond (2002). However, most of the literature is focused on specific case studies rather than the construction of the predominant concept and a methodology for implementation thereof.

The concept of shared value was later officially defined by Porter and Kramer (2011) and defined as a strategic approach and framework which organisations could adopt. Porter and Kramer (2011) explained, businesses must find a way to connect company success with social and environmental progress. They further explain that shared value is not social responsibility or philanthropy but a new way of reaching business and economic success.

Williams and Hayes (2013) explain that shared value was developed in an attempt to broaden the concept beyond CSR and to direct the focus more towards capitalism and the nature of markets. Williams & Hayes (2013) explain that, "This notes the dislocations with the current model of capitalism and emphasises the inherent social nature of markets." (p. 4). They explain that by encompassing shared value principles, business and society will work as a unified unit creating new waves of innovation and a new kind of socially embraced type of capitalism.

Williams and Hayes (2013) explain that organisations can create shared value by focusing on innovation, operations models, new technologies and revised management approaches which can lend themselves toward improving society while still increasing productivity and profitability for the organisation (p.4).

## **2.6 Shared Value and the Bottom of the Pyramid**

Prahalad and Hammond (2002) introduces the concept of bottom of the pyramid (BOP) arguing that "markets at the bottom of the economic pyramid are fundamentally new sources of growth for multinational companies. Because these markets are in the earliest stage, growth can be extremely rapid" (para. 1). The BOP proposition provides organisations with the opportunity of being profitable while aiding in the alleviation of poverty by attending to low-income consumers (Prahalad, 2002). Known as an inclusive business model, the intention of the BOP model is to include the poor or low-income segments into value streams for-profit companies (Lüdeke-Freund et al., 2016).

In a study by Prahalad (2009) a detailed analysis of the global BOP market and the value thereof was conducted discovering that the BOP had in the region of \$5 trillion in purchasing power value. It was evident that there was a large untapped segment of consumers being served by an informal market which was often controlled by monopolies. The ultimate challenge for organisations who want to tap into this trillion-dollar market is to adapt “unorganized and fragmented markets to an organized, private sector market” (Prahalad, 2009, p. 6).

In a report by Lüdeke-Freund et al. (2016), when proposing sustainable business model innovations, BOP approaches are identified as playing a prominent role in addressing social issues in developing countries. The report differentiated Prahalad's (2009) original BOP model as BOP 1.0, which viewed the poor as potential customers, from BOP 2.0, which aimed to include poor individuals as producers and economic agents (Lüdeke-Freund et al., 2016). The report explained inclusive value creation as centered around knowledge, ownership, sharing resources, and wealth creation (Lüdeke-Freund et al., 2016). Innovations that contributed towards this were focused on collaborative consumption, or on sharing and peer-to-peer innovations. According to Lüdeke-Freund et al. (2016), “inclusiveness also refers to including otherwise neglected social groups into value creation processes” (p. 55), however, the line between inclusiveness to benefit the impoverished and exploitation for cheap labour must be closely monitored.

## **2.7 Employment Creation**

In a report by Holmes et al. (2013), employment creation is defined as,

“... a range of interventions ranging from direct short- or long-term job creation, by state or non-state actors, to policies to promote self-employment, for example through the creation of micro-, small- and medium-sized enterprises, to macro-level policy measures to stimulate employment growth ('enabling policies')." (p. 3).

Other definitions of unemployment refer to chronic unemployment and transitory unemployment (Yu et al., 2022). Chronic unemployment is explained as a long-term phenomenon with recurring spells of short periods of work or withdrawal from the

labour force (Yu et al., 2022). Transitory unemployment occurs when people are jobless due to unforeseen circumstances between periods of employment (Yu et al., 2022).

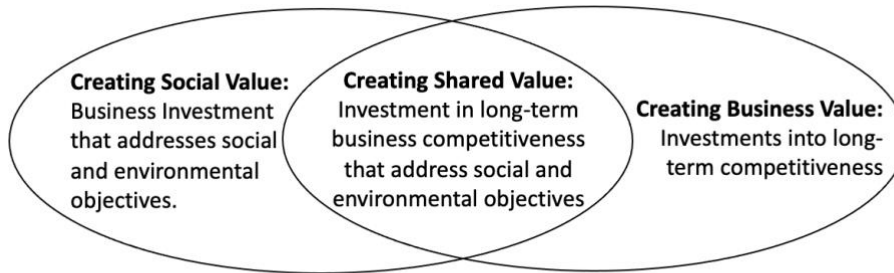
These two definitions are key to this study, first because of the limited literature available regarding the definition of employment creation, and secondly due to the appropriate definition of chronic unemployment which explains this social challenge which South Africa faces. South Africa has been plagued by chronic unemployment since 1994 and the advent of democracy in the country. According to Statistics South Africa, the unemployment rate was at a staggering 34.9 % in the third quarter of 2021, up by 5.8 % from the 29,1 % unemployment rate recorded in the last quarter of 2019 (Statistics South Africa, 2019).

In a Fairwork (2020) report, it is stated that the so-called gig economy has thrived in South Africa and that there is a radical shift in how work and employment are being organised. The report explained that digital platforms have the potential to reduce South Africa's chronic unemployment challenge immensely.

## **2.8 Shared Value Framework**

The shared value model discussed by Porter and Kramer (2011) explained that to create shared value within organisations, the social or environmental challenge the organisation seeks to address needs to be defined, as well as their investment in long-term competitive advantages. Once these two areas of focus are defined, organisations can strategically create shared value strategies where both social and business goals can be achieved simultaneously (Porter & Kramer, 2011).

Figure 2.3: Model for Shared Value



Adapted from Source: Porter, E. M., & Kramer, R. M. (2011) Creating Shared Value. How to Reinvent Capitalism—And Unleash a Wave of Innovation and Growth.

Once the social and business values of the organisation have been defined, it is then up to the organisation to strategically analyse the three approaches to creating shared value (Porter & Kramer, 2012) namely:

1. Reconceiving products and markets;
2. Redefining productivity in the value chain; and
3. Enabling local cluster development.

Examples of these approaches are shown in Table 2.1.

**Table 2.1: Levels of shared value and their business and social results**

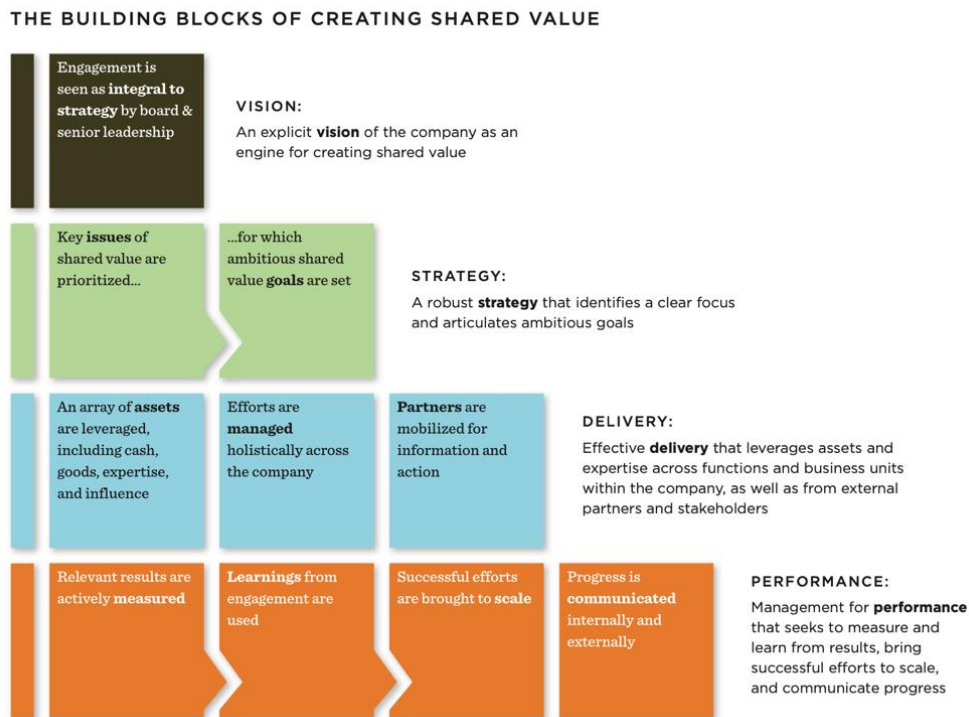
LEVELS OF SHARED VALUE	BUSINESS RESULTS	SOCIAL RESULTS
<b>Reconceiving products and markets; How targeting unmet needs drives incremental revenue and profits</b>	<ul style="list-style-type: none"> <li>• Increased revenue</li> <li>• Increased market share</li> <li>• Increased market growth</li> <li>• Increased profitability</li> </ul>	<ul style="list-style-type: none"> <li>• Improved patient care</li> <li>• Reduced carbon footprint</li> <li>• Improved nutrition</li> <li>• Improved education</li> </ul>
<b>Redefining productivity in the value chain; How better management of internal operations increases productivity and reduces risks</b>	<ul style="list-style-type: none"> <li>• Improved productivity</li> <li>• Reduced logistical and operating costs</li> <li>• Secured supply</li> <li>• Improved quality</li> <li>• Improved profitability</li> </ul>	<ul style="list-style-type: none"> <li>• Improved energy use</li> <li>• Reduced water use</li> <li>• Reduced raw materials</li> <li>• Improved job skills</li> <li>• Improved employee incomes</li> </ul>
<b>Enabling local cluster development: How changing societal conditions outside the company unleashes new growth and productivity gains</b>	<ul style="list-style-type: none"> <li>• Reduced costs</li> <li>• Secured supply</li> <li>• Improved distribution infrastructure</li> <li>• Improved workforce access</li> <li>• Improved profitability</li> </ul>	<ul style="list-style-type: none"> <li>• Improved education</li> <li>• Increased job creation</li> <li>• Improved health</li> <li>• Improved incomes</li> </ul>

Adapted from Source: Porter (2012) The role of business in social and economic development: creating shared value.

In another report by Bockstette and Stamp (2011), it is explained that the right approach to shared value would be unique to each firm and would depend on the strategy, context and competitive position of each organisation. Furthermore, case

studies have been provided by companies who have adopted shared value principles successfully and from these examples Bockstette and Stamp (2011) identified ten common building blocks for firms to adopt in their aim to create shared value, as explained in table 2.2 below.

**Table 2.2: Ten Building Blocks for Firms to Create Shared Value**



Source: Bockstette, V., & Stamp, M. (2011). Creating shared value: A how-to guide for the new corporate (r)evolution. FSG.

The first tier and building block to creating shared value is the level where the **vision** of the organisation should be articulated as the engine for creating shared value (Bockstette & Stamp, 2011). It starts with a strategic decision by the organisation's leaders and requires commitment from the top down. An example of this is the General Electric (GE) Healthymagination campaign which was developed when GE identified an opportunity in healthcare to grow business and benefit society simultaneously (Bockstette & Stamp, 2011). Amongst the various goals set, GE was able to acquire a few promising start-ups as well as create a \$250 million US dollars (Three billion, seven hundred and fifty million rands) equity fund for new health technology innovations. These investments create employment opportunities for start-ups as well as for the innovations developed for further expansion.

The second tier consists of two building blocks and refers to the organisation creating a clear **strategy** that identifies the organisation's focus and articulates its ambitious goals accordingly, prioritising key shared value issues which the organisation aims to solve (Bockstette & Stamp, 2011). Nestlé has proven to be a great example for creating shared value as an organisation by clearly defining their vision and strategy towards the three key issues of rural development, water use, and nutrition, where each area has a direct impact on the company's core business.

The third tier, consisting of three building blocks, refers to the effective **delivery** of the aforementioned vision and strategy by leveraging assets and expert skills within the organisation, across functions and divisions and amongst external partners and stakeholders, to align the goal across all organisational stakeholders (Bockstette & Stamp, 2011). The Vice President of Medtronic explains the organisation's shared value initiative towards chronic diseases in emerging markets, saying, "Our vision calls upon us to leverage all our resources on alleviating pain, restoring health, and extending life. By focusing on areas where we have unique expertise as an organization, we are fulfilling our vision and increasing our impact on society" (Bockstette & Stamp, 2011, p. 13).

The fourth tier, consisting of four building blocks, refers to the measurable **performance** and results gathered from the strategic efforts of the organisation and the communication of these results within the organisation (Bockstette & Stamp, 2011). Measuring progress is key to tracking the true value of the strategy created and to better understanding its true effect on the shared value challenges identified, as well as whether the estimated profit and business growth has been achieved.

It is further explained that adopting shared value requires a shift in mindset within the organisation which needs to be driven from the top down and the inside out. It is critical that the organisation's efforts to involve social issues are not viewed as separate to the organisation's core business.

## **2.9 Theoretical Model Underlying the Study**

The building blocks defined by Bockstette & Stamp (2011) provide organisations with a well defined overview of considerations that need to be taken into account when creating a shared value strategy. The phased approach provides a strategic method and assists the organisation as a whole to create a business positioned towards creating shared value.

## **2.10 Conclusion of the Literature Review**

Platform business consist of two platform sides, namely transaction and innovation platforms. For this study transaction platforms have been selected as the area of focus due to their ability to create boundaries of participation and their inclusive approach to the customer segments they can service (Gawer, 2020).

The concept of shared value places the responsibility of solving social issues in the hands of businesses and drives business towards making use of internal resources and expertise to strategically solve social challenges in a way that will simultaneously grow the bottom line for the business (Porter & Kramer, 2011). It is with this in mind that the BOP approach is considered as an inclusive business strategy to bring attention to the potential within the poor, low-income segments as it is within this segment that unemployment and the need for employment creation is required in South Africa (Lüdeke-Freund et al., 2016).

It has also been made clear that beyond merely creating employment opportunities, the circumstances of platform employment are currently unfair, with unreasonable working hours and low pay, and this must be urgently addressed (Fairwork, 2020).

# **CHAPTER 3: RESEARCH METHODOLOGY**

## **3.1 Research Approach**

Bhattacharjee (2012) suggests that research studies can adopt a quantitative research method, a qualitative research method, or use a mixed research method that is both quantitative and qualitative. The qualitative research method usually has no measurements or statistics but uses words, descriptions, and quotes to explore meaning, while quantitative methods usually contain numbers, proportions, and statistics (Williams, 2007). For this study, the empirical, qualitative approach was adopted because the researcher sought to gain in-depth insight into the phenomena.

Bhattacharjee (2012) explained research design as a comprehensive plan for data collection in a research project. Hofstee (2011), stated that the research design section is where the overall approach to testing the research question or statement is discussed. The topology of the research design can be classified into two categories, namely, empirical studies and non-empirical studies (Mouton, 2013). Empirical studies derive new knowledge from data, whereas non-empirical studies use the literature review, modelling, and the philosophical and conceptual analysis to develop further understanding. This study will be a non-empirical, qualitative study as the design allows the researcher to derive in-depth data about the research problem in an exploratory manner.

## **3.2 Research Design**

According to Saunders et al. (2009), an exploratory study “aims to seek new insights into phenomena, to ask questions, and to assess the phenomena in a new light” (p. 592). It is conducted when there are few studies on the subject or topic. Its aim and objective are to cross reference ideas and develop a theory or framework (Collis & Hussey, 2014). Exploratory research evaluates whether existing concepts of methods apply to a phenomenon or concept and assess if there is a need to develop a new framework or methodology.

Creswell & Poth (2018) explain that while narrative research investigates stories told by research participants and phenomenology explains common experiences for several people, the aim of ground theory is to progress beyond description and to

discover or develop a theory for action or for a process. Creswell & Poth (2018) explain that “Participants in the study would all have experienced the process, and the development of the theory might help explain practice or provide a framework for further research” (p. 133). The main idea of ground theory is that theory development is generated through the data from participants who have been a part of, and who have experienced the process (Creswell & Poth, 2018). This research was a qualitative study based on the principles of ground theory to support the framework.

Grounded theory includes iterative data collection and analysis done simultaneously, the constant comparison method aims to develop more abstract levels to develop the relationship between concepts, categories and theories (Babchuk & Boswell, 2022). Purposive sampling is undertaken which involves the selection of sites, participants and activities to create theoretical categories aimed at theory construction (Babchuk & Boswell, 2022).

### **3.3 Data Collection Methods**

The data collection method followed included interview questions prepared for participants who owned, developed, or managed platform businesses in South Africa. The data collection method aligns to the ground theory approach adopted for this study.

A qualitative analysis of the available information, studies, reports, and data of the platform business also formed part of the study following ground theory data collection methods to derive a framework or process as an outcome.

### **3.4 Population and Sample**

#### **3.4.1 Population**

Polit and Hungler (1999) refer to the population as an aggregate or totality of all the objects, subjects or members that conform to a set of specifications. In this study, the researcher focussed on owners, developers, and managers of locally developed platform businesses in South Africa as the population sample.

### **3.4.2 Sample and sampling method**

Scott and Morrison (2005) refer to sampling as the selection of a subset of persons or things from a larger population, also known as a sampling frame. In this study, the sample included directors, founders, and managers of platform businesses in South Africa, and the sample size was 8 respondents, until the point of saturation of themes was reached. The sampling methods were purposive sampling is undertaken which involved the selection of sites, participants and activities to create theoretical categories aimed at theory construction (Babchuk & Boswell, 2022), and snowball sampling (the researcher asked for recommendations from the initial respondents).

## **3.5 The Research Instrument**

The research instrument was designed to address the research questions in such a manner that research participants were provided with the opportunity of sharing their stories and perspectives on the approaches they followed in developing and crafting their platform businesses.

The questions were based on the following questions as specified in chapter 2.

Main question: How can platform businesses create employment in view of shared value principles in South Africa?

The sub-questions for the study were:

4. What are the principles applied in the design and development of a platform business?
5. What are the approaches platform businesses apply in view of employment creation and shared value?
6. What are the factors that facilitate and inhibit the ability of platform businesses to contribute towards employment creation?

## **3.6 Procedure for Data Collection**

In the context of COVID 19 at the time this study was conducted, virtual interviews were held with the respondents even though face-to-face interactions would have been the preferred method. The interviews were hour-long sessions. The researcher interviewed the respondents using a structured format, asking one question after the

other. The study used open-ended interviews with the targeted respondents who were asked to refer additional participants using the snowballing technique (Creswell & Creswell, 2018). This assisted in illustrating the level of insights and opinion each participant had on the issues. The questions focused on the thematic areas as per the framework. The approval was emailed to the targeted respondents, and an appointment booked via their offices for the interview session.

The process was as follows:

1. The researcher called the identified respondents to introduce them to the study and outline the purpose of the study.
2. The researcher asked the identified participants to participate in the study in the form of an interview.
3. The researcher set up interviews with participants who agreed to be part of the study.
4. The participants were sent the interview questions before the interview to ensure that they were familiar with interview questions and were comfortable answering them.
5. The interviews were set for an hour (60 minutes), and after the interview, the participant was asked by the researcher to recommend another participant for the study.
6. The recommended participant was approached by the researcher, starting the data collection process over again.

### **3.7 Data Analysis and Interpretation**

The researcher explored a three-stage process, as recommended by Miles and Huberman (1994). It consisted of writing the interviews, summarising them, and coding the answers based on key words that would be repeated by the interview participants to derive main themes for analysis and research. The researcher opted to use thematic coding of document sources and open-ended interviews. There were six steps to the thematic analysis:

1. The researcher read the content and data in the literature, making notes to develop understanding, becoming familiar with the data by reading and rereading the interview transcripts and notes. Once an appreciation of the

content was developed, the work was analysed through interrogating the thematic areas.

2. The second step was coding by organising the data in a systematic and meaningful way.
3. A theme is a pattern that captures something significant or interesting about the data, therefore, the third step was to assess the themes.
4. The fourth step was to review the themes identified, modify them, and develop them further to ensure that the themes that emerged could have relevance for South Africa.
5. The fifth step was to name and define the themes in the context of the propositions - this was the final refinement of themes.
6. The sixth step was to write the report.

Once the data had been collected, the interviews were transcribed, then coded using descriptive coding. Coding is a mechanism used to analyse qualitative data by applying descriptive labels to data or data sets in order to organise data at “increasingly higher levels of abstraction moving from codes, to categories, to concepts, to theory”. (Babchuk & Boswell, 2022. p.2).

### **3.8 Transferability, Credibility and Dependability**

Bryman (2012) defines transferability as the ability of findings from a study in a particular setting to be transferable to other studies or to enable the generalisation of results. He further defines trustworthiness as a mechanism for evaluating the quality of a study, with the four dimensions of transferability, credibility, confirmability, and dependability (Bryman, 2012). Credibility refers to the validity of the research and is based on good practise to ensure the credibility and validity of the study. To ensure transferability, credibility and dependability, the following considerations were taken into account;

- The process of data collection was homogenous throughout the study, and the use of an interview guide ensured consistency of the data collection method.
- To validate the findings from the interviews, the researcher performed a triangulation exercise using secondary data where there was limited information.

- The reliability was ensured by maintaining a systematic process of data analysis which could be applied by subsequent researchers who attempt to recreate this study.

### **3.9 Limitations of the Study**

This study had two limitations as listed below.

1. The study had a limited sample size due to the time available to finalise the study.
2. The qualitative nature of the study meant that there was an inherent limitation due to the time allocated to this study.

Further limitations arose from the conducting of virtual interviews because of COVID-19 restrictions imposed on face-to-face meetings. The researcher was, therefore, unable to identify non-verbal cues or read body language. Finally, due to network issues, there were problems with dropped calls or pauses during the interview session that distracted the participants.

### **3.10 Ethical Considerations**

According to Saunders et al. (2009), ethics relates to the appropriateness of the researcher's conduct during the study. Ritchie et al. (2014) emphasised that ethics should be maintained throughout all phases of the research, stating that it was vital for the researcher to place themselves in the participant's shoes in terms of how they would like to be treated. Collins and Hussey (2014) highlighted the importance of ethical guidelines for researchers to follow concerning consent, anonymity, privacy, and misrepresentation of the participants. Due to this, ethical approval was needed, and an email was sent to all the interviewees to obtain their consent (Collis & Hussey, 2014; Ritchie et al., 2014).

Before each interview, the researcher explained to the participants that they could withdraw from the study at any point and they could choose not to answer all the questions. They were further informed that their privacy would be maintained and was always respected. The confidentiality of the participants was maintained throughout the study, and they could remain anonymous. The participants were informed that the interviews were recorded, and a transcript was provided to them for approval before

analysis of the data and to avoid misrepresentation. The participants received the interpreted results of their interviews before the thesis was submitted. The researcher signed the plagiarism declaration form, stating that the researcher had acknowledged other researchers where necessary.

# CHAPTER 4: PRESENTATION OF FINDINGS

## 4.1 Introduction

The following chapter provides an analysis of the qualitative data gathered through the open-ended questionnaire interviews held with eight respondents who were owners or managers of platform businesses in South Africa. The interviews were transcribed, summarised, and analysed from coded lists to identify common themes for thematic analysis.

The purpose of this study was to gain an understanding of the ability of platform-based businesses to create employment in South Africa in view of shared value principles. The main purpose was to understand whether the creation of employment in the development of a platform business was an intentional business decision that formed part of the businesses' strategy or a by-product of its operations. Furthermore, the purpose was to develop understanding of the extent of knowledge the participants had on shared value approaches and if they deemed it possible to encompass shared value principles into their platform businesses.

Three propositions were derived from the main research objectives as listed below.

1. Principles are applied that guide platform business design and development in view of employment creation.
2. Factors exist that enable and inhibit the ability of platform businesses to create employment.
3. Shared value principles and approaches are applied in employment creation.

The chapter reports on the findings gathered from the interviews held and identifies themes through qualitative thematic analysis. The main themes identified were platform business, employment creation, and shared value. A total of eight sub-themes were identified, namely, digitisation and digitalisation, market access, ecosystems, independent contractors, entrepreneurship, skills gaps, unknowingly achieving shared value principles, and methodology for shared value.

**Table 4.1: Summary table of propositions, main themes and sub-themes derived from thematic analysis**

<b>Propositions</b>	<b>Main Themes</b>	<b>Sub-themes</b>
<b>Proposition 1:</b> Principles are applied that guide platform business design and development in view of employment creation.	Platform Business	Digitisation and Digitalisation
		Market Access
		Ecosystems
<b>Proposition 2:</b> Factors exist that enable and inhibit the ability of platform businesses to create employment.	Employment Creation	Employment as a by-product
		Independent Contractors
		Entrepreneurship
		Skills Gap
<b>Proposition 3:</b> Shared Value principles and approaches are applied in employment creation	Shared Value	Unknowingly achieving Shared Value principles
		Methodology for Shared Value

## **4.2 Demographic Profile of Participants**

The open-ended interviews sought to gain an understanding of the ability of platform business to create employment in South Africa. For this reason owners or managers of platform businesses were selected to be interviewed. Seven of the eight respondents interviewed were the registered business owners and inventors of the platform business, while only one participant was a manager of a developed platform for an existing organisation. The respondents were all based in South Africa and their businesses were actively operational throughout South Africa.

**Table 4.2: Demographic Profile of Participants**

<b>Participants</b>	<b>Position</b>	<b>Description of the Platform Business</b>	<b>Size of the Business</b>
<b>Participant 1</b>	Founder & Director	Learning & Education resources Platform	Small
<b>Participant 2</b>	Manager	Logistics Platform	Large
<b>Participant 3</b>	Founder	Online Learning platform	Large
<b>Participant 4</b>	Founder & Director	Logistics Platform	Medium
<b>Participant 5</b>	Director	Ecommerce Platform	Small
<b>Participant 6</b>	Founder & Director	Online food delivery platform	Small
<b>Participant 7</b>	Director	Network marketing platform	Small
<b>Participant 8</b>	Founder & Director	Online payments and ecommerce platform	Small

### **4.3 Proposition 1: Principles Are Applied that Guide the Design and Development of a Platform Business.**

The main theme identified from this proposition was the concept of a platform business. The sub-themes identified from the comments and explanations in response to the open-ended questions on the development of the platform business were digitisation and digitalisation, market access, and eco-systems. These further explain the principles that guide the design and development of the platform business.

#### 4.3.1 Sub-theme 1: Digitisation and digitalisation

**Table 4.3: Interview Findings from the Data Analysis on the Sub-Theme Digitisation and Digitalisation**

<b>Proposition 1: Principles are applied that guide the design and development of a platform business</b>	
<b>Main Theme: Platform Business</b>	
<b>Sub-themes</b>	<b>Quotations</b>
Digitisation and Digitalisation	<p>Participant 1:  <i>“Digitalisation has created an opportunity for on-demand virtual classrooms to be created and for educational learning plans and content to be available at the click of a button.”</i></p> <p>Participant 2:  <i>“With the rise in online shopping during COVID and quick same-day delivery services, [the company] developed a platform to manage all its drivers on.”</i>  <i>“(A grocery retailer) had become our biggest client in a very competitive industry so the platform was necessary for SLA [Service Level Agreement] management with our clients and drivers in order to compete in the current market.”</i></p> <p>Participant 3:  <i>“Well, the nature of learning and training has changed over the past say 10 years” ... “What we offer today is almost like Netflix for corporate training, to be honest. We bring together hundreds, even thousands of content items onto our platform from various training providers, authors, content creators and trainers ...”</i></p>

Participant 4:

*"We could see where the world was going with online*

*stores popping up and with the experience I had with Black Friday, I knew there would be an opportunity in the delivery space, for good efficient delivery of online orders."*

Participant 5:

*"We knew the world was going digital, since 2014 it was clear that that's where the world going and Ecommerce made sense for our country and market, so we decided to create the platform for South Africans to be able to list their products on our platform."*

Participant 6:

*"... the opportunity we're giving them is to sell their produce or products online..."*

*"The intention was to have different vendors on a platform selling their food. So it can be confectioner's, it can be chefs, it can be Shisa Nyamas. It can be anything that sells food, processed and unprocessed. So it could also be small scale farmers who don't necessarily have like a distribution channel, like where they can send their produce to supermarkets."*

Participant 7:

*"So the opportunity we're giving them was to sell their produce or products online."*

*"It was to give local vendors a much bigger platform where they can sell their produce and their food*

	<p><i>compared to what they have now.”</i></p> <p>Participant 8:</p> <p><i>“I think with COVID what's happened is COVID has taught people to become more digitally orientated, buying online, trying to communicate online. What we've done is we've just used a lot of that learning through COVID and built the platforms or upgraded the platforms to fulfil those requirements.”</i></p>
--	--

The sub-theme of digitisation and digitalisation emerged from the main theme, platform business, from the responses of the participants interviewed. For understanding of these findings, digitisation and digitalisation are defined as follows: “Digitisation is the process of converting information from a physical format into a digital one” (Burkett, 2017, ‘What is Digitisation’) and “Digitalisation is the process to of leveraging digitisation to improve business processes.” (Burkett, 2017, ‘What is Digitilisation’).

In the study, all eight of the participants were able explain how their platform business came about because of seeing opportunity in the market to either digitise or digitalise businesses and industries. Participants 1 and 3 both saw opportunity to improve education and learning and increase access to quality learning material through digitisation. Participant 1 explained how the platform provided an opportunity to raise the standard of education in South Africa by sharing learning content with educators and teachers who are unlikely to cross paths or be exposed to each other and the material they create:

*“The platform will allow an au pair, a tutor or a home-schooling parent the opportunity to gain access to a learning plan from a St. John’s teacher or another school or educator of their choice.”* (Participant 1)

Participant 3, who also operated in the online learning industry, explained how the nature of learning had changed and was no longer a classroom-bound activity:

*“... the nature of learning and training has changed over the past, say, 10 years.”* (Participant 3)

Both participants shared strong beliefs about the ability of platform business to improve literacy both at a school and professional levels, and also to afford educators and content creators the opportunity of generating an income using their platform businesses. Platform businesses that can convert physical formats into digital ones bridge the accessibility gap by creating a means for all to have access to something that was historically physically bound to its surroundings.

Participant 2, from the logistics industry, explained that their organisation was faced with a scenario of adapt or die:

*“The only way for us to have any chance to compete in the deliveries market was to develop this platform for on-demand deliveries, if we didn’t, we may have been left out in the past as a traditional logistics and courier services company doing the same old stuff...”* (Participant 2)

Participant 4, also from the logistics industry, had – to some extent – the opposite experience. As a small- to medium-sized company, founded on on-demand deliveries in 2014, the organisation identified inefficiencies in the on-demand delivery services offered:

*“...after I had a horrible experience with a Black Friday delivery the aim was to develop technology that would improve efficiencies and reduce transportation costs for shippers and transporters through a single logistics platform connected to a marketplace of drivers across Africa”.* (Participant 4)

The responses provided by Participants 2 and 4 display clear examples of digitalisation where existing organisational processes were digitised for business improvement and also created opportunities for new entrants into the market, thereby increasing competition.

Participant 5 and Participant 6 saw opportunities in the rise of digitalisation and its ability to assist the local South African market. Participant 5, with a passion for local products and entrepreneurship, developed an e-commerce platform with the aim of

affording South African entrepreneurs greater access to markets where they could share their products:

*“I wanted to be able to gain access to the clothing designers and artist in Braamfontein from the comfort of my Sandton home.”* (Participant 5)

Participant 6, who came from a peri-urban area, wanted to boost the local market and its economy by providing vendors with an opportunity to also sell their produce online to markets surrounding the area and to those who would not walk down a particular street or ordinarily come across the local vendor:

*“The idea is that if you're a person who was making, let's say, cooked food. That cooked food must be raw at some point. So, it means that you should get it from a local farmer. So, it was circulating the money within the area. If people with smaller businesses are trading amongst themselves, the money in that economy sort of circulates in that area.”* (Participant 6)

Participant 6 was also of the perception that delivery companies did not seek to service them and realised an opportunity to make use of the local community for deliveries as they would know the area well:

*“...a lot of deliveries businesses don't work out in rural Africa because they say we don't have street names.”* (Participant 6)

Participants 5 and 6 saw technology and the rise in digitalisation as an opportunity to benefit and grow their surrounding markets and areas of business to provide them with greater means to earn an income. Operating online would also give them access to larger markets and opportunities to supplement their existing operations with additional revenue streams.

Participant 7 identified an opportunity to digitise a traditional business concept, such as network marketing, by introducing a mobile application to the market. Traditionally, network marketing relied on individuals selling products directly to customers, or face-to-face type, but the application provided a new way for customers to place their orders and for representatives to generate an income. Furthermore, through the application, the platform could source suppliers for the products which they manufactured:

*“There are people that harvest wild plants that produce like rosehip ... assisting them in getting the right tools and attire to do the harvest and also incorporating*

*them into the model, whereby they earn on the model, but also we build them (in that) in the different areas.” (Participant 7)*

#### 4.3.2 Sub-theme 2: Market Access

**Table 4.4: Interview Findings from the Data Analysis on the Sub-Theme Market Access**

<b>Proposition 1: Principles are applied that guide the design and development of a platform business.</b>	
<b>Main Theme: Platform Business</b>	
<b>Sub-theme</b>	<b>Quotations</b>
<b>Market Access</b>	<p>Participant 1: <i>“It is now possible for teachers and educators to gain access to learning platforms and teaching plans from any teacher across South Africa and hopefully, eventually the globe”.</i></p> <p>Participant 2: <i>“The only way for us to have any chance to really compete in the deliveries market was to develop this platform for on-demand deliveries, if we didn’t we may have been left stuck as a traditional logistics and courier service company.”</i></p> <p>Participant 3: <i>“We have content providers who give us content, and then we have distribution partners who help us get out there in addition to our own team.”</i></p> <p>Participants 5: <i>“The aim was to give South Africans an opportunity to find South African made products on one platform. From clothes and shoes to arts and crafts to anything South African, for South Africans by</i></p>

	<p><i>South Africans, from Cape Town to Polokwane, you could get your hands on it.”</i></p> <p>Participant 6:</p> <p><i>“It was to give local vendors a much bigger platform where they can sell their produce of their food compared to what they have now. Yes. So it’s like an access to markets...to new markets. Yeah, that was the driving force behind it.”</i></p> <p>Participant 7:</p> <p><i>“Because there are people that harvest like the wild plants that produce like the rosehip, we see us help... assisting them in getting right tools and attire to do the harvest and also incorporating them into the model, whereby they earn on the model, but also we build them (in that) in the different areas.”</i></p> <p>Participant 8:</p> <p><i>“So, what we’ve done is we’ve created the tech table and there’s nothing about the app. What happens is... it’s focused and built for that community ...the community don’t pay for the technology. But we share in revenue.”</i></p>
--	--

The second sub-theme identified, market access, emerged from the main theme of platform business on the basis that seven of the eight participants provided input and perspectives on how their platforms have afforded users access to markets – or participation in markets – which they might not have had access to outside of the developed platform business.

Participant 1 explained how, through their platform, educators, teachers, and educational content creators would be able to share their learning plans and

methodologies as well as receive and learn from other learning plans shared by other teachers in the same way. This opportunity was not traditionally made available, nor was it even possible, prior to the internet and the digital era. This medium of sharing educational learning content would also prove valuable to home-schooling families, au pairs, and tutors, ultimately improving education and literacy for many:

*“The platform will allow an au pair, a tutor or a home-schooling parent the opportunity to gain access to a learning plan from a St. John’s teacher or another school or educator of their choice”* (Participant 1).

Participant 3 explained the concept of market access through their platform with the unique example of a beekeeper. A niche skill, like beekeeping, could be shared by creating a training programme for the skills required and made available as video content which was shared to their platform. Sharing the niche content also provided access to those in other parts of the world seeking to gain knowledge on the beekeeping industry and the methodologies in Australia:

*“...You’re seeing that content creators who have niche content, let’s say like the beekeeper person. The beekeeper example is very real, and a need for many beekeepers in Australia.”* (Participant 3)

Participant 3’s organisation had channel partners (on-sellers of the learning material made available on the platform) whose focus was the distribution of the platform and the content it served, ensuring that the content created found itself in the hands of those who needed it and would find value in it.

Participant 2 explained the development of the on-demand logistics platform to gain market access. Without the platform, this participant maintained, the business would not be able to compete in the on-demand market:

*“The only way for us to have any chance of really competing in the on-demand deliveries market was for us to develop this platform, if we didn’t, we may have been left stuck as a traditional logistics and courier service company.”*  
(Participant 2)

Participant 2 explained that because of the development of the platform, the organisation was able to acquire a large client for the sole purpose of on-demand

deliveries which constituted a large proportion of the organisation's overall revenue at the time.

Participant 8 shared similar reasons for the development of their platform, which was to facilitate entry into a particular market. The platform business developed provided entrepreneurs with an opportunity to have their own business application built on top of Participant 8's platform business. The platform provided an opportunity for the entrepreneurs to customise their own mobile applications and share this with customers for use. The application support and technical requirements were maintained by the platform business and the entrepreneur merely needed to focus on the marketing of their application for transactional purposes:

*“So, what we've done is we've created the tech table and there's nothing about the app. What happens is... it's focused and built for that community ...the community don't pay for the technology. But we share in revenue.”* (Participant 8)

Participants 5 and 6 both emphasised that at the core of their concept, market access was the main aim in the development of their platform business. To create a platform business that would provide entrepreneurs with a space to transact outside of their immediate physical surroundings and to gain access to customers outside of their environments:

*“The aim was to give South Africans an opportunity to find South African made products on one platform. From clothes and shoes to arts and crafts to anything South African, for South Africans by South Africans, from Cape Town to Polokwane, you could get your hands on it.”* (Participant 5)

*“It was the food businesses in peri-urban areas, where most of them only sell if someone is passing by. So, if you're in the area and you never pass by that area, you just never know about that food vendor. So, it was for those food vendors to actually get a bigger market in their area.”* (Participant 6)

Participant 7 explained how the platform gave herb farmers access to a new market as the company stated which herbs they required on the platform and herb farmers could choose to grow those herbs. Furthermore, the mobile application afforded the

business access to markets it might never have come across otherwise as the application allowed for quick and easy ordering and purchasing of products.

### 4.3.3 Sub-theme 3: Eco-systems

**Table 4.5: Interview findings from the data analysis on the sub-theme Eco-systems**

Proposition 1: Principles are applied that guide the design and development of a platform business.	
Main Theme: Platform Business	
Sub-theme	Quotations
<b>Eco-systems</b>	<p>Participant 1:</p> <p><i>“The platform is driven by various eco-systems being formed around it and benefits the development of these eco-systems such as home schooling families, tutors and au pairs, any extracurricular activities and community driven initiatives, the platform assists.”</i></p> <p>Participant 2:</p> <p><i>“Reliable drivers are a critical requirement in order for us to meet our SLA’s [Service Level Agreement] with our clients and that’s why we have tried to enable our drivers as much as possible and with everything they need”.</i></p> <p>Participant 3:</p> <p><i>“We see our channel partners as being another go-to-market strategy. And so for us, it comes down to what is the CAC: the cost of acquiring a user or customer.”</i></p> <p><i>“... we are seeing those kinds of ecosystems come to the fore, what’s interesting now is we’re seeing</i></p>

	<p><i>where that's unique to our space, you're seeing that content creators who have niche content, let's say like the beekeeper person. The beekeeper example is very real, and there's value for many beekeepers in Australia."</i></p> <p>Participant 4:</p> <p><i>"Our drivers are the heart of our organisation, and we do our best to provide the support they need on the job."</i></p> <p><i>"We have a network of over 3 000 drivers who are actively working on the platform and providing delivery services to various different clients."</i></p> <p>Participant 6:</p> <p><i>"Who would know the area very well, because when it comes to delivery, a lot of deliveries businesses don't work out in rural Africa because they say we don't have street names. But when you have people who know the area very well, which are people who live there, they can assist with the deliveries."</i></p> <p>Participant 7:</p> <p><i>"(The company) manufactures herbal functional cosmetics, and the model that we have been using and targeting is network marketing."</i></p>
--	--

The third sub-theme that emerged from the main theme of platform business was ecosystems. Six of the eight interviewed participants placed some emphasis on the ecosystems that the development of their platforms created. Ecosystems, in this sense, refers to the sub-groups of actors who derived value and generated an income from the platform.

Participant 1 explained how the platform was driven by the ecosystems formed around the content that was provided. Educators created and shared their content, creating value for external communities, such as home-schooling families, tutors, au pairs, and other educational communities at large. In the development of platforms, it appeared that during the design and development phase some ecosystems might not have been considered as beneficiaries, and founders often learnt of the new value deriving communities post-deployment of the platform.

Participant 3 also emphasised the value of supporting platform ecosystems which are the content creators and distribution partners, citing the niche content being created for valuable sectors in Australia, such as beekeepers, as an example. Participant 3's business relied greatly on the channel partner ecosystems to ensure the success of the platform and the adequate distribution of its content.

Participant 2 and Participant 4 relied on the ecosystem of delivery drivers that enabled the operation of their business:

*“Reliable drivers are a critical requirement in order for us to meet our SLA’s [Service Level Agreements] with our clients and that’s why we have tried to enable our drivers as much as possible and with everything they need.”*  
(Participant 2)

*“... we have a network of over 3 000 drivers who are actively working on the platform and providing delivery services to various different clients.”* (Participant 4)

The delivery driver ecosystem is critical to keeping the e-commerce industry alive and growing. Timely deliveries have become the competitive advantage in the delivery of food, groceries, and even passenger transfer.

Participant 5 explained the need for more entrepreneurs to join the platform. A platform showcasing a large variety of product options attracts more customers to the platform on a regular basis. However, social media e-commerce stores and brand specific online stores had proved difficult for the uptake of more entrepreneurs

to the platform and the e-commerce store would then tend more towards a delivery service for those organisations than the transactional platform wanted to be:

*“The ability for you to set up your own online store has become very easy, even setting up a Facebook and Instagram store can happen in minutes which many businesses are doing now. Still those audience seems to [be] the ones very close to the business and our aim to continuously look for new markets these entrepreneurs don’t have access to, that’s how we attract and retain entrepreneurs.”* (Participant 5)

#### 4.4 Proposition 2: Factors Exist That Enable and Inhibit the Ability of Platform Businesses to Create Employment.

The main theme identified from this proposition due to the comments and explanations gathered from the interview questions, was employment creation. The findings regarding employment creation uncovered the sub-themes identified as employment as a by-product, independent contractors, entrepreneurship, and skills gaps.

##### 4.4.1 Sub-theme 1: Employment as a by-product

**Table 4.6: Interview findings from the data analysis on the sub-theme Employment as a by-product**

<b>Proposition 2: Factors exist that enable and inhibit the ability of platform businesses to create employment.</b>	
<b>Main Theme: Employment Creation</b>	
<b>Sub-theme</b>	<b>Quotations</b>
<b>Employment as a by-product</b>	<p>Participant 2:  <i>“Reliable drivers are a critical requirement in order for us to meet our SLA’s [Service Level Agreement] with our clients and it is for this reason that we have tried to enable our drivers as much as possible with everything they need.”</i></p> <p>Participant 3:  <i>“So technically, outside of our platform, they were buying from one another, so my logic was, how</i></p>

	<p><i>about we just create a marketplace where you guys can put your content up that you are already selling to you clients directly in our ecosystem, and our content consuming clients can then take a look at it and be like, hey, you want to buy it? And so, we did that.”</i></p> <p>Participant 6:</p> <p><i>“I think employment is the by-product. It's not necessarily like the most important thing in business. The most important thing in business is making the profits. It's just that in making a profit, you have people to create stuff for you. So, employment is a by-product, but the most important reason would be to create a new market or access to a new market.”</i></p> <p><i>“My main focus is on the platform and that it works, it is up to people to use it as a means to an income”</i></p> <p>Participant 7:</p> <p><i>“when you join a company that does network marketing you immediately have an opportunity to earn an income, it's up to you how much you will make.”</i></p>
--	---

The sub-theme, employment as a by-product, emerged from the main theme of employment creation in the development of a platform business. Four of the eight participants gave compelling perspectives on how employment creation was a by-product in the development of a platform business.

Participant 2 explained that the business required reliable drivers to meet the demand and deliver on client requirements. When there was a lack or shortage of drivers, their contractual agreements were severely impacted:

*“The drivers have the option to choose which delivery request they will take and it’s much easier to deliver one food parcel than 4 to 5 shopping bags from a grocery store. They’ll get paid the same with either delivery but the one is a lot less hassle.” (Participant 2)*

*“This really affects us badly because when we can’t meet the demand our business is badly impacted. We need these guys to commit to our deliveries.” (Participant 2)*

Participant 3 provided the perspective that the business transaction between content producer and learning institution already existed and that the platform provided greater opportunity for both parties to benefit. The content producer would gain increased market access while the learning institution would gain access to a multitude of learning courses and material on one platform.

*“So, technically, outside of our platform, they were buying from one another, so my logic was, how about we just create a marketplace where you guys can put your content up that you are already selling to your clients directly in our ecosystem, and our content consuming clients can then take a look at it and be like, hey, you want to buy it? And so, we did that.” (Participant 3)*

Thus, with the increase in market access, more content would need to be produced, creating more employment for content producers.

Participant 6 and Participant 7 were of the opinion that employment creation was a direct and organic by-product of the development of a platform business. For as long as the platform was maintained and made available, it would be up to the individual to take the opportunity to use the platform as a means to earn an income:

*“It’s just that in making a profit, you have people to create stuff for you. So, employment is a by-product, but the most important reason would be to create a new market or access to a new market.” (Participant 6)*

*“My main focus is on the platform and that it works, it is up to people to use it as a means to an income.” (Participant 6)*

*“When you join a company that does network marketing you immediately have an opportunity to earn an income, it’s up to you how much you will make.”*  
(Participant 7).

#### 4.4.2 Sub-theme 2: Independent contractors

**Table 4.7: Interview findings from the data analysis on the sub-theme Independent Contractors**

<b>Proposition 2: Factors exist that enable and inhibit the ability of platform businesses to create employment.</b>	
<b>Main Theme: Employment Creation</b>	
<b>Sub-theme</b>	<b>Quotations</b>
<b>Independent Contractors</b>	<p>Participant 2:</p> <p><i>“We have 3 companies that we have also partnered with to source drivers to ensure that we’re able to maintain our SLA’s but these driver, both with us and with them are independent contractors. Even if they use our bikes as vehicles for delivery, they are still not employed by the company”</i></p> <p>Participant 4:</p> <p><i>“Our network of drivers are all independent contractors to us. They are not employed by the company; they essentially operate as self-employed businesses contracting their services to us.”</i></p>

The sub-theme regarding independent contractors emerged from the main theme of employment creation and is a unique consideration which was selected on the basis of its close relationship to the third sub-theme, entrepreneurship. Both Participants 2 and 4 explained that the network of drivers which their business relied on were contracted to the organisation as independent contractors.

*“We have 3 companies that we have also partnered with to source drivers to ensure that we’re able to maintain our SLA’s [Service Level Agreements] but these drivers, both with us and with them are independent contractors. Even if they use our bikes as vehicles for delivery, they are still not employed by the company.”* (Participant 2)

*“Our network of drivers are all independent contractors to us. They are not employed by the company; they essentially operate as self-employed businesses contracting their services to us.”* (Participant 4)

When asked to elaborate on the decision to hire such critical resources to the business on a contracting basis, the participants answered as follows:

*“The turnover of drivers is quite high, and I could imagine that the payroll and tracking of achieved SLA would prove to be quite a headache for the business which we don’t plan to get involved in. We have permanent drivers for our long-haul deliveries and courier services, but the on-demand deliveries space is a different beast all together.”* (Participant 2)

*“It’s just part of how the business was developed. We have a unique algorithm that calculates rates based on successful deliveries, milage, etcetera, and the drivers get paid based on those reports, hiring the drivers as permanent staff wouldn’t suit the way the business was developed to run.”* (Participant 4)

Based on the participants’ responses, it is apparent that the contracting model of resourcing for platform businesses makes the most sense for the business management of the platform and the human capital requirements. Payroll requirements would prove challenging due to high staff turnover, and the labour regulations for this type of employment might adversely affect the businesses’ potential profitability.

#### 4.4.3 Sub-theme 3: Entrepreneurship

**Table 4.8: Interview findings from the data analysis on the sub-theme Entrepreneurship**

<b>Proposition 2: Factors exist that enable and inhibit the ability of platform businesses to create employment.</b>	
<b>Main Theme: Employment Creation</b>	
Sub-theme	Quotations
<b>Entrepreneurship</b>	<p>Participant 1:</p> <p><i>“The platform doesn’t necessary provide employment but I’d say entrepreneurship opportunity potentially to teachers but I guess if someone is willing to create learning content and learning plans from credible curriculums then there would be an opportunity for them as well.”</i></p> <p>Participant 2:</p> <p><i>“As an independent contractor you are essentially your own boss which requires some level of business understanding which is lacking.”</i></p> <p>Participant 3:</p> <p><i>“I think it’s about differentiation really, because if it wasn’t when someone creates another course in Microsoft Excel, you can do it but will you be more successful than the next guy? I don’t know. I think that’s why it’s about people... One, I think taking a more creative approach to content creation...Two, better understanding of the market and the needs, like if you tailored a course and many providers did in the end, around how to adapt to COVID, how to work remotely, that kind of stuff. Actually, stress and</i></p>

*anxiety was a big one during the time. I think if you are close to that kind of stuff. It's important."*

Participant 4:

*"We provide the opportunities, it really is up to the drivers to take the opportunities, work hard and make the money they wish to make"*

Participant 5:

*"Absolutely anyone with a registered business in South African, selling some kind of product can join our Platform ..."*

Participant 6:

*"... when it started, the intention was to have different vendors on a platform to sell food. So it can be confectioner's, it can be chefs, it can be Shisa Nyamas. It can be anyone that sells food, processed and unprocessed. So it could also be small scale farmers who don't necessarily have like a distribution channel, like where they can send their produce to supermarkets."*

Participant 7:

*"Like I said, our members we want to encourage them to open their own businesses. Because as people we have different skills. So they somebody*

	<p><i>knows how to knit, There's somebody who knows how to sew, but they don't have they don't have capital. So this kind of money that they're going to earn... they can be able to start their own businesses and on the same platform they come and use it to sell their products."</i></p> <p><i>Participant 8:</i></p> <p><i>"the application as a whole has been built with communities and entrepreneurs in mind."</i></p>
--	---

Within the main theme of employment creation the dominant sub-theme of entrepreneurship emerged. All eight participants shared perspectives on how their platform businesses provided entrepreneurship opportunities to anyone willing to be a part of their platforms.

Participants 1 and 3, operating in the online learning industry sector, explain that if an individual was willing to create the desired content for their platforms there were opportunities that could be optimised:

*"The platform doesn't necessary provide employment but I'd say entrepreneurship opportunity potentially to teachers, but I guess if someone is willing to create learning content and learning plans from credible curriculums then there would be an opportunity for them as well."* (Participant 1)

*"I think it's about differentiation really, because if it wasn't when someone creates another course in Microsoft Excel, you can do it, but will you be more successful than the next guy? I don't know. I think that's why it's about people ... One, I think taking a more creative approach to content creation...Two, better understanding of the market and the needs, like if you tailored a course and many providers did in the end, around how to adapt to COVID, how to work remotely, that kind of stuff. Actually, stress and anxiety were a big one during the time. I think if you are close to that kind of stuff. It's important."* (Participant 3)

Participants 2 and 4, who were in the logistics industry, both made use of drivers as independent contractors and shared perspectives on how these drivers were ultimately entrepreneurs and were self-employed:

*“As an independent contractor you are essentially your own boss which requires some level of business understanding which is lacking.”* (Participant 2)

*“We provide the opportunities, it really is up to the drivers to take the opportunities, work hard and make the money they wish to make.”* (Participant 4)

Participants 5 and 6 relied on the concept of entrepreneurship at the core of their platforms' success and both wanted to assist entrepreneurs to expand their own businesses through digital opportunities:

*“Absolutely anyone with a registered business in South African, selling some kind of product can join our Platform ...”* (Participant 5)

*“... When it started, the intention was to have different vendors on a platform to sell food. So, it can be confectioner's, it can be chefs, it can be Shisa Nyamas. It can be anyone that sells food, processed and unprocessed. So, it could also be small scale farmers who don't necessarily have like a distribution channel, like where they can send their produce to supermarkets.”* (Participant 6)

Participant 7 explained that the business not only provided a means to earn an income by being a part of the network marketing platform, it also encouraged the growth and expansion of additional entrepreneurial activities and opportunities:

*“Like I said, our members we want to encourage them to open their own businesses. Because as people we have different skills. So, somebody knows how to knit. There's somebody who knows how to sew, but they don't have capital. So, this kind of money that they're going to earn... they can be able to start their own businesses and on the same platform they come and use it to sell their products.”*

Participant 8's platform business was developed to provide other entrepreneurs with a mobile application for their business and for any person who was able to come up

with an idea. The platform business could be used as a tool for digital ideas and digital enhancement of existing businesses.

#### 4.4.4 Sub-theme 4: Skills gap

**Table 4.9 Interview findings from the data analysis on the sub-theme skills gap**

<b>Proposition 2: Factors exist that enable and inhibit the ability of platform businesses to create employment.</b>	
<b>Main Theme: Employment Creation</b>	
<b>Sub-theme</b>	<b>Quotations</b>
<b>Skills gap</b>	<p>Participant 1:</p> <p><i>“I think, the skill set. So where do we find competent people? I know, even the developer I employ, it was a challenge finding competent software developers that we can help right away. So that is a challenge.”</i></p> <p><i>“There's a lot of teachers that are not qualified and not putting effort, in perfecting their craft. And so the learner ultimately suffers the consequences.”</i></p> <p>Participant 2:</p> <p><i>“As an independent contractor you are essentially your own boss which requires some level of business understanding which is lacking.”</i></p> <p>Participant 3:</p> <p><i>“ ... learning that helps you be more employable is the key focus [of the platform], so it's not necessarily being in corporate, but it's about what skills will give us that will help you demand more economically.”</i></p> <p>Participant 6:</p>

	<p><i>“... I think the biggest problem is that even if it's a low skilled labour that's the supply you still need people who are well, good at something like even if it's customer service”.</i></p>
--	---

The fourth sub-theme that emerged from the main theme of employment creation was that of the skills gap. Four of the eight participants provided perspectives on experiencing a skills gap in the kind of resources they required as actors on the platforms.

Participant 1 explained experiencing a skills gap in the resources required to maintain the platform:

*“I think, the skill set. So where do we find competent people? I know, like even the developer I employ, it was a challenge finding competent software developers that we can help out right. So that is a challenge.”* (Participant 1)

The participant also explained a skills gap of the teachers who were meant to make use of the platform to improve their skills as teachers, saying:

*“There's a lot of teachers that are not qualified and not putting in effort in perfecting their craft. And so, the learner ultimately suffers the consequences.”* (Participant 1)

Participant 2 explained the skills gap in business skills required of the independent contractors hired to assist with deliveries:

*“As an independent contractor you are essentially your own boss which requires some level of business understanding which is lacking.”* (Participant 2)

Participant 6 also explained that even at a low skill requirement, there were still gaps:

*“... I think the biggest problem is that even if it's a low skilled labour that's the supply you still need people who are well, good at something like even if it's customer service.”* (Participant 6)

Participant 3 had an interesting perspective on the area of skill gaps on the platform developed by them which was intended to assist with solving this problem:

*“... Learning that helps you be more employable is the key focus, so it’s not necessarily being in corporate, but it’s about what skills will give us that will help you demand more economically.”* (Participant 3)

#### 4.5 Proposition 3: Shared Value Principles and Approaches are Applied to Employment Creation

The main theme that emerged from the proposition on shared value principles and approaches that were applied to employment creation was the concept of shared value. The sub-themes that emerged were unknowingly achieving shared value principles, and a methodology for shared value.

##### 4.5.1 Sub-theme 1: Unknowingly achieving shared value principles

**Table 4.10: Interview Findings from the Data Analysis on the Sub-Theme, Unknowingly Achieving Shared Value Principles**

<b>Proposition 3: Shared Value principles and approaches are applied to employment creation</b>	
<b>Main Theme: Shared Value</b>	
<b>Sub-theme</b>	<b>Quotations</b>
<b>Unknowingly achieving Shared Value principles</b>	<p>Participant 1:</p> <p><i>“Well we’re trying to solve the education and literacy problem in the country so if teachers use our platform to share their content, they make money, which means we make money and quality educational resources are being shared so the quality of education improves across the board then everyone wins.”</i></p> <p>Participant 2:</p> <p><i>“The company’s aim is to be an impactful organisation and so we decided to enable drivers</i></p>

	<p><i>with vehicles to take on delivery services. They can work for absolutely any platform using these bikes. They would get full training and licensing and the bikes would have road-side assistance, servicing, when necessary, replacement vehicles available and overall general assistance.”</i></p> <p>Participant 3:</p> <p><i>“Well based on your explanation, I think if employment creation and education are on the list of problems to solve in the world then I believe our business aligns very closely with providing an opportunity to solving those problems.”</i></p> <p>Participant 7:</p> <p><i>“... with employment creation, I believe we are providing people with an opportunity to make money but it is up to them. But our business can’t run without people, so we both need each other. If they make money, we make money so I think that’s shared value.”</i></p>
--	--

The sub-theme, unknowingly achieving shared value, emerged from the main theme, shared value. Four of the eight participants found that they were actually achieving shared value principles in their business, unknowingly or in no formally structured way.

Participants 1’s learning platform seeks to empower both teachers and learners and ultimately to improve the level of education in the country:

*“Well, we’re trying to solve the education and literacy problem in the country so if teachers use our platform to share their content, they make money, which means we make money and quality educational resources are being shared so the quality of education improves across the board then everyone wins.”*

(Participant 1)

Participant 3 shared those sentiments as their platform provided opportunities to improve education and skill levels as well as to create employment for content creators. Participant 3 explained:

*“Well, based on your explanation, I think if employment creation and education are on the list of problems to solve in the world then I believe our business aligns very closely with providing an opportunity to solving those problems.”*  
(Participant 3)

Participant 2's organisation achieved shared value principles on various fronts by educating drivers, getting them licensed and certified, and equipping them with everything they required to earn a living, simultaneously achieving their business goals and objectives:

*“The company's aim is to be an impactful organisation and so we decided to enable drivers with vehicles to take on delivery services. They can work for absolutely any platform using these bikes. They would get full training and licensing and the bikes would have road-side assistance, servicing, when necessary, replacement vehicles available and overall general assistance.”*  
(Participant 2)

Participant 7 explained that due to the nature of a network marketing organisation and the opportunity provided to people to earn an income, the organisation was inherently achieving shared value principles:

*“... with employment creation, I believe we are providing people with an opportunity to make money but it is up to them. But our business can't run without people, so we both need each other. If they make money, we make money so I think that's shared value.”* (Participant 7)

#### 4.5.2 Sub-theme 2: Methodology for shared value

**Table 4.11: Interview findings from the Data Analysis on the Sub-Theme: Methodology for Shared Value**

Proposition 3: Shared Value principles and approaches are applied to employment creation	
Main Theme: Shared Value	
Sub-theme	Quotations
<b>Methodology for shared value</b>	<p>Participant 1:</p> <p><i>“I like the concept of shared value and I like the idea that we’re achieving these shared value principles in solving world problems ... but how do I explicitly show that in my business, how do I formalise it as a strategy and business model”</i></p> <p>Participant 2:</p> <p><i>“The company’s aim is to be an impactful organisation and so we decided to enable drivers with vehicles to take on delivery services. They can work for absolutely any platform using these bikes. They would get full training and licensing and the bikes would have road-side assistance, servicing, when necessary, replacement vehicles available and overall general assistance.”</i></p> <p>Participant 3:</p> <p><i>“... I think if there was more information on shared value or a set methodology on how to adopt it that would be great. I don’t see why as an organisation why wouldn’t take it on and save the world while we grow.”</i></p> <p>Participant 4:</p>

	<p><i>“We would definitely be open to the taking on shared value principles if there was a way to incorporate it into our business. I think we just don’t know how ... like if there was someone who could come in and show us what we would need to do we would welcome it.”</i></p> <p>Participant 5: <i>“I would consider adding shared value methods to our business but I just can’t see how if I’m honest.”</i></p> <p>Participant 6: <i>“It seems a bit complicated ...”</i></p> <p>Participant 7: <i>“I think our business already has this shared value”.</i></p>
--	--

The second sub-theme, a methodology for shared value, emerged from the main theme of shared value. All eight participants gave comments on their perspectives of a methodology for shared value that they could apply or follow within their businesses, and in the growth and further development of their platforms.

All participants echoed their approval for the concept and displayed a keen willingness to adopt the approach, however, it was clear that they did not know how to incorporate the concept into their organisations.

*“I like the concept of shared value and I like the idea that we’re achieving these shared value principles in solving world problems ... but how do I explicitly show that in my business, how do I formalise it as a strategy and business model.”*  
(Participant 1)

Participant 4 echoed similar sentiments:

*“We would definitely be open to taking on shared value principles if there was a way to incorporate it into our business. I think we just don’t know how ... like*

*if there was someone who could come in and show us what we would need to do we would welcome it.” (Participant 4)*

Participants 5 and 6 both shared their perspectives on the concept being confusing and complicated. Participant 5 said,

*“I would consider adding shared value methods to our business, but I just can’t see how if I’m honest.” (Participant 5)*

Participant 6 said:

*“It seems a bit complicated ...” (Participant 6)*

Participant 2’s organisation was achieving shared value principles in the true sense of the concept but was meeting the key requirement without either a formal methodology or approach.

*“The company’s aim is to be an impactful organisation and so we decided to enable drivers with vehicles to take on delivery services. They can work for absolutely any platform using these bikes. They would get full training and licensing and the bikes would have road-side assistance, servicing, when necessary, replacement vehicles available and overall general assistance.” (Participant 2).*

## **4.6 Summary of Findings**

The findings revealed three main themes and eight sub-themes that contributed towards the ability of a platform business to create employment. The study also discovered that the three main themes namely platform business, employment creation and shared value correlated with each other and that platform business and employment creation appeared to be synonymous with each other.

From the interviews held, it was made apparent that the concept of shared value is not far reaching and greatly desired amongst platform owners. Those who were unknowingly achieving shared value principles sought to formalise the concept within their organisations and merge their organisational objectives with societal and environmental objectives.

# **CHAPTER 5: DISCUSSION OF THE FINDINGS**

## **5.1 Introduction**

In this chapter, the propositions, main themes, and sub-themes identified in Chapter 4 are discussed. The objective of the chapter is to consider the results from the data analysis in Chapter 4 and the findings of the literature review in Chapter 2 of this study.

## **5.2 Proposition 1 Discussion**

The first proposition identified from the research objectives was that principles were applied that guided platform business design and development in view of employment creation. The main theme was platform business and the sub-themes were digitalisation and opportunity, market access, and ecosystems.

### **5.2.1 Platform business**

As discussed in Chapter 2, Moazed (n.d.) explained that a platform business was “a business model that creates value by facilitating exchanges between two or more interdependent groups, usually consumers and producers” (para. 1). Vallas and Schor (2020) discuss the rise in platform business over the 10-year period of [2010 to 2020], explaining that their emergence coincided with the great recession of 2008 to 2009 and the opportunity this provided both traditional organisations and new platforms. The authors explained, “The platform economy has experienced rapid growth since then and now encompasses a wide array of digitally mediated economic transactions involving the exchange of goods and services” (Vallas & Schor, 2020, p. 2).

#### ***5.2.1.1 Digitalisation and opportunity***

Through the research conducted, it was discovered that all participants developed their platform business because of digitalisation which provided them with opportunities to change the way markets operated. Armstrong (2019) explains that digitalisation is “the process of dramatic change to the nature and conduct of business and its impact in the market and society” (p. 3). The dramatic change referred to by Armstrong speaks to the change from traditional to digital ways of doing business,

which have become prevalent. This was clearly displayed in the platforms of Participants 1 and 3, both of whom operate in the learning and education industries. Participant 1 stated,

*“Digitalisation has created an opportunity for on-demand virtual classrooms to be created and for educational learning plans and content to be available at the click of a button.”* Participant 1

Participant 3 said,

*“... the nature of learning and training has changed over the past, say, 10 years”*  
(Participant 3)

This was evident because platform businesses had changed the way industries traditionally operated. Vallas and Schor (2020) explained that there has been much more growth outside of the traditional economy.

*“... (A) more consequential path of growth began outside the traditional economy, as companies that have been born digital use the internet to usurp existing markets or create entirely new ones. Examples here involve e-commerce platforms, which have captured a growing share of the revenues once controlled by brick-and-mortar retail outlets; capital platforms for lodging, goods, and even machinery; service labour platforms for rides, household help, and caring labour; and video streaming and content platforms, which compete with broadcast, cable, and other media companies.”* (Vallas & Schor, 2020, p. 2).

The examples Vallas & Schor give of so-called ‘born digital’ organisations reflect those of seven of the eight participants discussed in Chapter 4, with only one organisation being a traditional organisation that digitalised its processes.

### **5.2.1.2 Market access**

Market access, after digitalisation, emerged as one of the greatest drivers for innovators to consider the development of a platform business. Hagel (2015) explained, “In the past, sellers have been limited by the economics of production and distribution to ‘push- based approaches’, meaning that they simply made an efficient batch size of what they sold and foisted it onto the marketplace” (p. 5). Platform businesses have essentially broadened the concept of market access from the limited

environment a business historically operated in, giving access to a much larger audience. One could even argue for a world-wide market, but the logistics of operating in that sphere still plays a big part.

Hagel (2015) explained that platforms assist in bringing together resources and participants, making them more accessible to each other on an as-required basis. It is with this understanding that platforms have changed the way business is done and given businesses access to markets that traditionally would never have converged.

### **5.2.1.3 Ecosystems**

Hagel (2015) explained platforms in terms of ecosystems and their importance, stating, "Ecosystems are dynamic with co-evolving communities of diverse actors who create new value chains through increasingly sophisticated and productive models for both collaboration and competition" (p. iii). It is with this explanation that we understand that the development of a platform business inherently results in the development of ecosystems, and the development of ecosystems is a great result for the platform business. The more actors who operate on the platform, the greater the opportunity for the platform to grow, expand, and remain sustainable. These platforms allow participants to create and capture value for themselves, while yielding strong returns for the platform builder due to network effects" (Hagel, 2015). The creation of additional ecosystems means that the platform generates value for more than the actors for whom it was originally created. A good example of this is Participant 3's professional learning video content platform. This platform was developed for professional corporate-based learning content but, based on the markets they reached, they found more niche content being developed and sought after, for example, for beekeepers or content on how to manage stress and anxiety.

## **5.3 Proposition 2 Discussion**

The second proposition identified from the research objectives was that factors exist which enable or inhibit the ability of platform businesses to create employment. The main theme that emerged from this proposition was employment creation and the sub-themes were independent contractors, entrepreneurship opportunity, and skills gaps.

### **5.3.1 Employment creation**

As defined in Chapter 2, the report by Holmes et al. (2013), defines employment creation as interventions of short or long term job creation by the government or private organisations, as policies to promote self-employment through the creation of small or medium sized enterprises and at macro-level measures to stimulate employment growth.

Further research on platform business and employment introduced new terms to the concept of employment or work in relation to platforms, and these were platform work, gig economy, digital work, crowd work, virtual work, online work, sharing economy, and on-demand economy. Platform work and gig economy are the most popular terms used to describe working on a platform.

Montgomery and Baglioni (2020) define the gig economy as, “the exchange of labour for money between individuals or companies via digital platforms that actively facilitate matching between providers and customers, on a short-term and payment by task basis” (p. 6).

#### ***5.3.1.1 Employment as a by-product***

In the research conducted, half of the participants explained that employment was a by-product of the creation of a platform and that it was an expected outcome of the platform and its operations. Some of the definitions provided on crowd employment and platform work explained the inherent requirement for services to be delivered to facilitate the transactional process between consumers and producer on the platform.

In a report by Eurofound (2015) crowd employment is described as “an employment form that uses an online platform to enable organisations or individuals to access an indefinite and unknown group of other organisations or individuals to solve specific problems or to provide specific services or products in exchange for payment” (p. 107). Platform work is described as “the matching of the supply of and demand for paid labour through an online platform” (Eurofound, 2015, p. 3).

Although there is no literature which explicitly states that employment is a definitive by-product of the development of a platform business, platforms provide workers with access to new income generation opportunities (De Stefano, Durri, Stylogiannis & Wouters, 2021).

### ***5.3.1.2 independent contracting***

In the research conducted it was established that the employment method for most medium to large platform businesses was the independent contracting model. This requires individuals to operate as self-employed and alleviates the payroll and human resources requirements for the organisation. It takes on a more delivery-based approach to remuneration than a staff expense with no measure of output. In the report by Vallas and Schor (2020), it was explained that “platforms represent a form of work organization whose meaning, nature, and impact are not a function of platforms as such but instead reflect the institutional landscape that surrounds them” (p. 9). The concept of independent contracting to platform business is an ongoing point of discussion for various reasons. Aside from challenges experienced with the model in Germany, Sweden, and the United States, where independent contracting affects critical areas, such as social insurance, tax revenues, and employment status in existing organisations in the same industry – such as the transportation industries – the challenge of regulation around platform labour remains a relevant topic.

Vallas and Schor (2020) lean on the history of capitalism, which suggests that for an organisation to make profit, labour requires strong mechanisms of control. In the attempt to exert more control, especially over working hours, their research suggests that platforms may not be able to meet the demand of customer orders due to labour constraints, which is the inherent nature of the business. Furthermore, they have discovered that in an attempt to take control over labour processes, working hours, and effort levels the platforms’ ability to attract the required labour was reduced and they were at risk of legal challenges to the designation of independent contractors (Vallas & Schor, 2020).

Vallas and Schor (2020) state that, “This also exposes platforms to labour shortages when labour markets are tight. As platforms try to counter judicial and public relations

threats, they may discover that they cannot be sufficiently profitable, or indeed, profitable at all” (p. 12).

Although the argument for a regulated labour practise amongst platform workers is valid and there is an exploitative nature to the conditions under which the workers are required to work, it is their choice and not one of coercion. Hagel (2015) provides a perspective that business leaders now know and understand the ability of platforms and the opportunities they provide and that “They have also seen the tremendous power of the platforms that have proved most scalable. Some platforms already encompass thousands and, in many cases, millions of independent participants, who benefit as a result from enhanced leverage, specialization, and flexibility.” (p. 80).

The argument for and against tight labour regulation is equally weighed, however, should the argument result in the closing of platform business due to its inability to generate a profit, then one could agree that the opportunities to earn an income are better than none.

### **5.3.1.3 Entrepreneurship**

In the data analysis, all respondents agreed that their platform businesses offered individuals entrepreneurship opportunities, some more easily accessible than others, but most of the opportunities came down to the individual and their desire to take on the work opportunity made available to them.

Vallas and Schor (2020) explained platform businesses as entrepreneurial incubators, which provided platform workers with the opportunity of being self-employed along with the freedom, flexibility, and autonomy that comes with it. Five types of platform labour were listed which were valuable when making sense of the entrepreneurship opportunities offered by platform businesses (Vallas and Schor. 2020).

The first are described as the “architects and technologists of the platforms, who are founders, highly skilled employees, and independent contractors” (Vallas & Schor, 2020, p. 3). These are the individuals who have discovered a way to digitise a particular market or process or introduce an entirely new market based on the internet.

The second type of entrepreneurial platform for work opportunities are the cloud-based engineers and consultants or technical freelancers who offer professional services for the technical development of the platforms. These individuals assume an independent contractor-type working arrangement and invoice the platform founder for services rendered. Once the project has been completed, the contractor proceeds onto another project with a new founder.

The third type of opportunity is for gig workers who offer their services via platforms, but this service is generally offered on an offline basis as in ride-hail, food delivery, home repair, care, and task work. These workers do not require a high level of technical knowledge but must adjust to the demands of customers, which affects their autonomy as entrepreneurs. The fourth type of entrepreneurial opportunity offered by platforms is online work which refers to

“workers (who) undertake human intelligence tasks that computers cannot perform and that are part of the process of machine learning. Examples include describing or classifying the content of images, editing computer-generated text, validating user accounts on social media, or transcribing brief audio clips” (Vallas & Schor, 2020, p. 4).

The fifth and last type of platform work offered as an entrepreneurial opportunity is described as aspirational labour. This exists in the world of social media and includes content producers and influencers. This type of platform work is mostly provided on an unpaid basis, as aspirational platform workers hope to gain a sufficient level of prominence in the attention economy to establish a regular income (Vallas and Schor. 2020) .

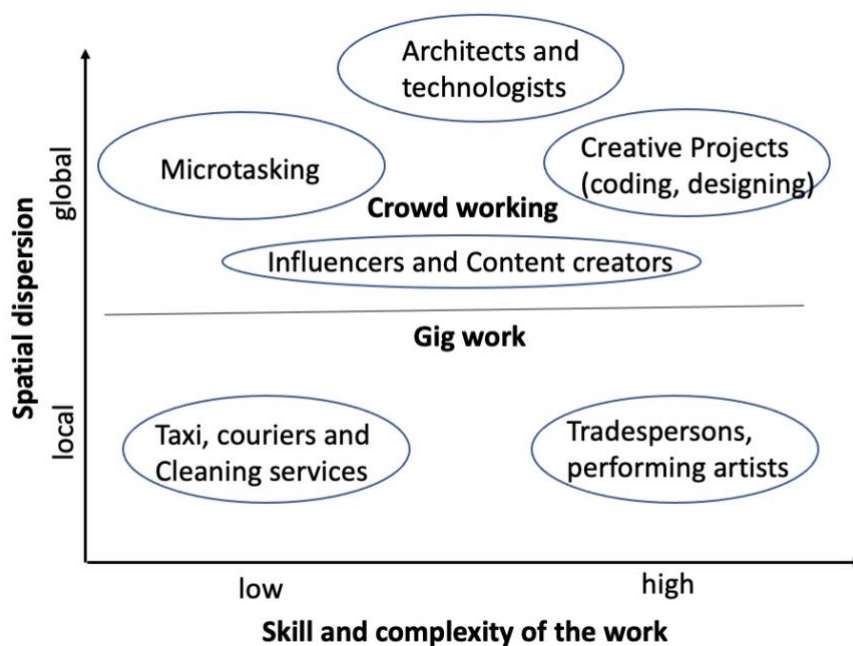
Understanding the different types of entrepreneurial platform work opportunities offered provides insight into the true nature of the possibilities of platform business. Platform business ushers in a new era of employment and the ability to access a means to an income for many individuals.

### 5.3.1.4 Skills gaps

The fourth sub-theme that emerged from employment creation is the perception of a skills gap amongst the required platform workers. Half of the participants explained that they had noticed challenges in skills required as entrepreneurs and contractors to a platform. In the study done by Anwar and Graham (2020) on the gig economy in Africa, it was discovered that digital work favoured those with adequate skill and technological affordances to make platform work a viable option to earn an income.

Vallas and Schor (2020) provide the graph shown in Figure 5.1 to explain the spatial dispersion in relation to the skills and complexity of the platform work required. The spatial dispersion explains whether the platform worker has access to a global market, a local market, or both. The spatial dispersion is important to understand the earning potential of the platform worker and their being able to access new markets. Based on Figure 5.1, it is made clear by Vallas and Schor (2020) that gig work is limited to the local economy that surrounds it and that skills and complexity level vary according to the type of platform work taken on.

**Figure 5.1 Graph of the Types of Platform Work with Spatial and Skill considerations**



Reproduced from Source: Vallas, S., & Schor, J. (2020). What Do Platforms Do? Understanding the Gig Economy. Massachusetts: The Annual Review of Sociology.

Within the South African market, skills and literacy are a known challenge. In a report by the Department of Higher Education and Training (2021) South Africa's adult literacy rate dropped from 95% in 2019 to 87% in 2021, resulting in a stark 8% decrease in the number of literate adults in South Africa. This statistic leans into the skills gap challenges faced in South Africa. If the basic literacy level is declining, then it follows that the skills required to operate online or make use of applications for online work would prove an even greater challenge for those struggling to read and write.

## **5.4 Proposition 3 Discussion**

The third proposition identified from the research objectives was that shared value principles and approaches are applied in employment creation. The main theme identified was shared value and the sub-themes that emerged were unknowingly achieving shared value principles, and methodology for shared value.

### **5.4.1 Shared value**

As discussed in Chapter 2, shared value is explained as a concept that encourages organisations approaching their social responsibility with a more strategic focus and intention to solve social challenges while still achieving their capitalist objectives of making a profit and maintaining a competitive advantage (Porter & Kramer, 2006).

#### ***5.4.1.1. Unknowingly achieving shared value principles***

In the research conducted, five of the eight participants were unknowingly achieving the concept of shared value or had strong models for applying shared value principles within their platform business. With employment creation and education being two critical global social challenges, platform businesses appear to be the potential answer in assisting with resolving both, with the conditions that access to the platforms is possible and the skills requirement are met.

Porter and Kramer (2011) contend that businesses and society have been set against each other for too long by economists who have "legitimized the idea that to provide societal benefits, companies must temper their economic success" (Porter & Kramer,

2011, p.4). They explain that there are three key ways that companies can create shared value opportunities:

- by reconceiving products and markets;
- by redefining productivity in the value chain; and
- by enabling local cluster development (Porter & Kramer, 2019, p.7).

Based on the above and the knowledge gathered from platform business and their development, these new businesses are reconceiving traditional business operations and markets, reconceptualising productivity in labour and platform work, and enabling local economies to develop by providing them with access to new markets – both within the immediate economy and its surroundings.

With this understanding, it is made clear why most platform businesses were achieving shared value principles, albeit unknowingly. They have been able to close the gap between businesses and society and encourage collaboration for both to benefit and profit from the transaction.

#### ***5.4.1.2 Methodology for shared value***

The results of the data analysis regarding shared value explained that all participants were open to adopting shared value principles and approaches and showed that if they could achieve a profit while assisting in the eradication of social challenges, they would most certainly subscribe. The challenge in this willingness to take on shared value principles was the lack of knowledge of a clear methodology for implementation and measurement.

In Chapter 2, Bockstette and Stamp (2011) provided ten building blocks for firms to adopt in their aim to create shared value. These building blocks did not, however, provide a clear methodology for implementation but rather gave a strategic framework for consideration. Porter and Kramer (2011) explained the opportunities for creating shared value, referring to the concept of entrepreneurship and reinventing local economies, and providing various theoretical benefits for the implementation of shared value principles but also did not provide a clear methodology for the implementation of the concept.

The lack of a clear methodology for the application of shared value principles may prove to be the downfall of the concept. No literature was found to support a clear methodology which organisations could adopt in their aim incorporate shared value principles.

# Chapter 6: Conclusion and Recommendations

## 6.1 Introduction

This study sought to understand the nature of platform businesses due to their exponential rise over the past 10 years. Platform businesses have completely changed industries, new markets have emerged and the way of doing business is an entirely new process to what it was over 10 years ago. It is with this understanding of the change in business that the study sought to understand the effect of platform business on employment and its ability to create jobs in a market like South Africa, where unemployment poses a chronic social challenge. The study posed three research objectives which it sought to understand and this chapter will discuss the conclusions derived based on the data and research collected.

## 6.2 Conclusion of Research Objective 1

*To explore the principles that guide the design and development of a platform business.*

Through the research conducted the study found that principles that guide the design and development of a platform business. The principles identified were the concepts of digitisation and digitalisation, market access, and ecosystems.

The concepts of digitisation and digitalisation are at the core of this study and present the notion of innovation, the opportunity to understand existing traditional markets, and conceptualise new ways in which those markets could operate digitally. The concept of market access in this study explains the nature of platform business in providing access to new markets due to its internet-based nature that is not confined by borders or physical barriers. The last concept of ecosystems explains the different actors who transact with the platform to derive value from it as well as provide value to the platform.

In the sub-theme, digitisation and digitalisation, seven research participants – who were founders and inventors of their platforms – provided perspectives on the various reasons that led them to create their platform business. Some were led by the passion

they had for a particular market, others by the pain they experienced in a particular process or the potential they identified in a market they believed could expand further. Digitisation and digitalisation gave these passions, pains, and potential the opportunity to grow and become the basis for the design and development of a platform business.

Market access also emerged as a driving principle in the design and development of a platform business. Paired with the concept of digitalisation and the opportunities made available through the creation of the internet, providing market access to markets confined by geographical location, or confined by physical interactions, became a key driver for the development of a platform business. The concept of network effects also play a large part in the ability of platform businesses to exponentially grow and reach markets far out of the physical location of a producing actor (Guillèn, 2021. p. 6).

Lastly, the concept of ecosystems in design and development of platform businesses is a critical principle for the growth and sustainability of the platform. The ecosystems that develop around the platform, that is, producers who see value in providing content or services to the platform and customers who see value in the offering of the producer, is a critical requirement for the platform's survival. It is also most beneficial for the platform if multiple ecosystems develop around the platform, both these multiple ecosystems and customers gaining value from the platform, thus ensuring its continuous growth and ultimately, profitability.

Ultimately, the design and development of a platform businesses relies on principles that will result in its success in the market and though there may be various principles to consider, the three principles indentified in this study remain consistent for consideration in the design and development of a platform business.

## 6.3 Conclusion of Research Objective 2

*To explore the factors that enable and inhibit the ability of platform businesses to create employment.*

From the study, employment creation emerged as a prevalent factor in platform businesses due to the way in which platform businesses have changed the nature of work and employment as it was once known. The research provided four themes that provided insight into the nature of employment on a platform. These four themes were employment as a by-product, independent contractors, entrepreneurship, and skills gaps.

Employment as a by-product of the development of platforms emerged in the data from half of the participants in the study. At first glance, the concept of employment as a by-product to the development of a new platform gave an exciting sense of hope for a way to decrease the unemployment rate in South Africa. However, on further study, the research explained a change in employment which lends itself to concepts of entrepreneurship and independent contracting.

The concepts of entrepreneurship and independent contracting were presented due to the nature of earning potential provided by the platform should the individual seek to grow and increase their ability to earn an income. As an entrepreneur, earning potential is up to the individual and their ability to grow is based on how much platform work they are willing to take on. Independent contracting refers mostly to the contractual type of arrangement between the entrepreneur (the producer) and the platform business.

The skills gap to take on platform work also emerged as a barrier to entry for many as platform work requires a level of skill and technological competencies to operate on the platform. The skills gap here refers to a lack in basic literacy of many low-income South Africans as well as a lack of knowledge on the technological requirements to operate on the platform efficiently.

The study provided insights into understanding the factors that enable and inhibit platform businesses to create employment and the results suggest that platforms can provide a means to earn an income for many on the condition that an entrepreneurial approach is taken towards the opportunities made available on the platform and which require a certain level of skill. The inhibitors to the ability of platform businesses to create employment refers to the skills required to operate efficiently on the platform which the platform business is unable to take responsibility for.

#### **6.4. Conclusion of Research Objective 3**

*To explore the principles applied in employment creation in achieving shared value principles.*

In the study, exploring the principles applied in employment creation in achieving shared value principles revealed unexpected results. Two themes emerged from the main theme of shared value, which were unknowingly achieving shared value principles, and a methodology for shared value.

In the sub-theme, unknowingly achieving shared value principles, it was made apparent that organisations have taken on initiatives and encompassed shared value principles, unknowingly. In their endeavours to create a platform business as a for-profit organisation, the very core of the services they offer lend themselves to resolving a critical social issue, that of sustainability.

The unemployment rate in South Africa, which emerged as a chronic social challenge, could potentially decrease due to the ability of platform businesses to provide employment albeit in the capacity of an entrepreneur. Furthermore, some organisations have taken on the full training, skills development, certification and technological allowances required to enable individuals to take on platform work and earn an income. The initiative both empowers the individual sustainably while contributing towards the profitability of the organisation, resulting in a mutually beneficial engagement.

The concept of a methodology for shared value emerged because of those platform businesses unknowingly achieving shared value and wanting to formalise the concept as a process within their organisation, and from other platform business owners who see great value in the concept and believe in their ability to subscribe to the concept of shared value if given a methodology and the know-how for its implementation.

## **6.1 Recommendations & Suggestions**

The study has provided insights into the changing nature of business and employment because of the rise in platform businesses. The recommendation is for these changes to be globally communicated to drive change policy as well as the general understanding of the two concepts. The nature of business has changed to that of the operations and construct of a platform business and to operate within this new way of doing business, an entrepreneurial approach to employment is required. Platform businesses require producers that can create and provide a multitude of skills and services sought after by customers, however, it is up to the individual to take on the opportunity to engage with the platform and provide value. This understanding will result in the creation of more formalised terms of engagement and drive policy makers to acknowledge the change in engagement between businesses and individuals.

Platform businesses have also proven to be a suitable vehicle for the concept of shared value to become entrenched in. The recommendation is for the development of a methodology for implementation, potentially by the development of certified shared value experts who can analyse a platform business and identify opportunities in which the platform can solve societal and environment objectives while still driving competitiveness and achieving profits.

The suggestion for a shared value methodology and certified implementation professionals of the concept I believe would prove to be valuable both to businesses and society. Similarly to that of Agile masters and Agile scrum professionals, shared value should take on a similar approach to introduce the concept to organisations and make the concept a sustainable and long standing business model across industries.

## REFERENCES

- Anwar, M.A., & Graham, M. (2020), *Between a rock and a hard place: Freedom, flexibility, precarity and vulnerability in the gig economy in Africa*. Sage Publishers, 0(0), 1–22. <https://doi.org/10.1016/j.telpol.2012.06.001>
- Armstrong, B. (2019). *Exposure of the South African economy to technological disruption – A sectoral view*. 4RSA. <https://www.4irsa.org/reports/report-exposure-of-the-south-african-economy-to-technological-disruption-a-sectoral-view/#>
- Babchuk, W. & Boswell, E. 2022. Ground Theory. International Encyclopedia of Education. United States. <https://doi.org/10.1016/B978-0-12-818630-5.11013-9>
- Bhattacharjee, A. (2012). Social science research: Principles, methods, and practices. *Textbooks Collection*. 3. [http://scholarcommons.usf.edu/oa\\_textbooks/3](http://scholarcommons.usf.edu/oa_textbooks/3)
- Bockstette, V., & Stamp, M. (2011). *Creating shared value: A how-to guide for the new corporate (r)evolution*. FSG.
- Bryman, A. (2012). *Social Research Methods*. Oxford University Press. United Kingdom
- Burkett, D. (2017, 19 December). *Digitisation and digitalisation: What means what?* Retrieved from workingmouse on 24 February 2022, <https://workingmouse.com.au/innovation/digitisation-digitalisation-digital-transformation/#:~:text=Remember%2C%20digitisation%20is%20the%20process,process%20are%20called%20digital%20transformation>
- Collins, J., & Hussey, R. (2014). *Business research: A practical guide for undergraduate and postgraduate students* (4<sup>th</sup> ed.). Palgrave Macmillan.

Creswell, J.W., & Creswell, D.J. (2018). *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches* (5<sup>th</sup> ed.) SAGE Publications.

Creswell, J. W., & Poth, C. N. (2018). *Qualitative inquiry & research design: Choosing among five approaches* (4<sup>th</sup> ed.) Sage Publications.

Cusumano, M. G., Gawer, A., & Yoffie. (2019). *The business of platforms: Strategy in the age of digital competition, innovation, and power*. Harper Business.

De Stefano, V., Durri, I., Stylogiannis, C., & Wouters, M. (2021). *Platform work and the employment relationship*. International Labour Organization Working Paper 27, (Geneva, ILO).

Evans, P. C. & Gawer, A. (2016, January). *The Emerging Platform Economy Series No. 1. The Rise of the Platform Enterprise: A Global Survey*. Retrieved from The Center for Global Enterprise:  
[https://www.thecge.net/app/uploads/2016/01/PDF-WEB-Platform-Survey\\_01\\_12.pdf](https://www.thecge.net/app/uploads/2016/01/PDF-WEB-Platform-Survey_01_12.pdf)

Eurofound (2015), *New forms of employment*, Publications Office of the European Union, Luxembourg. doi:10.2806/989252

Fairwork. 2020. Fairwork South Africa Ratings 2020: Labour Standards in the Gig Economy. Cape Town, South Africa; Oxford, UK; Manchester, UK.  
<https://fair.work/en/fw/publications/fairwork-south-africa-ratings-2020-labour-standards-in-the-gig-economy/>

Garcia-Murillo, M., MacInnes, I., & Bauer, J.M. (2018). Techno-unemployment: A framework for assessing the effects of information and communication technologies on work. *Elsevier* (35), 1863–1876.  
<https://doi.org/10.1016/j.tele.2018.05.013>

Gawer, A. (2020). Digital platforms boundaries. The interplay of firm scope, platform sides, and digital interfaces. *Elsevier. Long Range Planning (54)*, 1-16.

<https://doi.org/10.1016/j.lrp.2020.102045>

Graham, M., Heeks, R., Woodcock, J., Mungai, P., Van Belle, J.-P., du Toit, D., Fredman, S., Osiki, A., van der Spuy, A., & Silberman, S. M. (2020). The Fairwork Foundation: Strategies for improving platform work in a global context. *Geoforum*, 112, 100-103.

<https://doi.org/10.1016/j.geoforum.2020.01.023>

Guillèn, M.F. (2021). The Platform Paradox: How Digital Businesses Succeed in an Ever-Changing Global Marketplace. *Wharton School Press*, Philadelphia.

Hagel, J. (2015). *The Power of Platforms*. Deloitte University Press.

<https://www2.deloitte.com/ch/en/pages/innovation/articles/platform-business-model-explained.html>

Khuluvhe, M., (2021). Adult illiteracy in South Africa, Department of Higher Education and Training, Pretoria. From

<https://www.dhet.gov.za/Planning%20Monitoring%20and%20Evaluation%20Coordination/Fact%20Sheet%20on%20Adult%20Illiteracy%20in%20South%20Africa%20-%20March%202021.pdf>

Heeks, R. (2019, January 29). *How many platform workers are there in the global South?* ICT4s for Development.

<https://ict4dblog.wordpress.com/2019/01/29/how-many-platform-workers-are-there-in-the-global-south/>

Heeks, R., Graham, M., Mungai, P., Van Belle, J.P., & Woodcock, J. (2020). Systematic Evaluation of Platform Work Against Decent Work Standards: Development of a New Framework and Application in the Global South.

*Manchester Centre for Digital Development Working Paper (85)*. From <http://www.gdi.manchester.ac.uk/research/publications/di/>

Hofstee, E. (2011). *Constructing a good dissertation: A practical guide to finishing a Master's MBA or PHD on schedule*. EPE.

Holmes, R., McCord, A., Hagen-Zanker, J., Bergh, G., & Zanker, F. (2013). *What is the evidence on the impact of employment creation on stability and poverty reduction in fragile states: A systematic review*. Overseas Development Institute. From <https://odi.org/en/publications/what-is-the-evidence-on-the-impact-of-employment-creation-on-stability-and-poverty-reduction-in-fragile-states/>

Hossain, M. (2020). Sharing economy: A comprehensive literature review. *International Journal of Hospitality Management* (87), 1-11.  
<https://doi.org/10.1016/j.ijhm.2020.102470>

Karippacheril, T. G., Fatemeh, N., de Reuver, M., & Bouwman, H. (2013). Serving the poor: Multisided mobile service platforms, openness, competition, collaboration and the struggle for leadership. *Elsevier* (37), 24-34.  
<http://dx.doi.org/10.1016/j.telpol.2012.06.001>

Liel, B. v. (2016). *Creating Shared Value as Future Factor of Competition - Analysis and Empirical Evidence*. Springer.

Lüdeke-Freund, F., Massa, L., Bocken, N., Brent, A., & Musango, J. (2016). *Business models for shared value (Main report)*. Network for Business Sustainability. <https://www.nbs.net/articles/main-report-business-models-for-shared-value>

Miles, M.B., & Huberman, M.A., (1994). *Qualitative Data Analysis*. Sage Publications. California

Moazed, A. (n.d.). *Platform Business Model – Definition | What is it? | Explanation*. Applico. <https://www.applicoinc.com/blog/what-is-a-platform-business-model/#:~:text=A%20platform%20is%20a%20business,can%20be%20accessed%20on%20demand>

Montgomery, T. and Baglioni, S. (2021), "Defining the gig economy: platform capitalism and the reinvention of precarious work", *International Journal of Sociology and Social Policy*, Vol. 41 No. 9/10, (1012-1025).

<https://doi.org/10.1108/IJSSP-08-2020-0400>

Mouton, J. (2013). *How to succeed in your Master's and Doctoral studies* (18<sup>th</sup> ed.) Van Schaik.

Polit, D. and Hungler, B. (1999). *Nursing Research: Principle and Method*, 6<sup>th</sup> ed. Lippincott Company. Philadelphia

Porter, M. E., & Kramer, R. M. (2006, December). *Strategy & society: The link between competitive advantage and corporate social responsibility*. Retrieved from Harvard Business Review: <https://hbr.org/2006/12/strategy-and-society-the-link-between-competitive-advantage-and-corporate-social-responsibility>

Porter, E. M., & Kramer, R. M. (2011) Creating Shared Value. How to Reinvent Capitalism—And Unleash a Wave of Innovation and Growth. *Springer Science+Business*. 16, (327 – 350) [https://doi.org/10.1007/978-94-024-1144-7\\_16](https://doi.org/10.1007/978-94-024-1144-7_16)

Prahalad, C. K., & Hammond, A. (2002, September). Serving the world's poor, profitably. *Harvard Business Review*. <https://hbr.org/2002/09/serving-the-worlds-poor-profitably>

Prahalad, C. K. & Hart. S., (2002). The Fortune at the Bottom of the Pyramid. *Harvard Business Review*. (80), 48-57.

Prahalad, C. K. (2011). Bottom of the Pyramid as a Source of Breakthrough Innovations. *Product Development & Management Association*, 29(1), 6–12. DOI: 10.1111/j.1540-5885.2011.00874.x

Prassl, J. F. B., & Risak, M. (2016). Uber, Taskrabbit and Co: Platforms as employers? Rethinking the legal analysis of crowdwork. *Comparative Labor Law and Policy Journal*, 37(3), 619-652. From <http://www.labourlawresearch.net/sites/default/files/papers/15FEB%20Prassl%20Risak%20Crowdwork%20Employer%20post%20review%20copy.pdf>

Ritchie, J., Lewis, J., McNaughton-Nicholls, C., Ormston, R. (2014) *Qualitative Research Practice: A Guide for Social Science Students and Researchers*. SAGE Publications. United Kingdom

Saunders, M., Lewis, P., & Thornhill, A. (2009). *Research methods for business students* (5<sup>th</sup> ed.) Pearson Education.

Scott, D. & Morrison, M. (2005) *Key ideas in educational research*. A&C Black: Bloomsbury Publishing. London

Shared Value Project. (2020). *What is Shared Value?* Retrieved from Shared Value Project:

Statistics South Africa, (2021). Quarterly Labour Force Survey (QLFS) – Q3:2021. From <http://www.statssa.gov.za/?p=14957#:~:text=The%20unemployment%20rate%20according%20to,than%20it%20is%20to%20women.>

Uenlue, M. (2017, June 26). The complete guide to the revolutionary platform business model. From <https://innovationtactics.com/platform-business-model-complete-guide/>

Vallas, S., & Schor, J. (2020). What do platforms do? Understanding the gig economy. *Annual Review of Sociology*, 46(1), 273-294. <https://doi.org/10.1146/annurev-soc-121919-054857>

Williams, C. (2007). Research methods. *Journal of Business & Economic Research*, 5(3), 65-72. DOI <https://doi.org/10.19030/jber.v5i3.2532>

Williams, R., & Hayes, J. (2013). *Literature review: Seminal papers on 'Shared value'*. EPS-PEAKS.

Wood, A. J., Graham, M., Lehdonvirta, V., & Hjorth, I. (2019). *Good Gig, Bad Big: Autonomy and Algorithmic Control in the Global Gig Economy*. Sage, 1-20.  
DOI: 10.1177/0950017018785616

World Resources Institute. (2007). *The next 4 billion*. Washington, DC: World Resources Institute.

Wakefield, H. I., Yu, D., & Swanepoel, C. (2022). Revisiting transitory and chronic unemployment in South Africa. *Development Southern Africa*, 39(2), 87-107.  
<https://doi.org/10.1080/0376835X.2020.1799761>

# ANNEXURE 1

## Research Instrument

### Research Interview Questions

**Main question:** What are the approaches to employment taken by Platform Businesses in view of Employment Creation in South Africa?

The sub-questions for the study are namely:

1. To explore the approaches followed and principles applied in employment creation (in achieving shared value principles)
2. To explore the principles that guide platform business design and development in view of employment creation
3. To explore the factors that enable and inhibit the ability of platform businesses to create employment.

### Interview Questions to Platform Business Owners

1. Could you tell me about your business?
2. What led to the idea of developing your platform business?
3. Can you share with me how or in which way you have explored or approached the concept of shared value in the development your business model?
4. To what extent did you consider the creation of employment opportunities (in particular) as critical element of the shared value principles in your business development?
5. Did you specifically develop a strategy for employment creation? Can you please elaborate.  
{If no strategy for employment creation, skip Q6 a move to Q7 and Q8}
6. What were the principles you applied in designing your business to facilitate the creation of employment opportunities? (probe)  
{If no strategy for employment creation, skip Q7 a
7. In your opinion, what are the factors or conditions that facilitate the ability of (your) platform business to create employment opportunities in SA?
8. What, in your opinion are the factors that inhibit the ability of (your) platform business to create employment opportunities in SA?
9. General. Comment: Is there anything else that you would like to add or share? Such as lessons learnt.