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Patterns of empowering small businesses in Mantsopa through entrepreneurial skills development

MINOR DISSERTATION

By

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Abstract

Mantsopa Municipality is faced with a challenge of high unemployment and stagnant economic performance. The study explores the relationship between the entrepreneurship skills of small and medium-size business owners and business success. It assumes that if business owners lack entrepreneurial skills, then business success will be low. Therefore, a positive relationship between the two variables was assumed. Low levels of entrepreneurship skills and business success have a high chance to serve as a partial explanation for unemployment and stagnant economic performance in the Mantsopa Municipality. The technical research project identifies the relationship between the investigated variables, and analyses the existing gaps that might be related to poor business performance. An exploratory, cross-sectional survey design has been conducted. The findings confirmed that technical business skills have a strong influence on business practice to acquire a large-scale market share and to sustain business in the long term. Improving business success can enhance the potential for vibrant economic activities to impede the high level of unemployment rate that has been persistent in this local municipality of Ladybrand.

Keywords: *Local economic development, business success, entrepreneurship skills, small and medium enterprises*

SECTION A: INTRODUCTION

1.1 Introduction

South Africa is faced with the challenge to promote sustainable economic development through a process of poverty alleviation and inequality stabilisation factors that are attributed to persistent increases in unemployment and poor economic progress.

Entrepreneurship development has been identified as a vital factor to unlock a business' potential, to stimulate local business market competitiveness and to improve economic welfare. A report by the Central Bank of Lesotho (2009:1-2) identifies entrepreneurship development as a process to improve business market concentration in terms of volume scale of participants and as a mechanism to promote various business products to meet consumers 'demands. However, according to Brijlal, Naiker and Peters (2013:589), entrepreneurship activities have not yet efficiently and strongly resulted in sustainable job creation due to poor business performance, as the majority of business owners engage in practices with limits to gain high market shares to cover the costs for business practice. Although the government has initiated efforts to offer technical support for entrepreneurship development, the initiatives are not sufficient as poor business performance and high levels of business failures are still evident (Louise van Sheers, 2016:348-349).

1.2 Background and rationale

The economy of Mantsopa Municipality is made up of 5 small towns named Ladybrand, Hobhouse, Tweespruit, Thaba Patswa and Excelsior; the municipality covers a total area of 4 291 square kilometres. It forms part of the Free State Province and falls within the district municipal area of Thabo Mofutsanyana. The economy is based on commercial agriculture and other commercial sector activities. The municipality is faced with a challenge of high unemployment rates as the economic market is not effectively responding to excess labour supply. The statistics census report (2011) indicated that the municipality has experienced a -0.81% economic growth rate, an overall

unemployment rate of 29.2%, a youth unemployment rate exceeding 38.2%, and a dependency ratio of 59.2%. It seems that the municipality is faced with a challenge to sustain economic progress as high levels of unemployment contribute persistently to inequality and poverty. The majority of the population struggles to take part in economic activities.

According to Ramukumba(2012:22), South Africa's initiative efforts towards poverty eradication have resulted in a shift from traditional top-down planning policies to a local economic development strategy. This strategy encourages entrepreneurship development that is more labour intensive, and in which job creation opportunities can be developed. Regardless of an increase of SME establishment, the effort seems to be not appreciated much, as most people participating in the SME business sector lack the technical business skills to run businesses. Ngek, Van Aardt and Smith (2013:3033-3035) asserted that the business sector has been characterised by high failure rates due to low levels of creativity and innovation. Consequently, the majority of businesses lag far behind, lacking capacity for market competitiveness and creating business job opportunities. The study revealed the existence of 5579767 SMEs and 7.8 million business job opportunities in South Africa. This implies that an average of less than two jobs per individual business have been created, showing a small impact for sustaining economic progress in the long run.

Entrepreneurship education and training have proven to play a key role to successfully grow and sustain businesses, as the business' competitive advantage is strongly influenced by technical business knowledge (King'ori &Theori,2016:99-100). The sector needs to be well established with enough business skills training programmes to ensure that the business sector makes a positive contribution.

1.3 Problem statement.

Policymakers in the Mantsopa Municipality have embarked on an economic progress journey, by working on dynamic business activity strategies that would act to engage people in large numbers to take part in economic activities. Currently, high levels of unemployment in a predominantly agriculture-oriented environment exist, resulting in business stagnation and failure in the Mantsopa Municipality.

A need exists to explore whether small and medium-sized business owners have the necessary technical skills for business practice and whether entrepreneurship skills relate to business success in this area.

1.4 The main research question

“Are the entrepreneurial skills of small business owners in Mantsopa Municipality, as a determinant of local economic development, positively relate to business success?”

1.4.1 Research objectives

To investigate the principle research question, the following investigative questions need to be investigated:

- i. What entrepreneurship skills are regarded as essential in the operations and growth of business?
- ii. What business success factors are considered essential for creating employment and business growth?
- iii. How do the identified entrepreneurship skills relate to business success criteria?
- iv. What are the entrepreneurship skill gaps that exist for SME owners in the Mantsopa Municipality?

1.5 Research Objectives

The research objectives are classified into two types indicating the goals to achieve for the survey study below as follows:

1.5.1 Primary objective

The principle objective of the technical research project is to establish the entrepreneurship skills development needs of SME owners that will facilitate business growth and job creation in the Mantsopa Municipality, Ladybrand.

1.5.2 Secondary objectives

To accomplish the principal objective, the following secondary objectives need to be achieved.

- i. To identify the entrepreneurship skills regarded as important for business growth and employment.
- ii. To identify the business success factors that are associated with the contribution to business growth and employment.
- iii. To assess the impact of entrepreneurship skills on business success.

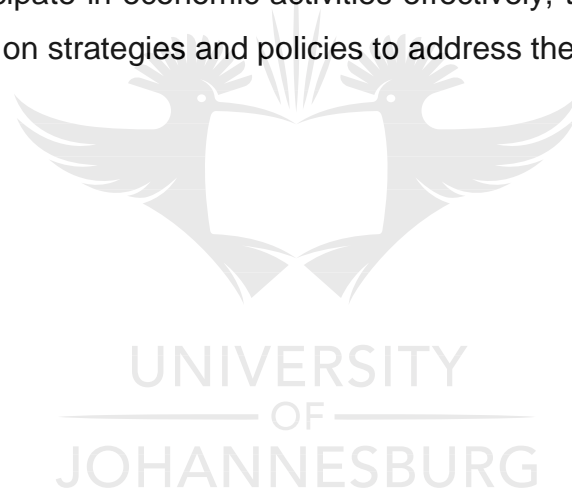
1.5.3 Hypothesis test

The following hypotheses will be tested.

- H_0 : There is no relationship between entrepreneurship skills and business success.
- H_a : There exists a positive relationship between entrepreneurship skills and business success.

1.6 Significance of the study

The paper will review the entrepreneurship skills that are assumed to be necessary for business practice, and to assess whether these skills do positively relate to business success as a positive mechanism factor for local economic markets. The findings will give clear answers as to whether entrepreneurship development, which is part of the policy framework for local economic development, is indeed a good strategy to achieve targets for inclusive economic activities for the Mantsopa Municipality. If there are challenges that hinder the efforts to achieve the LED targets and objectives that relate to process of stimulating strong business culture and equipping the community with business skills to participate in economic activities effectively, the findings will come up with recommendations on strategies and policies to address these challenges.



SECTION B: LITERATURE REVIEW

2.1 Introduction

It has been identified by many theories that business practice can be a driving force to solve crisis of unemployment, which is the factor that relates to various socio-economic challenges for many countries. According to Nicolaides (2011:1044-1045) the escalating numbers of unemployment have left the majority of the population with no option but to try to start small businesses for source of income to sustain a living. Therefore, a need exists to promote the type of businesses that have potentials for product creativity and innovation to stimulate vibrant economic growth. According to Naidoo (2010:234-237) entrepreneurship development has been at a forefront of local economic development initiative strategies in South Africa to address the challenges of poverty persistence. There is a need to come up with good strategies to foster economic growth by encouraging high standards of enterprise operations that are indicated by high level of business skill application, which is an indicator that relates to pillar 2, according to South African national framework for local economic development (2013:30-31). A pillar that is specific for providing the local market environment with skilful labour through learning and by promoting a strong culture to sustain business survival for inclusive economic activities. A functional theoretical approach to skills development in South Africa as discussed by Mooney, Knox, and Schacht (2007) will be presented. In this approach skills development is analysed within a system of interconnected part focusing on its influence on other part of the economy.

2.2 Scope of the literature review

This section will review prior research studies as part of building the indicators that need to be empirically assessed for the study which is a strategy to achieve the objectives of the study with success. The author will explore the methods used in the previous studies with the aim to analyse the findings of this study; to be able to determine

whether the findings do align with the theories. To look into gaps that may be found in these studies and to come up with the recommendations that might be important and relevant to influence needs for conducting more survey studies to play a vital role in contributing to process of policy planning and decisions making. The section comprises of various segments as follows:

- i. Review on current status of human capital skills levels in South Africa
- ii. Review on mechanism strategy that South Africa has engaged to capacitate business sector.
- iii. Analysis on influence of entrepreneurship skill development to business success
- iv. A review on causal link between vibrant business activities and economic growth a factor for sustainable economic development
- v. Summary report and conclusion

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2.3 Review of current status on human capital skills levels in South Africa

This section will review the current status on human capital skills level with an attempt to assess the success rate in terms of technical business skill training for supporting business development in South Africa. The report will play part to indicate proper strategies that the government will have to follow for business programs initiatives that might need to be implemented for empowering the communities.

Funding for investment in education has been given a priority focus by economic policies, but the level of education attainment does not seem to be an effective

mechanism to decrease high level of unemployment rate. The statistics census report (2011:39) demonstrated that there has been an improvement in education attainment compared to the findings from the previous census, which was conducted in 2001. The implementation of a policy framework for compulsory education in primary and high schools, and funding for higher education, have benefited the majority of marginalised South Africans to have equal opportunity to engage in the labour market with skills. The findings affirm that among the black population, only 8.2% have no formal education, while 64.8% have completed only primary level, with a proportion of 25.3% having completed secondary level and 1.6% having attained higher education levels. As for the coloured population, only 24.4% have completed the secondary level, with only 1.5% having obtained higher education qualification, while the Asian population has a fraction of 2.1% with no formal education, 56.5% have primary level, while 53.4% obtained secondary level and 6% having higher education qualification. A statistics analysis for the white population group shows that the group has the highest segments relative to the rest of the population groups, having 38.6% of population group completed secondary level and 8% having tertiary qualifications with the lowest proportion of 0.8% having no schooling.

The statistical analysis indicated some progress in the proportion of education attainment among the population groups; however, the response to equip the economically active population with the necessary skills to meet the demand for economic market seems to be a process to embark on. According to Chirwa and Odhiambo (2015:21), the study indicated that South Africa is one of the countries in the Southern Africa region with low levels of education and skill attainment. Low levels of skills have a negative impact on economic progress, as it is a substantial influence on productivity, and the quantities of skills available do not solve the challenges that hinder efforts that are determined to intensify the labour market with skilful resources to sustain economic growth.

The study illustrated that the proportion of people, who are employed with skills constitutes 25.4%, while 46.8% are classified as semi-skilled and 27.8% are indicated to

be unskilled. This shows that the proportion of the population having managed to attain primary level education constitutes the highest average, followed by secondary qualifications, with the lowest level of tertiary qualification for all population groups. The level of education and technical skills attainment in the black population group is the lowest relative to the rest of the groups, which is an indication that high levels of unemployment are more prevalent in the black population.

The above report indicates that regardless of the race the large proportion of population in South Africa are classified as literate this shows that initiation of technical business skill training can benefit most of the majority with success. The training will not only involve practical activities but one will have to acquire certain skills of managing well the business that entails reading and writing reports.

2.4 Review on mechanism strategy that South Africa has engaged to capacitate the business sector.

The main task of achieving sustainable dynamic business progress is through the promotion of a strong culture for business activities with full support for skill training programmes; this is a task that entirely depends on integrated work system strategy. Lose, Maziriri and Madinga (2016:17) indicated that government has initiated various efforts to foster entrepreneurship skills programmes to nurture start-up enterprises in the early stages and offers technical guidance for established enterprises to acquire them with proper techniques to sustain businesses for long-term survival.

These initiated programmes are administered by the Small Enterprise Development Agency (SEDA), business incubators such as the Department of Trade and Industry (DTI) and technology station programmes, which have been launched to stimulate and strengthen technological and innovation practices for small, micro- and medium enterprises in response to solving poor business performance.

A department of small business development with above mentioned agencies and organisations is trying their level best to provide the support needed for established businesses in SA local markets. SEDA has set up 55 branches to decentralise services to locate almost every entrepreneur who needs supports and intervention that relate to market opportunities, enterprise performance assessment, and entrepreneurial skill training programmes. The agency has developed a network system of 49 business incubators and this strategy has shown remarkable results for businesses that have been recruited under these programmes. However, Nicolaides (2011:1046-1047) illustrated that there is not much of coverage on entrepreneurship training programmes due to small numbers of people having entrepreneurship qualifications to teach at academic institutions and to technically equip entrepreneurs with relevant skills to fully understand the business market environment. Higher education institutions offer entrepreneurship education in a way that is based on theoretical methods, with no dynamic, practical trainings to tackle the challenges that they might encounter on the ground. Choto and Tengeh (2015:153-154) also confirmed that as much as business incubators are promoted by the public sector to play a fundamental role to support and stimulate intense entrepreneurship activities through training programmes, their successful role depends on sustainable support systems. The business incubators are faced with many challenges, such as funding to pursue skill training for start-ups and for existing businesses, and they lack mentorship support on guidance for best delivery. On the other hand, Masutha and Rogerson (2014:149-151) indicated that private incubators and public incubators seem to have different visions in terms of enterprise target areas; private incubators seem to target major market locations, leaving out less poor areas as opposed to public incubators.

2.5 Analysis on influence of entrepreneurship skill development to business success

Business success has been indicated as a reward for efforts initiated to stimulate dynamic economic activities, according to Sheers (2016:3). He defined business

success as a positive outcome of profit-making, capacity to reach target markets, sustaining customer large base, promotion of job opportunities and an increase in business production for local markets. While according to Maresch, Harms, & Kailer, (2015:173) entrepreneurship skill training is referred to a process that stimulates business knowledge capacity in such a way that an entrepreneur can develop confidence and self esteem to identify the possible business opportunities and to acquire enough strength to take business risks for engaging in business practice.

Walter and Zondo (2016:220-221) supported this by stating that to sustain vibrant business activities through exposing business owners to proper skills training programmes and business management, finance and market location, can be a good strategy for a long term business survival. Bezuidenhout and Nenungwi(2012:11659-11665) stated that by developing a skills training system it can directly support the goals and objectives of the enterprise sector and can effectively stimulate adequacy for business activities. The study was based on a quantitative method with a sample size of 88 business owners in Johannesburg to examine the types of entrepreneurship skills that are necessary for business growth. The study applied descriptive and inferential methods using an SPSS statistics analysis, and the determined indicators for entrepreneurship skills were classified into interpersonal factor and business intelligence. The findings affirmed that 52% of the respondents were incompetent in risk management, 43% constituted a proportion of those who are either competent or very competent in financial management, with a percent of 73% of males stating that they do not know how to conduct research about the business industry to acquire knowledge on market trends and competitors. The findings confirmed that the utmost four competencies for business growth and sustainability relate to risk management, industry awareness, financial management and project management.

Intervening in entrepreneurship environment with an effort to limit factors that are constraints to business success through education and training programmes is quiet a good mechanism to stimulate strong response for economic progress. However, according to Whim (2013), it was indicated from the findings that as much as

entrepreneurship is defined as a catalyst for production, which is a mechanism structure to promote benefits of innovation and technology from a process of reforming the pattern of production by exploring invention, not all types of entrepreneurs contribute positively to economic development. Necessity entrepreneurship lags behind with technological innovation and creativity, which is a constraint factor for an increase in production and profit-making. A study on technology trends by Pouris (2012:56-57) showed that South Africa is lagging behind with innovation programmes, high technology, high value business development and skill technology transfer due to poor techniques to identify emerging technology and low funding for research on technology and innovation. This condition will lead to delays in technology transfer and poor development of high technology intensive entrepreneurship. There is a need for set-up sector-based programmes for technology and innovation adoption according to international standards. However, an increase in the number of innovation programmes as opposed to those that relate to industrial innovation, technology and human resources programmes for business sector that are supported by department of trade and industry, would be a significant approach for high value-added products.

According to Duval-Couetel and Long (2015:67-81), academic discipline on entrepreneurship development can display opposite results in terms of venture creation other than attracting a large pool of people to start up their own business. The study was based on analysing the impact of academic business education looking at methods in which they intend to apply their skills in the business market, by applying quantitative and qualitative methods for a sample size of 110 students specifically studying entrepreneurship. The analysis indicates that few are planning to establish businesses after completing school, while some are determined to work in top positions in corporate firms to establish enough capital to start their own businesses. The findings show that it is not easy to demonstrate the value of entrepreneurship education in the market (Marivate, 2014:65-67). South Africa is classified as an emerging economy and is going through similar challenges that developing countries are faced with. The initiated skill training programmes seem not to be adequate enough to solve the challenges of low enterprise activities in the economy, according to a study that was based on the

economic viability of SMMEs in the City of Tshwane in Gauteng for a time frame on a five-year follow-up survey for a sample size of 349 enterprises. The analytical design was stratified for the Kaplan-Meier survival likelihood curve, and logit regression analysis was applied together with life tables, and also an application of qualitative method was applied for data analysis. The findings confirmed that 54% of enterprises were not viable. The statistical results were significant that a lack of skills and a lack of supervisory support for new newly established enterprise have a negative impact on business survival and economic viability for entrepreneurship development. However, the findings indicated that the degree of usage for entrepreneurship programmes is very low; some respondents indicate that they are totally not aware of the programmes available to them, while the other part of respondents indicated that they do not have access to business information as they are required to pay for subscription fees to have access. While Khan, and Lee, (2013) verified that the capacity of creativity, which is a source for innovation, can be determined by the level of social network to gain information and techniques from well-informed people; interaction between individuals is a good strategy for information transfer to operate enterprises successfully and efficiently.

However, Kithae, Maganjo and Kavinda (2013:4-14) illustrated that the lack of funds on the other hand hinders the implementation of acquired knowledge in skill training in business environments. A study looked into entrepreneurship skill training components and the impact it has on the success of entrepreneurship activities; the paper conducted a survey on a sample size of 68 enterprise owners. The statistical analysis applied was a descriptive technique using Pearson's matrix, and the outcomes indicated skill training on components of customer care, enterprise, business record keeping, marketing and financial management operation have a strong impact on enterprise operation. The results indicated that the business sector has been faced with a challenge to develop mechanisms to cope with the effects of economic transition that relate to technology, and the volatile market environment that has been outcompeted by advanced economy markets. Successful business operations depend on the acquisition of techniques to identify business opportunities, to know customers' needs and choices to be able to

retain large numbers of customers for business products, to be able to set aside business resources from personal resources to plan for the unforeseen challenges in future.

2.6 A review on link between vibrant business activities and economic growth a factor for sustainable economic development

Economic theory has kept on evolving until SMEs were given a centre stage as a tool for economic sustainability for the fact that big companies were not effective enough to respond to economic transition due to economic challenges that were caused by global market and technology progress. South Africa has embarked on transitions to promote inclusive economic growth by offering equal economic opportunities to all in an effort to leverage challenges of poverty and inequality. The SME sector has been identified as a mechanism to boost economic activities through various economic indicators, which according to Yusuf and Albanawi (2016:49-50), the entrepreneurship development has proven to be a positive contributing factor towards economic progress by promoting a source for income and it is a major stimulating factor for various economic indicators such as tax revenue collection, production, investment, employment and many others. According to a study by Omoruyi, *et al.* (2017:5-9) it has been indicated that the Sub-Saharan countries are faced with challenges of high unemployment rate that seems to be persistent however entrepreneurship has been identified as main factor to resolve the challenges of poverty a situation which is related to stagnancy in creating employment opportunities. Entrepreneurship development is one of the influencing factors for job creation as immediately when an entrepreneur joins the market there is a high chance of stimulating employment growth which is one of the main links to economic progress on condition that businesses are sustained efficiently. Based on the findings from empirical analysis the study has verified that there is a need for African governments to strongly support business establishment as this has a positive spill over to employment creation. However Faulkener, *et al.* (2013:2-11) indicated that South Africa's product market is classified with high cost ratings according to international standards. With high

costs in place, it is not easy to produce high value-added products that can cope well in global competitive markets, and it is a big challenge for local businesses to create job opportunities on massive scale as well as being able to sustain the businesses in a long term.

Hessel *et al.* (2008:220-221) found that the level of transition a country's economy is in can be a determining factor for entrepreneurship development to be effective or ineffective. As it is well known that the process of transition goes through different stages, which is related to being a factor-driven stage a phase in which entrepreneurship serves as a source for wealth, employment and economic products. The second phase refers to efficiency-driven stage whereby the communities have some levels of economic activity distribution and the third stage relates to the innovation-driven stage – a level of creativity and ability to identify market opportunities for sustaining business practice even during challenging times. The impact of business activities through each of these stages is not the same, and policymakers should be well informed of the stage level that the economy is in to provide support that business activities can be effective enough to bring a change. Lepojevic, Dukic and Mladenovic (2016:20-27) also confirmed that different forms of enterprises have divergent effects on economic progress and economic development, and a degree of economic development has a direct impact on the level of business contribution. The study was conducted on a comparative analysis for developed and developing countries to investigate the effect capacity of entrepreneurship establishment on economic growth. The findings showed that the form of opportunity business type has a strong, positive impact on economic growth through being able to identify markets for their products by attaining enough information through research. Bashir & Akhtar (2016:91-100) have also supported the idea that Innovation and entrepreneurship are considered to be one of the core factors for economic growth as innovation is a vital tool to respond to economic evolution and it is a strong influence to competitiveness. The study used a secondary data on global entrepreneurship monitor, global innovation index, global competitive report, world economic forum and UNESCO institute for statistics to analyse the effect of innovation and entrepreneurship on economic growth the findings have

shown that businesses that are operated under more advanced stages of innovation have a strong influence on economic growth than those who are operated under stages that are lagging behind with innovation as they seem to benefit more from being productive, resilient and more adaptable to economic changes.

On the other hand, a report by the Small Development Agency (2016) on the small, medium and micro-enterprise sector revealed that business activities are faced with a challenge of limited funding. Apart from inadequate entrepreneurial skills for enterprise operation, African banks and lenders offer funding to businesses in later stages of development, while poor performing businesses are subjected to strict inspection when it comes to offer financial resources. Stagnancy in an economy enforces monetary markets to stick to low levels of interest rates, which is a negative contributing factor on small and medium enterprises to access funding from banks. Low returns from business activities are another challenging factor for emerging SMEs in many developing and emerging economies due to poor business performance. Ojha (2016:159) found that the accumulation of capital funds from profit returns can be a driving force for business success, as part of profit can be channelled to savings, which can be later used as a capital portion for new enterprise investment or business expansion in later stages. This confirms that business performance and economic progress seem to have direct causal effects on each other.

2.7 Summary report

The literature review revealed that business skills and proper application of business knowledge has a significant impact on business success. Sustaining business activities efficiently is a core stimulating factor for dynamic economic progress that can lead to economic development in a long term. Further based upon a functional theoretical review it was found that various stakeholders and their decision making can stimulate robust outcomes for specific entrepreneurship environments. This will require partnership and coordination between stakeholders.

In the next section the research design and methods will be discussed.

SECTION C: RESEARCH DESIGN AND METHODS

3.1 Introduction

This section presents the research methodology that has been used for the design of the research and the methods used to collect and analyse data, which, according to Macheke and Smith(2013: 4-12), is referred to as a blue print for steps applied for data management up to a final stage for interpretation of survey findings to assess whether the objectives of the study have been met with success.

A literature review was part of reviewing the outcomes of the findings from previous studies as a way of assessing manners in which entrepreneurship skills can positively result in business success. The study reviewed some parts that have been overlooked in this field to come up with some improvements as well as knowing the techniques implemented for analysis. The researcher has observed that most previous studies focused more on examining the impact of certain type of entrepreneurship skills on business success and it has come to recognition that there has never been a survey study conducted before examining the relationship between entrepreneurship skills and business success in Mantsopa Municipality in Ladybrand.

3. 1 Scope of the chapter

The aim of this chapter is to explain the research methodology pursued in the empirical study. The research methodology used for this study will follow a research process and it is divided into segments that relate to the problem statement, the research hypotheses and the research objectives, and the type of research design that is specific for quantitative method, both descriptive and causal. The sampling method will be presented, including method of data collection, and finally, the method of data analysis and its motivation will be presented.

3.1.2 Research design methods

The challenges of high levels of unemployment can be substantially curbed through job creation by accomplishing the long-term survival and growth of business activities. The study is based on a positivist, cross-sectional survey research design of quantitative methods whose findings will be the results of statistical summary from data analysis.

The paper will opt for a survey study with a quantitative method with the aim to get a true picture on challenges that the business owners are currently facing and to assess the entrepreneurship skills gaps in the business environment market. The study used a cross-sectional survey approach due to time constraints and the intention is not based on attempting to examine trends, but rather to identify relationships between variables. The structured questionnaire is attached as an annexure to provide insight into its content and composition.

3.3 Research methods

This part indicates a layout approach to perform statistical analysis, showing techniques that will be applied for sampling, data collection and type of population in focus.

3.3.1 Population, Sampling and Sampling Description.

The landscape of economic development strategies has shifted towards small and medium enterprise establishment to stimulate dynamic inclusive economic activities, and entrepreneurship skills training is part of promoting business culture with a knowledge capacity for business practice. The technical research study is mainly focused on small and medium enterprises as the commercial environment sector for Mantsopa Municipality mainly comprises small and medium enterprises, and there are not many big business industries establishment in the local market, and therefore the target population consists of an age group of 18 to 64 years with literacy capacity and being able to speak English. The latest statistics on Mantsopa municipality was done in

2007 by Statistics South Africa (2007) indicating that the municipality consists of 13772 households and 59028 persons. No official data is available on the number of SMEs operating in this municipal area.

The convenience sampling method which is a common sampling technique used to draw conclusion from different sub groups that have been chosen to represent different groups in terms of race, gender, education and etc, for people engaging in different SME business practice in Mantsopa Municipality. This sampling method also known as availability sampling that relies on data collection from respondents conveniently available in the SMEs sector of the municipality without the setting additional requirement. Therefore, all available SME owners could be invited to participate in a study. Convenient sampling was considered to be a appropriate since the researcher was able to negotiate access to SME owners through existing contacts that were available in this area, data could collected in a short limited period of time and because of the limited budget available to the researcher. Under such circumstances convenience sampling is allowed. Saunders, Lewis and Thornhill (2009).As the population size was unknown the researcher opted for a planned sample size of 100 respondents. Although the findings would not claim representativeness, the researcher is of the opinion that a sample size of 100 would facilitate a meaningful depth of analysis as well as working on a sample with accuracy to integrate and critically examine the findings with comparison to theory.

3.3.2 Questionnaire design and content

With regard to the content and setting of the questionnaire, the questions were designed in a short, simple and comprehensible method that cannot be time consuming. The study used closed-ended administered questionnaires, which were designed by the researcher specifically for the survey study to collect data on a standardised instrument and experimental design using a representation of 100 respondents of small and medium enterprise owners. The information from respondents will be dealt with

confidentiality as this is subject to the requirements of ethical conduct and is a way of developing a platform for participants to be more comfortable and honest with their responses.

The set of questions were categorised into different sections, starting from section A up to section F, as follows:

Section A

This section was related to the part of the biographic information being stratified into segments, i.e. gender, age, nationality, English language proficiency and language predominance.

Section B

This part of subdivision was based on education and business skills attainment; some of the questions relate to the highest level of education completed, number of languages used as part of communication for business practice, as well as information on business background of the enterprise owner before deciding to engage in a business practice.

Section C

This part of the information relates to types of entrepreneurship skills that were regarded important for business success by scaling them in different levels such as not important, slightly important, moderately important and most important.

Section D

This section relates to capacity level in which entrepreneurship skills acquired can be used for business operations by scaling different usage levels, such as: not important, slightly important, moderately important and most important.

Section E

This segment relates to business success, assessing channels through which business has progressed towards success, such level of turnover, achievement to make savings from profit accumulation, level of demand, as well as capacity level to create employment opportunities.

Section F

This section's questions were based on business profile, which relates to the type of industry a business falls under, as well as how the business is registered, and the number of employees a business has.

3.4 Data collection, capturing and analysis method

Primary data was collected by means of the self administrative structured English questionnaire described in paragraph 3.3. The structured questionnaire was administrated in Ladybrand Mantsopa municipality on the business premises of entrepreneurs. In exceptional cases where entrepreneurs did not fully understand the questions the researcher explained the meaning of the questions in their mother language. Before the questionnaire was administrated the researcher introduced herself explained the purpose of the survey and requested the voluntary participation. The data was collected in a period of one month during 2018. It took about 20 minutes to administrate one questionnaire.

The data was captured on Excel spread sheet. To ensure correct data capturing the researcher used a numbering system to allow the data capturing administrator to verify the correctness of data capturing on a second round verification against the questionnaire numbers. The verified captured data were exported to SPSS version 24 for analysis purposes.

The information from the questionnaires was captured into Excel for data cleaning and exported to SPSS to perform inferential statistical and descriptive analysis. The results were presented in the form of percentages, frequencies, histograms, distributional tables and charts.

The data analysis included:

- i. To determine the reliability of the questionnaires, the Cronbach alpha coefficient was calculated to assess the internal consistency used in the context multi item measurement instrument to produce the robust results for the research study to ensure that only items that represent factors are included in the analysis for entrepreneurship, skills factor analyses was performed (De Vet, Mokkink, Mosmuller & Terwee, 2017:46). Factor analysis is a technique that is used to facilitate ways to manipulate the large size of a data set to be reduced or summarised into a manageable set of components to be able to pursue other tests of inferential analysis, such as regression analysis. The factor analysis was done for question 13 of the measuring instrument that consists of 17 questions and assesses the entrepreneurship skills regarded as important for business success.
- ii. The multi regression analysis was performed to assess the relationship between the entrepreneurship skills and business success. Leard statistics (2019) explains that multi regression analysis is used when one wants to predict a value of the dependent variable based on the value of two or more independent variables. It allows one to determine the overall fit (variance explained of a model and the relative contribution of each of the independent variables).
- iii. Descriptive analysis in the form of tables, cross-tabulation and figures was done to present an understanding of sample participation and level of entrepreneurship skills capacity in Ladybrand business market to sustain business activities.

3.5 Ethical compliance

The survey study is governed by ethical considerations with precaution to harm or disclosure of personal information, with a clear presentation of the purpose for undertaking a kind of study in such an area without any form of financial benefits for agreeing to participate in a survey study. The author will introduce herself/himself to the participants and present the objectives of the study in such an area, with an indication that the participant is not compelled to participate in the study if she/he does not see a need or any reason to participate in the study she/he is free to withdraw from participating in the study.



SECTION D: RESEARCH FINDINGS

4.1 INTRODUCTION

The purpose of this section is to present the empirical findings of the survey. The objective of the study was to investigate the entrepreneurship skills that are regarded as essential for business success. The survey study was based on examining the entrepreneurship skills that may be indicated by business owners as essential to stimulate dynamic business activities, which, in turn, could contribute to business growth and job creation opportunities. The study was also aimed at determining the relationship between entrepreneurship skills and business success and also examining the business skills gaps that might exist within the business environment of the Mantsopa Municipality in Ladybrand. This section will present a summary report on findings from survey data analysis; the results will be presented in the sequence of formulated objectives/research questions in accordance with the methodology explained in the previous section.

The study engaged an inferential analysis process, which is part of technical analysis on factor analysis to process tests such as reliability and validity of findings to be able to proceed with further various statistical tests on multi regression analysis. Descriptive statistical techniques were also engaged, such as frequency distribution, by using percentages to indicate the comparison of responses by converting the absolute terms to real terms.

The section is divided into five sub-sections; the first part reported on personal biographical data. The presentation focused on indicators that relate to gender, age of business owner, which was characterised in terms of differentiating between men and women, nationality, place of birth, level of proficiency in speaking English, language of predominance, level of education and business skill attainment. The second sub-section presented part of the business demographics, which referred to business profile and assessing the capacity impact of entrepreneurship skills on business success and essential factors for business growth and employment. The first two sections engaged descriptive analysis techniques to determine the frequency distribution and the

percentages for categorical variables with the presentation of tables, as well as pie and bar charts to represent some of the survey findings.

The third sub-section presents a factor analysis that facilitated tests on validity and reliability of measuring instruments (questionnaires) used in the survey study.

The fourth section contains details on multi-regression analysis, which is a mechanism to calculate multiple coefficients by using two or more independent variables and correlation analysis, which is a process engaged to inspect an impact relationship between the entrepreneurial skills of business owners and business success (Saunders, Lewis & Thornhill, 2009:461).

4.2 Biographical information of research participants

4.2.1 Response rate

The target size of the survey study was 100; however, only 76 respondents were able to take part in the survey study successfully; a total of 70 questionnaires were completed without any mistake and were used for statistical purposes. The author was really willing to cover the exact target sample size, but some of the business owners were out of town by the time the survey study was conducted, while some did not have the time to take part in the study.

4.2.2 Biographical information of participants

This section comprised variables that relate to gender, age, nationality, place of birth, level of proficiency in speaking English, language of predominance, level of education and business skill attainment. The findings on personal demographics are presented in table format below, as follows:

4.2.3 Gender

Table 4.1: Age group composition of male and female respondents

AGE	Male	Female	Percentage
18-35	10	8	25.70%
36-45	8	7	21.40%
46-55	17	6	32.90%
56-65	5	7	17.10%
66+	0	2	2.90%
Total	40	30	100.00%

According to the test analysis findings from the sample indicators, it has been found that the age group category of 46 to 55 has been mostly represented by a proportion of 32.9%(n=23), followed by representation of 25.7%(n=18) for the age group 18 to 35, while the age group 36 to 45 was represented by 21.4%(n=15) of the respondents, with a slight representation of 17.10%(n=12) for the age group between 56 and 65, while the age group above 66 was represented by a margin of 2.9% for only females (n=2). This is an illustration that the business market, according to representation of selected samples in this area, is substantially occupied by the age group younger than 56, with a majority of males in the business practice.

4.2.4 Nationality

Table 4.2: Nationality

Nationality	Frequency	Percentage
SA citizen	55	78.6
Non-SA citizen	15	21.4
Total	70	100

From the findings of the study, it has been found that 78.6% ,which is a total sum of 55 businesses, are owned by South Africans, with a proportion of 21.4% businesses owned by non-South Africans(n=15).

4.2.5 Business background

Table4.3: Business background

Business background attained before business establishment	Frequency	Percentage	Cumulative frequency
Yes	29	41.4%	41.4
No	41	58.6%	100

The findings showed that the majority of respondents did not have any business background, rating at 58.6%, while 41.4% indicated that they had business background before they decided to start their own business. Some of them specified that they acquired the knowledge from family businesses.

4.2.6 Level of English proficiency

Level of English proficiency

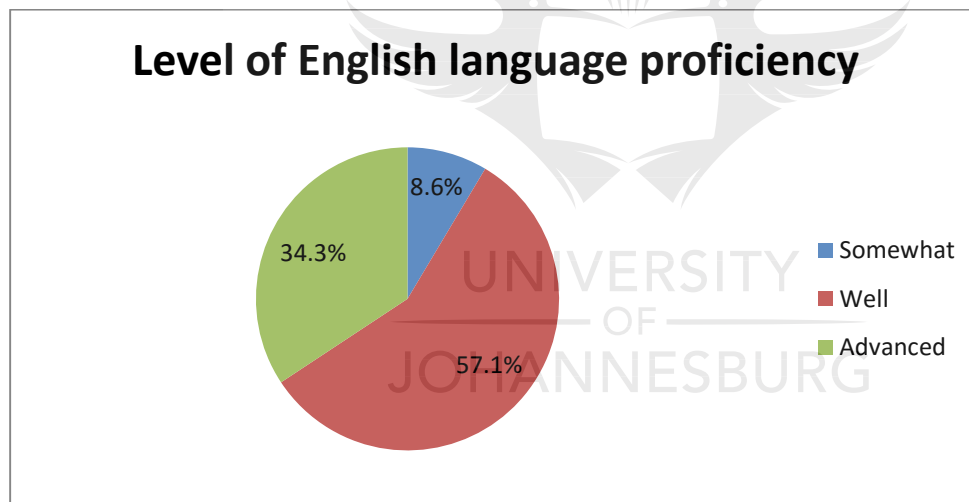


Figure: 4.1: English language proficiency

The results affirmed that 57.1% (n = 40) of respondents could communicate well in English, while a fraction of 8.6% (n = 6) were not able to communicate in English, with a portion of 34.3% (n = 24) of business owners being extremely good in English.

4.3 Business demographics

Business demographics comprise indicators that relate to level of education attainment, content of local languages and foreign languages used as part of business communication, level of entrepreneurship skills acquired through training from facilities and examining the impact capacity level of skills on business growth. The presentation of frequencies and percentages on the structure of business sectors, the set-up of business registration in business markets, as well as the presentation of respondents' views on channels that attributed to business success will follow.

4.3.1. Educational background

Table 4.4: Level of education

Level of education	Frequency	Percentage	Cumulative frequency
Primary	8	11.4%	11.4
High school	48	68.6%	80
Post-school qualification	14	20%	100

The findings of the survey study indicated that the fraction of respondents with primary level education comprises 11% (n = 8), while business owners who have acquired post-school qualifications amounted to a portion of 20% (n = 14), as opposed to high school level with the highest margin of 69% (n = 48). This indicates that many of the business owners in this area demonstrate potential successful possibilities of training skill programmes to curb the challenges of poor business performance as the majority seem to be more trainable according to their levels of literacy.

4.3.2 Number of languages used as part of communication for business practice

Communication is regarded as a fundamental feature for business practice; it is through communication platforms that a business owner can retain customers by explaining business products and ideas proactively to gain a large market share. Khan, and Lee, (2013:287) affirmed the importance of capacity on creativity, which is a source of innovation that can be determined by social networks to gain information and

techniques from well-informed people. Communication between individuals is a good strategy for information transfer to operate enterprises successfully and efficiently.

Table:4.5: Number of languages spoken as part of business communication

Number of languages spoken	Frequency	Percentage
One language	2	2.9%
Two languages	42	60%
Three languages	20	28.6%
More than three languages	6	8.5%

According to the findings of the study, 60% (n = 42) of the respondents indicated that they speak a combination of two languages as part of business communication, followed by a fraction of 28.6% (n = 20) who use a combination of three languages. Only 8.5% confirmed speaking more than three languages as part of business communication, followed by a small fraction of 2.9% (n = 6) at least speaking one language. The findings indicate that most of business owners rely mostly on using two languages as part of communication.

4.3.3 Ability to speak foreign language

Table:4.6 Ability to speak foreign language

Foreign language spoken	Frequency	Percentage
Yes	14	20%
No	56	80%
Total	70	100%

The descriptive statistics were generated to present the ability level to speak any foreign languages, as it has been identified that there has been a landscape transformation in terms of community developments. Most communities are made up of mixed populations from different countries. The business owners are faced with challenges of trying to accommodate every customer in their product market in a very effective way to

boost their business activities. It has been found that learning foreign languages has not been a crucial part for these local business owners as a way to advance business communication strategies. The findings indicated only 20% of respondents are able to speak foreign language, as opposed to a majority of 80% respondents who admitted to be unable to communicate in foreign language.

4.3.4 Entrepreneurship skills training at facilities

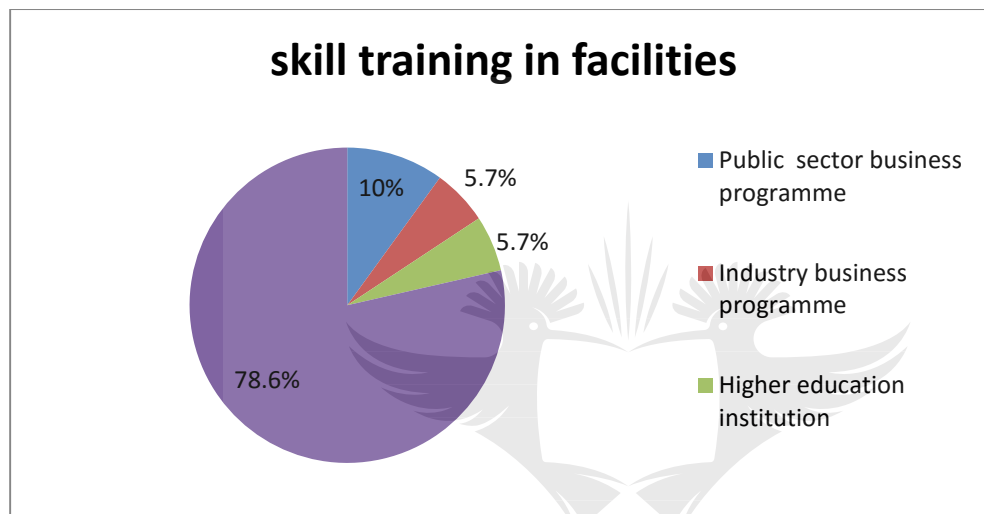


Figure 4.2: Skill training in facilities

Empowering the commercial sector with training skills programmes is a vital dimension in business development for value addition as the economy market for South Africa is based on an industry set-up. Bezuidenhout and Nenungwi(2012:11659-11665) illustrated that developing a skills training framework that directly supports business goals and objectives can effectively promote competence in the business market. Based on the findings of the survey study, it has been determined that the business market is not supported with adequate skills training. A total of 78.6% (n = 55) of business owners have not taken part in entrepreneurship skill training, while 10% (n = 7) took part in training at public sector business programmes, with 5.7% (n = 4) of the

respondents who agreed to have been in industry and higher education institutions, respectively.



4.3.5 Factors associated with business growth and employment

Table:4.7 Respondents views on factors that linked to business growth and employment

Factors that are linked to business growth and employment	Rating categories				
	Not important all	Less important	Moderately important	Important	Most important
Productivity	1			21	48
Selling products that are economically linked to other business activities in the market			16	29	25
Gaining large market share				20	50
Understanding the customers' needs and demands well				10	60
Conducive business environment in terms of policy framework and regulations				23	47
Business' long-term survival			4	13	53
Access to finance			12	3	55
Sustaining business turnover				6	64
Total	1	-	32	125	402

It has been affirmed by various theories that to be able to promote vibrant business activities with success, there is a need to focus on factors that would relate as vital stimulus to sustain businesses. An empirical study by Sheer (2016:3) showed that being creative and innovative in business products, accessing product markets, and having access to funds to manage business being accumulated from profit making or being obtained from other sources of funds are some of the significant outcomes to achieve that can result in business growth and job creation opportunities. The survey findings have revealed the views of the respondents on factors that were associated with business growth and employment. According to analysis results, it has been found that most of the determined factors have been moderately associated with business growth and employment, by 32 responses, followed by a total number of 125 responses on actual approval, with 402 cases confirming the identified factors as the most important stimulus for business growth and job creation opportunities.

4.3.6: Entrepreneurship skills regarded as essential for business operation and growth

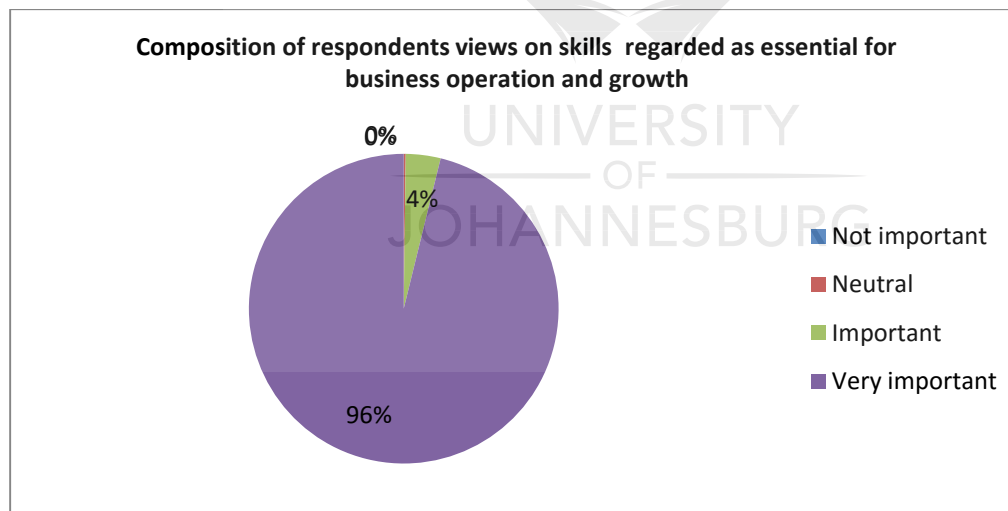


FIGURE 4.3 Respondents' views on the importance of skills

4.3.7 Extent to which entrepreneurship skills can be applied efficiently for business practice

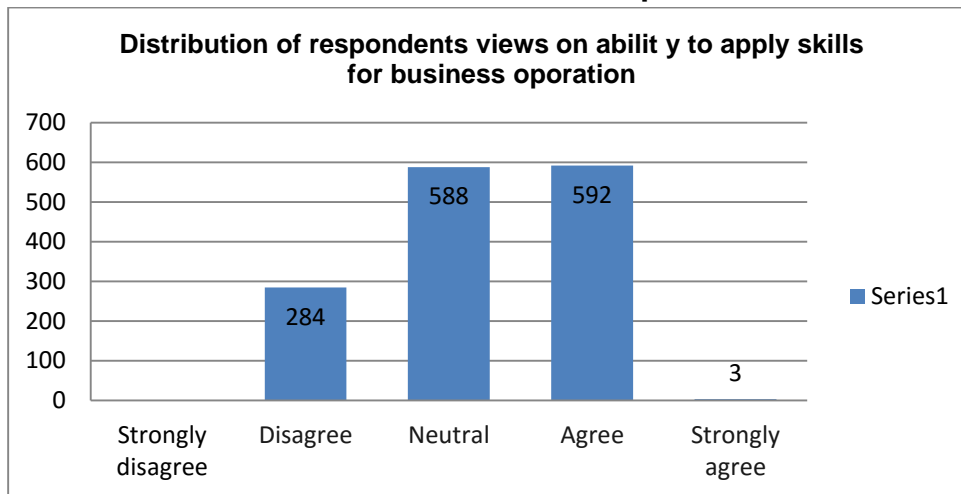


Figure 4.4: Ability to apply skills

The majority of business owners have revealed that they lack adequacy to apply business skills for business operations. According to the total sum of responses that referred to rating categories on skills application capacity, the responses have been presented as follows according to the table above. It has showed that 284 respondents were classified as not being able to apply the categories of stipulated skills at all for business practice. A summary of 588 responses were confirmed to know moderately how to apply the categories of stipulated skills, with 592 responses confirming being able to apply skills for business operation together with a minority of three responses strongly agreeing to know how to apply skills for business operations.

4.3.8: Impact capacity of entrepreneurship skills on business success

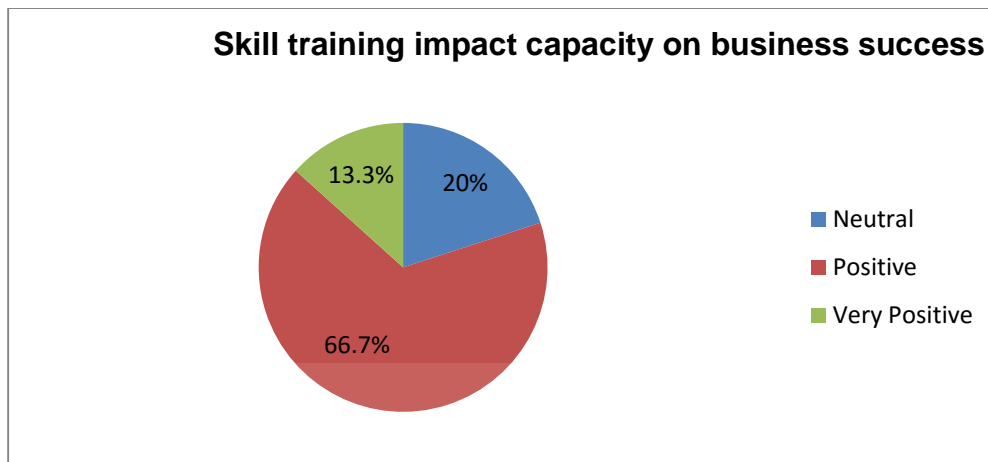


Figure 4.5: Composition of impact capacity of skill training on business success

A proportion of 67% (n=10) of respondents that have taken part in business skill training programmes has affected their business performance in a positive way, with 13%(n=2) of respondents admitting that the training has contributed very positively to business performance, while a fraction 20%(n=3) revealed that the skills that have been acquired through training have somehow slightly improved the business performance.

The study examined the extent to which business practice has positively attributed to job creation opportunities. The findings are stipulated in the table below.

Table 4.8: Employment opportunities created by business operation

Number of employees	Frequency	Percentage
0	6	8.6%
1_10	60	85.7%
11_15	4	5.7%

The results revealed a high proportion of employment in the category of 1 to 10 business employees at 85.7%, followed by a fraction of 5.7% in category of 11 to 15

business employees, with 8.6% of businesses being operated by business owners on their own.

The objective of the study was to target businesses that are operating under formal sector, and according to the findings in the table below, it was revealed that 30% of businesses were registered in partnership with 70% registered as a sole proprietor.

4.3.9: Presentation on a form structure of business registration

Table 4.9: Form of business

Form of business	Frequency	Percentage
Registered in partnership	21	30%
Registered as a sole proprietor.	49	70%
Not registered	0	
Total	70	100%

The summary report was compiled from findings that relate to type of business structure for the Mantsopa Municipality. The results are presented in Table 4.3.9 below. It was found that the majority of the businesses were on average more in retailing than the rest of the business settings with 64.3%, followed by a proportion of 20% of businesses operating in a form of mixed structure, while businesses in the service practice accounted for 11.4%, with a small proportion of 4.3% in manufacturing.

4.3.10: Presentation of business subsector

Table:4.10 Business sector

Type of business sector	Frequency	Percentage
Service	8	11.4%
Retailing	45	64.3%
Manufacturing	3	4.3%
Combination of business sector	14	20%
Total	70	100%

Entrepreneurship development has been identified as a strong mechanism to promote sustainable economic development through employment opportunities, which is a relevant strategy to develop a huge positive impact on various economic indicators. Kithae ,Maganjo and Kavinda (2013:4-14) revealed that ability to identify business opportunities, knowing customers' needs, ability to retain large numbers of customers for business products, and the ability to set aside business resources from personal resources in order to be able to plan for unforeseen challenges in future are the best mechanisms to sustain business in the long term.

4.3.11: Composition of channels that relate to business success

Table 4.11: Composition of channels that linked to business success

Channels in which business skills attributed to business success	Rating categories				
	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
My business generated satisfactory profit		1	40	29	
My business was able to create more employment opportunities		14	42	14	
Some of the business profits could be utilised for savings		24	45	1	
The business made enough money to sustain a living from business operations			50	20	
The level of demand for my products or services has increased			50	20	
My business customers has increased		1	53	16	
The business is able to fulfil its short-term financial obligations			42	28	
The growth of the business is satisfactory			42	25	3
The turnover of the business is increasing					
Total		40	364	153	3

The findings in the table above revealed that the responses were more on the impact level, which slightly contributed to business success, followed by responses that affirmed positive change towards business success. A small portion of responses strongly acknowledged a positive contribution, with 40 cases of response totally objecting any positive change in their business practice. The findings are presented in details in Table 4.11 above.

4.3.12 Inferential statistics and hypothesis analysis

This section firstly reviews the parts that relate to the research problem and research questions, followed by the presentation of the summary findings of the survey study along with conclusion, recommendation, limitations, and suggested areas that might be valid to be explored for future studies.

Table:4.12: Item analysis for factor 1 respondents views on importance of skills

Skills variables	Cronbach's alpha if item deleted
I know how to sell ideas and products.	0.790
Business management skill.	0.792
Business research and development.	0.787
Creativity.	0.825
1 Able to use technological for business activity.	0.803
Marketing skills	0.807
Cronbach alpha for the factor= 0.828	

The results of the Cronbach alpha analysis for factor 1 revealed acceptable results of 0.828, with the item analysis result significant for reliability, and there were no variables excluded.

Table:4.13: Item analysis for factor 2: Views of respondents on importance of skills

Skills variables	Cronbach's alpha if item deleted
Able to identify business opportunities.	0.248
D53 Risk taking.	0.244
Able to access business information relating to business guidance and business assistance.	0.240
Able to interact with other business owners.	1.000
Cronbach alpha for the factor= 0.709	

Internal reliability was tested for all items in factor 2, although the results were not significant; however, none of the items were excluded as the items contributed well to the overall Cronbach's alpha of 0.709

Table 4.14: Item analysis for factor 3: Views of respondents on importance of skills

Skills variable	Cronbach's alpha if item deleted
Service delegation.	0.709
Staff management.	0.669
I can motivate employees.	0.776
Cronbach alpha for the factor= 0.791	

Factor 3 indicated good reliability with an overall score of 0.79.

Table: 4.15: Item analysis for factor 4: Views of respondents on importance of skills

Skills variable	Cronbach's alpha if item deleted
D37 I know how to set business priorities.	0.864
D39 I know how to organise business priorities.	0.791
Cronbach alpha for the factor= 0.813	

The Cronbach alpha for factor 4 was calculated to establish reliability; the findings were acceptable at 0.813.

Table: 4.16 Item analysis for factor 5: Views of respondents on importance of skills

Skills variable	Cronbach's alpha if item deleted
D36 Financial management.	0.454
D44 Customer care service.	0.413
Cronbach alpha for the factor= 0.434	

The outcome of the analysis on factor 5 revealed poor results for the overall instrument at 0.434; however, the results of the eigenvalues for factor 5 have significant values greater than 1.

4.3.13 Collinearity diagnostics

Variance inflation factors measure was conducted to assess the inflation in the variances of the parameter estimates due to collinearities that exist among the predictors. It is a measure of how much the variance of the estimated regression coefficient is inflated by the existence of correlation among the predictor variables in the model. A VIF of 1 means that there is no correlation among the predictor and the remaining predictor variables, and hence the variance of predictor is not inflated at all. The general rule of thumb is that VIFs exceeding 4 warrant further investigation, while VIFs exceeding 10 are signs of serious multicollinearity requiring correction.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95,0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	-0.631	0.537		-1.175	0.245	-1.704	0.442		
	Factor_1	0.654	0.175	0.488	3.727	0.000	0.303	1.004	0.464	2.153
	Factor_2	0.287	0.141	0.219	2.037	0.046	0.006	0.568	0.693	1.443
	Factor_3	-0.153	0.138	-0.123	-1.108	0.272	-0.428	0.123	0.649	1.541
	Factor_4	0.201	0.123	0.173	1.631	0.108	-0.045	0.446	0.712	1.405
	Factor_5	0.057	0.151	0.043	0.375	0.709	-0.245	0.358	0.603	1.659

a. Dependent Variable: E62 The growth of the business is satisfactory.

The findings from the above table revealed that the values of VIF tests were all below a value of 4 for all the factors, respectively at 2.153, 1.443, 1.541, 1.405, and 1.659. The results confirmed that there was no sign of multicollinearity.

Table:4.18 Correlations

		E62 The growth of the business is satisfactory	Factor_1	Factor_2	Factor_3	Factor_4	Factor_5
E62 The growth of the business is satisfactory.	Pearson correlation	1	.657**	.493**	.299*	.484**	.425**
	Sig. (2-tailed)		0.000	0.000	0.012	0.000	0.000
	N	70	70	70	70	70	70
Factor_1	Pearson correlation	.657**	1	.520**	.515**	.535**	.599**
	Sig. (2-tailed)	0.000		0.000	0.000	0.000	0.000
	N	70	70	70	70	70	70
Factor_2	Pearson correlation	.493**	.520**	1	.435**	.333**	.391**
	Sig. (2-tailed)	0.000	0.000		0.000	0.005	0.001
	N	70	70	70	70	70	70
Factor_3	Pearson correlation	.299*	.515**	.435**	1	.314**	.492**
	Sig. (2-tailed)	0.012	0.000	0.000		0.008	0.000
	N	70	70	70	70	70	70
Factor_4	Pearson correlation	.484**	.535**	.333**	.314**	1	.388**
	Sig. (2-tailed)	0.000	0.000	0.005	0.008		0.001
	N	70	70	70	70	70	70
Factor_5	Pearson correlation	.425**	.599**	.391**	.492**	.388**	1
	Sig. (2-tailed)	0.000	0.000	0.001	0.000	0.001	
	N	70	70	70	70	70	70

** . Correlation is significant at the 0.01 level (2-tailed)

* . Correlation is significant at the 0.05 level (2-tailed)

The findings from the rotation matrix affirms that there is a pattern of relationships between the variables as all the correlation coefficient in the matrix are below 0.9 and above 0.00001 which is an indication that there is no problem of extreme multicollinearity in the data or singularity.

Table 4.19: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.829
Bartlett's Test of Sphericity	Approx. Chi-Square	498.136
	df	136
	Sig.	0.000

The value of KMO which is a measure for sample adequacy is expected to be above 0.5 and according to the result outcomes in the table above indicates that factor analysis is appropriate for this data as the value is 0.829 which is indication of a good sign. The result on Bartlett's analysis of Sphericity which is a test for null hypothesis that original correlation matrix is an identity matrix and for factor analysis to work there should be some relationship between the variables, and if the rotation matrix were an identity matrix all correlation coefficients would be zero. For a test to be significant p value should be less than 0.05 since the significance test is 0.000 then this proves that the rotation matrix is not an identity this confirms that factor analysis is appropriate

Table:4.20: Total variance explained

Factor	Initial eigenvalues			Extraction sums of squared loadings			Rotation sums of squared loadings		
	Total	% of variance	Cumulative %	Total	% of variance	Cumulative %	Total	% of variance	Cumulative %
1	6.346	37.328	37.328	5.927	34.864	34.864	2.799	16.462	16.462
2	1.567	9.219	46.547	1.187	6.984	41.847	1.962	11.541	28.003
3	1.407	8.277	54.824	0.981	5.773	47.621	1.896	11.153	39.155
4	1.182	6.955	61.780	0.782	4.598	52.218	1.646	9.681	48.837
5	1.004	5.903	67.683	0.519	3.051	55.269	1.094	6.432	55.269
6	0.909	5.348	73.031						
7	0.796	4.682	77.713						
8	0.633	3.724	81.438						
9	0.535	3.146	84.583						
10	0.498	2.930	87.513						
11	0.472	2.779	90.292						
12	0.409	2.406	92.698						
13	0.303	1.780	94.478						
14	0.270	1.591	96.068						
15	0.252	1.484	97.552						
16	0.231	1.358	98.911						
17	0.185	1.089	100.000						

Extraction method: Principal axis factoring

The table above presents the lists of Eigenvalues associated with each linear component before extraction, after extraction and after rotation, in which before extraction seventeen linear factors were identified by the software for analysis. The report of Eigenvalues is associated with each factor as a way of representing the variance explained by that particular factor in terms of percentage where by factor 1 explains 37.328% of total variance, the first five components consist of the highest values of variance hence they are extracted as they are associated with pattern of the Eigenvalues which is greater than 1.

Table:4.21 Rotated Factor Matrix^a

	Factor				
	1	2	3	4	5
D43 I know how to sell ideas and products.	0.672				
D35 Business management skill.	0.658				
D40 Business research and development.	0.583	0.376			
D52 Creativity.	0.540				
D51.1 Able to use technological for business activity.	0.539				
D38 Marketing skills	0.515				0.416
D48 Able to identify business opportunities.		0.717			
D53 Risk taking.		0.657			
D50.1 Able to access business information relating to business guidance and business assistance.	0.345	0.514			
D49 Able to interact with other business owners.		0.439			
D41 Service delegation.			0.773	0.321	
D42 Staff management.			0.768		
D45 I can motivate employees.	0.320	0.349	0.584		
D37 I know how to set business priorities.				0.780	
D39 I know how to organise business priorities.	0.360			0.756	
D36 Financial management.	0.454				0.634
D44 Customer care service.					0.326
Eigenvalue	6.346	1.567	1.407	1.182	1.004

Extraction method: Principal axis factoring.

Rotation method: Varimax with Kaiser normalisation.

a. Rotation converged in six iterations.

The table above presents the results from matrix rotation process, the results determine the pattern that the questions load onto the same factor as to identify common themes. The questions that load highly on factor 1 relates to knowing how to sell ideas and products while the highest loading on factor 2 relates to ability to identify business opportunities, loading on factor 3 relates to service delegation, and information for factor

4 and factor 5 relates to questions on how to set business priorities and capacity to manage finance respectively. These indicators represent the most entrepreneurship skills that attribute to business success adequately according to loading outcomes from matrix rotation

4.3.14 Correlation and multi-regression findings

Data was checked if it was normally distributed by plotting graphs, as it has been one of the assumptions that ought to be met before one could continue with test of ANOVA, and to check whether the spread of residuals was not greater than that of the centred fit. The assessment results are presented in the graphs below.

4.6.2 Histogram

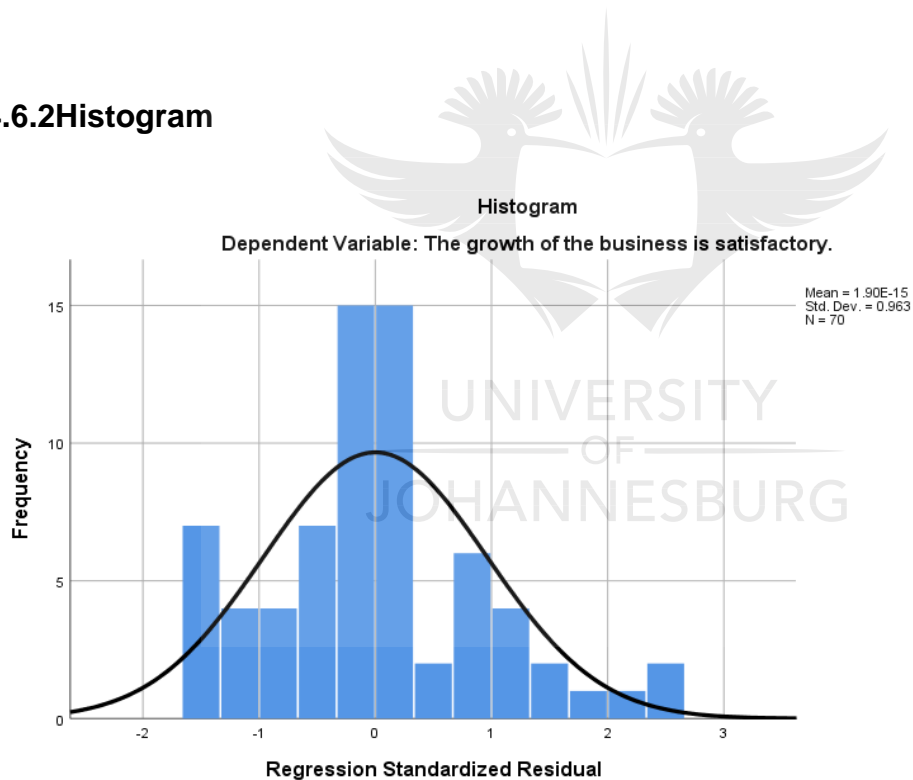


Figure: 4.6: Histogram

4.6.3 Regression standardised residuals

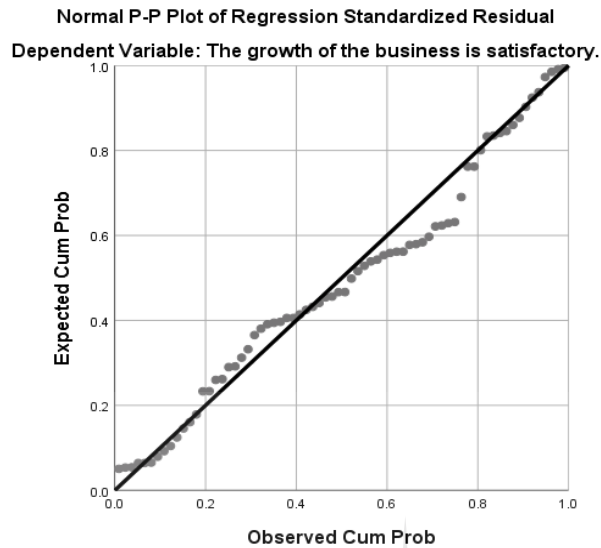


Figure4.7

The pattern of spread of the residuals revealed a normal distribution according to the presentation of the curve, and there is no indication of a scattered plot pattern on the curve, which would be a confirmation that the data values were not related, and therefore it was relevant to proceed with ANOVA tests.

4.3.15 Multi-regression findings

Findings on Anova tests

The next part of output contains an analysis of variance which tests whether the model is significantly better at predicting the outcome than using a mean.

Table4.22: ANOVA

a

Model		Sum of squares	df	Mean square	F	Sig.
1	Regression	10.415	5	2.083	12.280	.000 ^b
	Residual	10.856	64	0.170		
	Total	21.271	69			

a. Dependent variable E62: The growth of the business is satisfactory.

b. Predictors: (Constant), Factor_5, Factor_4, Factor_2, Factor_3, Factor_1

The findings show a low likelihood of differences between groups occurring by chance. The results presented a significant relation of data values as it was confirmed by a value of 12.280 F ratio with statistical significance of 0.000, which is less than 0.05. The significance of the F ratio indicated that the model was a good fit for entrepreneurship skills development to predict improvement in business performance.

Table 4.23:

Coefficients ^a										
Model		Unstandardised coefficients		Standardised coefficients	t	Sig.	95,0% confidence interval for B		Collinearity statistics	
		B	Std. error				Beta	Lower bound	Upper bound	Tolerance
1	Constant	-0.631	0.537		2.175	0.047	-1.704	0.442		
	Market Engagement	0.654	0.175	0.488	3.727	0.000	0.303	1.004	0.464	2.153
	Networked Business Opportunity Seeking	0.287	0.141	0.219	2.037	0.046	0.006	0.568	0.693	1.443
	Human Resource Management	-0.153	0.138	-0.123	-1.108	0.272	-0.428	0.123	0.649	1.541
	Business Priorities	0.201	0.123	0.173	1.631	0.108	-0.045	0.446	0.712	1.405
	Financial and Service Support	0.057	0.151	0.043	0.375	0.709	-0.245	0.358	0.603	1.659

a. Dependent variable: E62 The growth of the business is satisfactory

$$Y = a + X_1 + X_2 + X_3 + X_4 + X_5 + \epsilon$$

$$Y = -0.631(\text{constant}) + 0.654(\text{Market Engagement}) + 0.287(\text{Networked Business Opportunity Seeking}) - 0.153(\text{Human Resource Management}) + 0.201(\text{Business Priorities}) + 0.057(\text{Financial and Service Support}) + 0.537(\text{Error term})$$

The table below indicates the specific skills attached to each explanatory variables that effectively stimulate business growth.

Table 4.24 Specific skills sets that significantly relate to business growth

PREDICTIVE SKILLS	SKILLS TO BE DEVELOPED
Market Management	<ul style="list-style-type: none"> • How to sell ideas and products • Business management skills • Business research and development skills • Creativity • Ability to use technology to perform business activities • Marketing skills
Networked Business Opportunity Seeking	<ul style="list-style-type: none"> • Identification of business ideas • Guided risk-taking skills • Guided and assisted business information seeking • Networking with other business owners

According to the above regression analysis results, the study confirms a critical role that SMEs play in this MLM area and a massive impact on economic environment can be influenced effectively by a support on business skill training. As it can be a proper mechanism to stimulate business growth and sustainability, the findings affirmed that MLM has to pay a focus on acquiring the business owners with business skills that are related to management, and networked business opportunity seeking capacity. These identified predictive skills have been confirmed significant as according to analysis results the statistic values are below 0.05 respectively. The municipality has to be specific on developing the entrepreneurs on these following skills: Ability to have ideas on how to sell business products, business management, business research and development creativity, ability to use technology, marketing skills, ability to identify business ideas, to be well vigilant and guided in taking business risks and being able to network other business owners.

The study could not reveal the causal effect results as the cross sectional data was used.

The findings on the level of relationship between variables and an overall explanation of variation in dependent variable, which has been explained by explanatory variables with indication of significance of the results, is presented in the table below.

Table 4.25: Model summary

Model summary ^b				
Model	R	R square	Adjusted R square	Std. error of the estimate
1	.700 ^a	0.490	0.450	0.412

a. Predictors: (Constant), Factor_5, Factor_4, Factor_2, Factor_3, Factor_1

b. Dependent variable E62: The growth of the business is satisfactory

The summary results of the model reveals a strong positive relationship between variables as the R value was 0.700, with a total proportion of variation in business performance explained positively by entrepreneurship skills development for business owners, by 45%.

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4.6.5 Hypothesis test

Based on the findings above, the findings have affirmed a rejection of a proposition that there is no relationship between entrepreneurship skills and business success against the existence of a positive impact of entrepreneurship skills on business success as the outcome was statistically significant.

SECTION E: CONCLUSION AND RECOMMENDATIONS

5.1 Summary of the findings

The paper continued to examine the statistical significance of the study proposition to reviewing whether there has been any relationship between the entrepreneurship skills of business owners and business success. The findings confirmed that the objectives of the study have been met, with significance, without the proposition of the study being rejected. It was found that the setup of a commercial sector in the Mantsopa Municipality largely concentrated on small enterprise businesses, with none of the businesses falling under medium-sized, with the majority of respondents indicating that they did not receive any form of support on business skills training before. The respondents revealed that they are faced with challenges of operating their business effectively due to lack of capacity to compete well in the market, which has been a threat to growing their businesses and they have been limited to run their businesses with small number of staff on average due to failure to raise business profits. Those who indicated that they took part in business skills training confirmed a positive outcome, which was an indication that entrepreneurship skills training attributed positively to business success, even though they indicated that they were still faced with a challenge of lacking some knowledge in certain business skill techniques.

The study has confirmed positively to the findings of the previous studies that were assessed and it strongly supports the policies that relate to entrepreneurship skill training programs specific on skills that related to ability to have ideas on how to sell business products, business management, business research and development creativity, ability to use technology, marketing skills which were attached to market engagement explanatory variable, while skills that were related to ability to identify business ideas, to be well vigilant and guided in taking business risks and being able to network other business owners where attached to networked business opportunity seeking. A strong support for business empowerment can play a vital part to stimulate a vibrant business activities and to sustain that in long term in order to to achieve economic development goals with success.

5.2 Recommendations

The study recommends that government should work tirelessly in support of developing a business environment that will stimulate long-term business survival through skills training programmes, business support empowerment through relevant structures that can be efficient enough to achieve economic development objectives with great success.

5.3 Limitations

The study has made a strong contribution to business theory, which supports entrepreneurship skill training as the significant factor that relates to business success. However, the study was limited to a short period of time, without any achievement to link the pace of response rate of identified entrepreneurship skills to business success due to time and financial constraints. It has been affirmed by the findings that business participants lack technical skills to operate their businesses with great achievement, however the relevant sections that need to be on a forefront seem to be lacking behind to apply the proper strategies to empower and revamp the sector effectively, there is a need to conduct various studies that can be a relevant tool for pilot projects to promote a strong business culture in future.

5.4 Suggestions for future research

The author would suggest, for future research studies, to explore more on pace of response rate of business skills training and try to categorise the types of skills that quickly address the poor business performance in an attempt to come up with solutions to prioritise such types of skills programmes.

5.5 Conclusion

It has been confirmed by the findings that entrepreneurship skills training positively relates to business success, and to sustain vibrant economic progress can be achieved

through dynamic business activities by empowering people with business skills, which is a mechanism to engage the population in large numbers to participate in economic activities. Enterprise sector is the main determining factor to stimulate economic progress, government has to review its policies and plans that have been overlooked which has been the main factor for these existing business challenges to try to work on its failure and weaknesses that have been encountered.



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