

An investigation into the psychological characteristics that South African entrepreneurs attribute to the success of their businesses

by

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DECLARATION

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ABSTRACT

South Africa currently faces high levels of unemployment and inequality, and many sources have identified entrepreneurship as a mechanism by which these challenges can be tackled. To explore the personal experiences of entrepreneurs that enable them to run successful businesses in the South African context and achieve the research objectives of this study, a qualitative research design was employed based on the interpretive paradigm. A phenomenological approach was followed using a combination of purposive and snowball sampling. Data was collected from a total of 14 participants through two phases, namely semi-structured interviews and focus group discussions with successful entrepreneurs (including coaches or specialists working with entrepreneurs for phase 2).

In summary, the results of the study indicated that 1) the perceived challenges faced by entrepreneurs in South Africa include financial challenges, insufficient and ineffective formal support structures and poor educational systems and support; 2) the perceived opportunities available to entrepreneurs in South Africa relate to entrepreneurship education and support; 3) the psychological characteristics that South African entrepreneurs attribute to the success of their businesses include conscientiousness, emotional stability (moderate levels), and openness to experience from the Big 5 model of personality, as well as risk propensity; 4) the contextual factors attributed to entrepreneurial success in South Africa involve social capital and leveraging of previous skills and experience; and lastly, 5) the reason for becoming and succeeding as an entrepreneur is due to passion.

With these insights, various interventions could be developed to inspire and support individuals to become entrepreneurs, as well as to equip them with the skills and mindset needed to run successful ventures, thereby helping to alleviate the desperate situation regarding poverty and income inequality in South Africa.

OPSOMMING

Suid-Afrika staan tans hoë vlakke van werkloosheid en ongelykheid in die gesig, en baie bronne het entrepreneurskap geïdentifiseer as 'n meganisme waardeur hierdie uitdagings aangepak kan word. Om die persoonlike ervarings van entrepreneurs te ondersoek wat hulle in staat stel om suksesvolle ondernemings in die Suid-Afrikaanse konteks te bestuur en die navorsingsdoelstellings van hierdie studie te bereik, is 'n kwalitatiewe navorsingsontwerp gebruik gebaseer op die interpretatiewe paradigma. 'N Fenomenologiese benadering is gevolg deur gebruik te maak van 'n kombinasie van doelgerigte en sneeubalsteekproewe. Data is versamel van altesaam 14 deelnemers in twee fases, naamlik semi-gestruktureerde onderhoude en fokusgroepbesprekings met suksesvolle entrepreneurs (insluitend afrigters of spesialiste wat saam met entrepreneurs werk vir fase 2).

Samevattend het die resultate van die studie aangedui dat 1) die vermeende uitdagings waarvoor entrepreneurs in Suid-Afrika te staan kom, finansiële uitdagings, onvoldoende en oneffektiewe formele ondersteuningstrukture en swak onderwysstelsels en ondersteuning insluit; 2) die geleenthede waarvoor entrepreneurs in Suid-Afrika beskik, het betrekking op onderwysondersteuning en ondersteuning; 3) die sielkundige eienskappe wat Suid-Afrikaanse entrepreneurs toeskryf aan die sukses van hul ondernemings, sluit in pligsgetrouheid, emosionele stabiliteit (matige vlakke) en openheid om te ervaar vanuit die Big 5-model van persoonlikheid, asook risiko-geneigdheid; 4) die kontekstuele faktore wat toegeskryf word aan ondernemingsukses in Suid-Afrika, behels sosiale kapitaal en die benutting van vorige vaardighede en ervaring; en laastens,

Met hierdie insigte kan verskillende intervensies ontwikkel word om individue te inspireer en te ondersteun om ondernemers te word, asook om hulle toe te rus met die vaardighede en ingesteldheid wat nodig is om suksesvolle ondernemings te bestuur en sodoende die desperate situasie rakende armoede en ongelykheid in inkomste in Suid-Afrika te help verlig

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LIST OF ACRONYMS

CIPC – Companies and Intellectual Property Commission

CSVV – Centre for the Study of Violence and Reconciliation

NDP – National Development Plan

GEM – Global Entrepreneurship Monitor

GDP – Gross Domestic Product

SACAP – The South African College of Applied Psychology

SMME – Small, Medium and Micro Enterprises

SONA – State of the Nation Address

Stats SA – Statistics South Africa

TEA – Total Early-stage Entrepreneurial Activity

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CHAPTER 1

INTRODUCTION

1.1. Context for the study

In South Africa, Apartheid involved a system of racial segregation imposed legally by the National Party government between 1948 and 1993, where the rights of 'non-White' South Africans were restricted. Under this regime, the National Party government instituted a policy of separation based on racial classification. The 1950 Group Areas Act enforced the physical separation of race groups into different areas, and inferior amenities and public services were provided to Black South Africans. Education, for example, was influenced by the 1953 Bantu Education Act, which enforced different education systems for Black versus White students. Black students were denied access to education and other opportunities for growth, leading ultimately to an unequal and segregated society (Cameron, 2003; Gibson, 2004).

During the Apartheid years, South Africa faced a myriad of problems, including low economic growth rates, increased incidents of violent civil unrest, trade embargos and exclusion from worldwide sporting events (Gibson, 2004; Luth, 2003; Sayed, 2008). As a result, negotiations took place from 1990 to 1993, with a democratic election taking place in 1994. This led to the appointment of a new government and the abolition of Apartheid (Cameron, 2003; Gibson, 2004).

The new government focused on the restructuring of economic, social, cultural and political power and resources so that the inequalities of Apartheid could be redressed (Cameron, 2003). In the years following, substantial progress has been made towards transforming the unequal society in our country. According to South African development indicators, inflation (a term commonly used to refer to the general increase in prices of goods and services) fell from 20% in 1986 to a current low of 4.8%. Low inflation is good for overall growth of the economy as it helps to keep a check on the price of essentials, as well as encouraging individuals to borrow and spend (Republic of South Africa, 2009; Stats SA, 2017). In addition, the country has broadened access to water, electricity, sanitation and other social services (Republic of South Africa, 2009).

Despite these achievements and significant leaps towards redressing South African society, van Heerden (2012) argued that challenges still remain. In Quarter 4 of 2016, Statistics South Africa (2017) put South Africa's GDP growth at 0.7%, having declined steadily since 2011's high of 3.7%. When GDP growth is low, many employees may be retrenched or paid less (Stats SA, 2017). Furthermore, as a result of the 1953 Bantu Education Act, a majority of South Africans lack the work competencies required in the marketplace. Consequently, many South Africans struggle to find employment, earn nothing or only a subsistence wage, and live in poverty (van Heerden, 2012). The quality of education for the majority remains a great challenge, as well as rising graduate unemployment levels (NDP, 2011). Other challenges include high levels of corruption, poorly situated infrastructure that is inadequate and under-maintained, a public health system that is unable to meet demand or sustain quality, lack of critical skills in the marketplace, high crime rates and a growing dependence on social assistance grants (NDP, 2011; van Heerden, 2012). Income inequality and a scarcity of employment opportunities (resulting in poverty) are seen as the two most important challenges needing to be addressed by South Africa (Herrington & Kew, 2016; Gordhan, 2017). The following section will discuss these two key challenges in more detail.

1.2. Key challenges in South Africa

1.2.1. Unemployment and poverty

A recent Quarterly Labour Force Survey (2017, p. 19) published by Statistics South Africa (Stats SA) provided the following definition regarding unemployment:

Unemployed persons are those (aged 15-64 years) who: a) were not employed in the reference week; and b) actively looked for work or tried to start a business in the four weeks preceding the survey interview; and c) were available for work, i.e. would have been able to start work or a business in the reference week; or d) had not actively looked for work in the past four weeks but had a job or business to start at a definite date in the future and were available.

It is currently estimated that 35% of the adult population is unemployed, which is of great concern considering that of the total South African population, 64% are of working age

(15-64 years), with children and the elderly making up a smaller proportion (NDP, 2011; Herrington & Kew, 2016; Gordhan, 2017). Furthermore, according to Stats SA (2017), 32.2% of youth aged 15-24 years are currently not engaged in employment, education or training.

Drilling deeper into the issue of unemployment in South Africa, graduate unemployment has been a grave cause for concern over the years. According to van Broekhuizen (2016), graduate unemployment rates rose significantly between 1995 and 2005, and the skills possessed by graduates were a mismatch to those in demand by employers. For example, according to a Business Tech (2014) article it was estimated that 470 000 vacancies were available in the private sector which could have been filled immediately if the skills were available. In a Trade Union Solidarity article released in 2008, it was estimated that South Africa was experiencing a 40% lack of artisans. In addition, South Africa was only producing 50% of the engineering graduates needed to meet the demands for those skills. This skills mismatch has added to the existing skills shortages in the country and has negatively affected the potential job opportunities for graduates (Kraak, 2010). It can be argued that failings in the primary and secondary education systems are also contributing towards this skills shortage (van Heerden, 2012; NDP, 2011). Furthermore, more than 50% of all school-leavers enter the labour market every year without a matric pass. It is predicted that 75% of these will still be unemployed in the next years (Gordhan, 2017). This is a huge potential workforce that is not being harnessed.

Unfortunately, the high unemployment rate in South Africa goes hand in hand with high poverty rates (van Heerden, 2012). Stats SA (2017) explained that the proportion of the population living in poverty-stricken circumstances decreased from 66.6% (31.6 million individuals) in 2006 to 53.2% (27.3 million) in 2011, but increased to 55.5% (30.4 million) in 2015. The number of individuals living in extreme poverty, that is, individuals living below the 2015 Food Poverty Line of R441 per person per month, went up by 2.8 million, from 11 million in 2011 to 13.8 million in 2015. The most exposed and vulnerable to poverty in the country are children (aged 17 or younger), females, Black South Africans, individuals residing in rural areas as well as the Eastern Cape and Limpopo, and those

with little or no education (Stats SA, 2017). The National Development Plan (2017), on the other hand, argued that there have been some noteworthy shifts regarding the degree of poverty since 1994. The National Income Dynamics Study indicated that the rural share of poverty decreased from 70% in 1993 to 57% in 2008. Household welfare improvement has generally been attributed to the large increase in social grant spending and movement to city areas (NDP, 2011).

Although social assistance grants are an aspect of the governmental plan to eliminate poverty, high dependency on social assistance grants again points to the severe problem that is unemployment and poverty in South Africa (van Heerden, 2012). In 2009, 27% of South Africans (13 million people) were reported to be in receipt of social assistance grants. This figure increased to nearly 31% of South Africans (15 million people) getting social assistance grants in 2011 (Ndlangisa, 2011). The idea of providing financial relief to those living in poverty, who cannot provide for themselves and their families with a certain standard of living, cannot be faulted. However, it appears that there is great disparity between the number of taxpayers and the number of individuals receiving social assistance grants (van Heerden, 2012). To be specific, compared to the total population of 55 million individuals, approximately 19.1 million South Africans pay personal income tax (SARS, 2016; Herrington & Kew, 2016). Thus, a large number of individuals are receiving social assistance grants (15 million) compared to the number of individuals who are paying income tax (19 million) and, therefore, paying towards the national treasury. Economically, the feasibility of this system can be called into question (van Heerden, 2012).

Unfortunately, the consequences of high unemployment levels and poverty in the country are reflected in a myriad of social problems such as violence, crime and alcohol abuse (NDP, 2011). Governments attempting to deal with the consequences of poverty often also have to address the matter of crime as they try to develop the country's economy and society. This is due to the fact that crime prevents businesses from flourishing by generating volatility and uncertainty at micro and macroeconomic levels (Berrebi, 2011). Research shows a strong relationship between socioeconomic status and violent crime. A study conducted by Pare and Felson (2014), for example, showed evidence that a

positive association exists between the poverty index and robbery and burglary. Research conducted by Maree (2002) also suggested that social development is closely connected to crime. The reasons for this link are unclear; however, there are a few theories that attempt an explanation. Firstly, poor people may be more likely to engage in crime because their opportunities for legitimately obtaining widely shared goals are blocked, or because they are exposed to numerous negative experiences. Additionally, poor people may commit violent crime to deal with their grievances as they have little access to the legal system (Pare & Felson, 2014). A second explanation focuses on lower social controls, especially those related with disadvantaged neighbourhoods. The underprivileged are more likely to live in socially disorganised neighbourhoods with lower levels of collective efficacy than individuals with higher status (Pare & Felson, 2014). Lastly, some explanations look at the inclination of people of low socioeconomic status to engage in violent or deviant subcultures. Their socialisation experiences lead them to have attitudes that promote crime, for example, a belief that it is appropriate to respond to disrespect with physical violence or that rape is something that men do (Pare & Felson, 2014; Maree, 2002). These criminals often don't know the difference between right and wrong due to these socialisation experiences (Maree, 2002).

According to the Centre for the Study of Violence and Reconciliation (CSVr) (2010), unemployment, poverty and the ensuing poor living conditions in the informal settlements are often mentioned as enablers of the high crime rate. Maree (2002) concurs with this idea, mentioning broken homes and poverty as two main factors that precipitated involvement in crime. The South African police released statistical data on the number of crimes noted from 1 April 2015 to 31 March 2016 (Africa Check, 2016). Some key results included: 1) murder increased by 4.9% from the previous year, translating to an average 51.2 murders recorded per day; 2) the sexual offences rate decreased by 3.2% from the previous year with a current average of 142 offences recorded per day. However, this type of crime is often underreported, and the decrease may suggest that fewer people are speaking up regarding being sexually assaulted. With regards to rape, 42 596 cases were reported in the 2015/16 period; 3) carjacking incidents have increased by 14.3% from the previous year, with 50% of these crimes occurring in Gauteng; 4) in 2015/16,

132 527 robberies with aggravating circumstances (guns or weapons used) were recorded, up by 2.7% from the year before; 5) an average of 710 drug-related crimes were logged each day in 2015/16. These figures make an argument towards the fact that our society is severely affected by the high crime rates in South Africa.

It is clear from the above discussion and statistics that unemployment and poverty not only affect those living in that situation but also society at large, with consequences such as amplified national spending on social welfare and the manifestation of high crime rates. In addition, inequalities tend to produce more aggressive behaviour as a reaction to social bias and discrimination, which lead to increasing levels of violent crime (Berrebi, 2011). Inequality as another major challenge faced by South Africa will now be discussed.

1.2.2. Inequality

As explained by the National Development Plan (2011), the frailty of South Africa's economy is associated with the one-sided pattern of ownership and economic exclusion shaped by Apartheid policies. The impact of years of racial segregation is still observable in both employment levels and income differentials. These discrepancies are mostly racially defined but also comprise gender, skill levels and location. As a result, South Africa has become one of the most unequal societies globally, with very high levels of poverty, carrying all the accompanying risks such as violence and crime. Furthermore, the country has not managed to reap a demographic dividend by harnessing the potential of a large group of working-age youth, as mentioned previously (NDP, 2011).

To support the argument of inequality being a major challenge in South Africa, the Gini coefficient indicates the great inequality between the rich and the underprivileged in a country and is the most widely used measure of inequality (van Heerden, 2012; Africa Check, 2017). The coefficient is a ratio with values between 0 and 1; everyone has the same income at 0, and one person has it all at 1. In 2016, all South African cities scored above 0.6, suggesting tremendously high levels of inequality (Africa Check, 2017). To contextualise the discussion of urban inequality in South Africa, a global view indicates that over the last 20 years, 75% of cities worldwide have become more unequal. In the era of globalisation, challenges to inequality include rights and access to opportunities,

income, employment, community services, city spaces and inexpensive public transport. Across the cities of the world, the spatial concentration of low-income and unskilled workers in separated housing areas acts as a poverty trap with severe job restrictions, high levels of gender disparity, worsening living conditions, social exclusion and marginalisation, and high crime levels (UN Habitat, 2016). In South Africa, these issues can be uniquely attributed to the legacy of Apartheid urban planning (Africa Check, 2017).

It should be noted that although there is an inter-group income disparity amongst races, there is also an increasing intra-group divide between rich black and poor black in South Africa which is also contributing to the increasing Gini coefficient (van Heerden, 2012). Landman, Bhorat, van der Berg and van Aard (2003) explained that there has been a change where the main driver of inequality in South Africa currently is no longer the black and white divide, but rather the intra-group divide between rich and poor black South Africans. This is due to certain African households being able to improve their position quite substantially, while other African households are not any better off than they were in Apartheid times. A reason for this occurrence may be ascribed to an unintended consequence of initiatives, such as Black Economic Empowerment, focused on the restructuring of economic, cultural, social and political power. According to Alexander (2006), these initiatives are not helping and developing the vast numbers of poor and disadvantaged Black South Africans who most need the support. Instead, they are promoting a small number of aspirant and powerful Black South Africans.

Further highlighting income inequality from a salary or wage perspective, the National Development Plan (2011) provided some figures to consider. In 2010, the median income from employment was R2 800 per month in total, and R3 683 per month in the non-agricultural formal sector. The bottom 25% of employees averaged R1 500 per month, the top 25%, R6 500, and the top 5%, R17 000 (within this top 5%, there is substantial upward variation, meaning that income can be anything from R17 000 and much higher). More recent 2014 results show that an estimated 60% of workers in South Africa earn below R5 000 per month (Africa Check, 2016). From a race and gender perspective, earnings for women are typically 25-50% less than for men. In the bottom 50% of earners, the average earning of black South African employees is one-quarter to one-fifth of that

of their white equals. In low-income homes with high-dependency ratios, most working individuals live near or below the poverty line (NDP, 2011). Again, inequality against racial lines is evident where black South Africans are at the lower end of the income scale, emphasising the impact of Apartheid disadvantaging black individuals.

With the above explanation regarding unemployment and inequality as the two key challenges faced by South Africa, the National Development Plan (2011) stated that on its current path, South Africa would not achieve the goals of eradicating poverty and reducing inequality by 2030. There is a critical need for quicker improvement, more action and more effective implementation. The National Development Plan, therefore, puts emphasis on the importance of strategies to be considered in order to address the identified challenges (NDP, 2011).

1.3. Towards solving the identified challenges

In May 2010, the National Development Plan (NDP) was drafted to create a better future for South Africa (see Appendix A for a high-level overview of the plan). According to the NDP (2011), South Africa's transition from Apartheid to democracy over the past 18 years has been a success overall. Democratic institutions have been built (such as the Departments of Home Affairs and Health), public service has been transformed, basic services have been extended, and the economy has been stabilised. However, despite these successes, poverty is a major issue and society remains extremely unequal. Not enough South Africans are employed, the quality of schooling for the masses is poor, and the country lacks capacity in key areas. Although there has been substantial progress, South Africa remains divided, and opportunities remain shaped by the history of Apartheid. The NDP thus aims to "eliminate poverty and reduce inequality by 2030 through uniting South Africans, unleashing the energies of its citizens, growing an inclusive economy, building capabilities, enhancing the capability of the state and leaders working together to solve complex problems" (NDP, 2011, p. 1).

The NDP (2011) proposed a multidimensional framework which set out a clear and holistic approach to dealing with poverty and inequality based on the following six focused, interlinked priorities: 1) unite all South Africans around a shared plan to attain

prosperity and equity; 2) encourage active citizenry to enhance development, democracy and accountability; 3) bring about quicker economic growth, higher investment and greater labour absorption; 4) place emphasis on key capabilities of people and the state; 5) build a skilled and developmental state; and 6) encourage solid leadership throughout the country to work together to problem-solve (NDP, 2011). An example of how these priorities are interlinked and aim to alleviate unemployment and inequality in South Africa is as follows: by improving the quality of education in the country, there is a greater possibility of building a skilled and developmental state. This in turn would allow individuals to obtain skilled jobs or start their own businesses (entrepreneurship) leading to more employment opportunities, thereby empowering individuals living in poverty to progress in life. Moreover, greater employment opportunities would bring about quicker economic growth, better labour absorption and increased investment. Additionally, part of this coherent and all-inclusive approach to confronting poverty and inequality involves enabling business development in South Africa (NDP, 2011). According to a recent Global Entrepreneurship Monitor (GEM) South African report (2016), it has never been a more important priority for the policy makers of South Africa to commit to growing the economy, such as through business development. Moreover, numerous authors have mentioned the importance of entrepreneurship as a mechanism for sustainable economic growth through job creation, innovation and its potential to reduce poverty (Williams & Vorley, 2014; Baluku, Kikooma & Kibanja, 2016; Acs & Audretsch, 2003). Thus, for the purposes of this study, entrepreneurship has been identified as a potential solution to the challenges of unemployment and inequality in South Africa.

At this point it is important to briefly define what is meant by the term entrepreneurship. According to Herrington and Kew (2016, p. 9), entrepreneurship is defined as “any attempt at new business or new venture creation, such as self-employment, a new business organisation or the expansion of an existing business, by an individual, a team of individuals, or an established business.” Another definition provided by Gore and Fal (2010) proposed that successful entrepreneurship involves finding opportunities, or ‘gaps’, in a specific industry or market, and creating a business that takes advantage of those opportunities. With regards to being a mechanism for economic development, most economists have agreed that entrepreneurship has a positive effect on growth (Sautet,

2011). In simple terms, acts of entrepreneurship produce an environment within which inventions or innovations build on themselves, leading to consistent productivity increases. Entrepreneurial insights are, thus, profit opportunities that were previously overlooked. These insights are acted upon by entrepreneurs and the economy becomes more productive, as it is able to yield more consumer satisfaction at a lesser cost (Holcombe, 2014).

In order to enhance the understanding of entrepreneurship and its importance in the context of South Africa, the next section will briefly explore the profile of a South African entrepreneur, entrepreneurial perceptions and intentions, entrepreneurial phases and activity, as well as opportunity versus necessity entrepreneurship.

1.3.1. The profile of a South African entrepreneur

Herrington and Kew (2016) present a high-level view of the characteristics of a typical South African entrepreneur. This individual is male, lives in an urban (city) area, is educated at a secondary or tertiary level, and is involved in the retail and wholesale industry. Currently, statistics reveal that male entrepreneurs in South Africa are 3.7 times more likely to be opportunity- as opposed to necessity-driven, while female entrepreneurs were 2.6 times more likely to be motivated by opportunity as opposed to necessity. The concept of opportunity- versus necessity-driven entrepreneurship will be discussed later on in this chapter. Individuals aged between 25 and 44 years tend to be the most entrepreneurially active. Black Africans comprise the majority of South African early-stage entrepreneurs (phases of entrepreneurship will also be discussed shortly) (Herrington et al., 2017). Next, the perceptions and intentions South Africans hold about entrepreneurship will be described.

1.3.2. Entrepreneurial perceptions and intentions

Entrepreneurial perceptions and attitudes play a significant part in producing an entrepreneurial culture. The perceptions that a society has about entrepreneurship, positive or negative, can affect the motivations of individuals to go into an entrepreneurial career. If the economy has an optimistic view towards entrepreneurship, this can bring about financial and business assistance, cultural and social support, and networking

benefits that will inspire and support potential and current entrepreneurs (Herrington et al., 2017).

In 2015, there was a reassuring rise in the number of South Africans who believed that there were decent opportunities for initiating a business in their area, as well as those who believed that they had the necessary knowledge, skills and experience to open up a business (Herrington & Kew, 2016). According to the GEM report, the perception of good entrepreneurial opportunities in South Africa increased from 19.7% in 2001 to 35% in 2016. Furthermore, the confidence that entrepreneurs placed in their abilities increased from 2001 to 2015. Despite this increase, it is still well below the average for the Africa region (63.6%). The perception of good opportunities plays an important role in influencing whether a person will even contemplate starting a business. In addition, the quantity and quality of opportunities that individuals perceive, and their competency beliefs, could be influenced by economic growth, culture, education and other factors in their environment (Herrington & Kew, 2016; Herrington et al., 2017).

Good perceptions of entrepreneurship have, however, not rendered higher levels of entrepreneurial intention, which is cause for concern (Herrington & Kew, 2016). In fact, entrepreneurial intentions have dropped by almost 30% when compared to 2013 and nearly halved when compared to 2010 figures. Intentions around entrepreneurship appear to have fluctuated over the last 12 years and are at an all-time low of 10.1%. This is well below the average for the Africa region, which sits at an average of 39.3%. Furthermore, compared to other efficiency-driven economies (currently standing at 26%), which occur when the industrial sector develops increased productivity through economies of scale, the score for entrepreneurial intentions in South Africa is more than half (10.9%) (van Deventer, 2011; Herrington & Kew, 2016). In essence, these statistics show that just a small percentage of South African adults have intentions to start a business of their own. The decline in the level of entrepreneurial intention is particularly discouraging given that a major challenge faced by South Africa is persistently high rates of underemployment and unemployment (Herrington & Kew, 2016; Herrington et al., 2017).

The phases of entrepreneurship and entrepreneurial activity in the context of South Africa will now be described.

1.3.3. Entrepreneurial phases and activity

In order to make sense of entrepreneurial activity statistics in South Africa, it is important to first understand the multiple phases of entrepreneurship. For an entrepreneurial society to be healthy, individuals need to be active in all phases. The entrepreneurial phases include: 1) potential entrepreneurs – those who see business opportunities and have the ability to start business; 2) intentional entrepreneurs – those who intend to open a business within the next three years; 3) nascent entrepreneurs – those who have started a business but have not earned salaries or profits for more than three months; 4) new entrepreneurs – those whose businesses have been in operation between 3 months and 3.5 years; 5) established business owners – those whose businesses have been in operation for more than 3.5 years; and 6) discontinued entrepreneurs, those who have exited, for various reasons, from running a business in the past year (Herrington & Kew, 2016; Koellinger & Minniti, 2009). The focus of this study will be on new entrepreneurs and established business owners (without any intention to exit within the next year), as they are currently engaged in business activity. These entrepreneurs would also need to consider their businesses to be successful to be included in the sample group. The reasons for this are that economically active and successful businesses are generating income, thus contributing to the economy of South Africa.

Considering the phases of entrepreneurship, The Global Entrepreneurship Monitor report (2016) provided some key statistics with regards to entrepreneurial activity, all figures down from 2015. According to this report, of the South African adult population, 3.9% of entrepreneurs were involved in nascent entrepreneurial activity and 3.3% were engaged in new business ownership. A total of 6.9% of entrepreneurs were engaged in total early-stage entrepreneurial activity (TEA), which refers to the proportion of the adult population (18-64 years) that are currently starting or who have recently started a business (i.e. nascent entrepreneurs and new business owners). Furthermore, 2.5% of entrepreneurs were engaged in established business ownership and 4.5% engaged in the business discontinuance stage (Herrington & Kew, 2016).

Given South Africa's Gross Domestic Product (GDP) per capita of \$5 695 (2015), the TEA rate should be substantially higher (TEA rates are inclined to be high in those countries with a low GDP per capita – as the GDP per capita rises, the levels of early-stage entrepreneurial activity declines as economies tend to become less dependent on small businesses to offer employment). Thus, the TEA rate should be around 20% (three times South Africa's current rate of 6.9%) (Herrington et al., 2017). Further to this, the NDP (2011, p. 140), stated that the "total early-stage entrepreneurial activity rates in South Africa are about half of what they are in other developing countries." The consistently low TEA rate has an effect on the established business ownership rate (which is currently at its lowest since 2011), as there is a fairly small foundation of entrepreneurs to feed into this next phase of entrepreneurship (Herrington et al., 2017).

Over the last decade, entrepreneurial activity in South Africa increased modestly; however, since 2014 total early-stage activity (TEA) has shown a concerning persistent decline (Herrington et al., 2017). This appeared to be due to more businesses closing down than starting up, resulting in an overall loss of small business activity and ensuing job losses. Lack of finance and low profitability seem to be the main reasons for businesses closing down. According to the GEM, low levels of entrepreneurial activity are believed to be greatly influenced by a sense of entitlement that large companies and government provide employment, and too much reliance on social grant systems rather than individuals using their own resourcefulness and initiative and to start businesses (van Deventer, 2011; Herrington & Kew, 2016).

Thus far, it becomes apparent that entrepreneurship motivations can arise from people having positive perceptions of opportunities (based on the economic environment or education), or as a means to address issues of poverty experienced by an individual. There are, however, other factors that motivate individuals to pursue entrepreneurial activity, namely opportunity-driven vs necessity-driven entrepreneurship.

1.3.3 Opportunity vs necessity entrepreneurship

Necessity-driven entrepreneurs are those who are motivated by necessity and have no better choice for work – also described as survivalist-driven motivation. Opportunity-

driven entrepreneurship, on the other hand, is motivated completely or partly by opportunity, as opposed to having no other options for work (Herrington et al., 2017; Brandstatter, 2011). Businesses started by opportunity-driven entrepreneurs tend to have increased chances of survival and employ more staff than those started by necessity-driven entrepreneurs (Herrington et al., 2017). In a growing economy, such as South Africa, entrepreneurial opportunities constantly arise, and when they do, they are generally rapidly acted upon (Holcombe, 2014).

According to Herrington et al. (2017), a positive finding of the most recent GEM report is that almost 75% of entrepreneurs in the country were opportunity-driven, which is greater than the average for efficiency-driven economies (such as South Africa), as well as significantly higher than the average for Africa. Most promising is that it is the highest rate of opportunity-driven entrepreneurship in South Africa since the rate of 79% in 2008. This suggests that despite the fact that a smaller number of entrepreneurs were involved in total early-stage entrepreneurial activity (TEA) in 2016, these people were entered into entrepreneurship to chase an opportunity, rather than being pushed by necessity (Herrington et al., 2017).

To summarise the key points above, there has been a reassuring rise in the number of South Africans who believe that there are decent opportunities for opening a business; however, these beliefs have not resulted in higher levels of entrepreneurial intention. Three-quarters of entrepreneurs in the country are engaged in opportunity-driven entrepreneurship, which is positive. However, in terms of overall entrepreneurial activity, there has been a decline since 2014. This is worrying, as entrepreneurship has been identified, as mentioned, as a key factor in the plight to reduce high unemployment levels and equalise income distribution. Thus, it becomes even more critical that entrepreneurs are not only encouraged to start new businesses, but even more so to run successful, long-term and sustainable businesses. Success, from this perspective, can be defined in many ways, such as return on investment, annual profit or growth in sales, but continuity in business appears to be the most pervasive quality (Olakitan & Ayobami, 2011).

1.4. Entrepreneurial success

There are various definitions of what is regarded as successful entrepreneurship (Rauch & Frese, 2000). Growth in sales and earning a profit, for example, can be regarded as success. From the perspective of entrepreneurs, there are also non-financial returns that can point to success. These, according to an article in Forbes (2016), include intellectual stimulation, giving back (creating meaningful job opportunities for others) and personal brand building (strengthening one's reputation in the business community by virtue of experiences). As non-financial returns are more subjective in nature, for this study, success will be defined as business continuity (running a profitable venture for more than a year) as well as earning a monthly or annual profit. This ties in with the need for entrepreneurship to stimulate the South African economy; thus, only if a business is generating income and profit will growth in our economy be possible.

There are various reasons or explanations as to why many entrepreneurs have reached success in their businesses. According to Scott (2012) in his Forbes article, entrepreneurs have to be inquirers and show curiosity in order to gather vast amounts of information on potential ideas. They need to continuously reflect on their decisions, be risk-takers, and be open-minded when receiving feedback and presenting ideas or proposals. Communication with important stakeholders and promoting their business are key, as well as being knowledgeable about business law (in the case of applying for a patent, for example). Lastly, entrepreneurs need to be ethical and caring towards their employees and customers. Similarly, Henry (2017) suggests patience and persistence, willingness to observe, listen and learn, developing appropriate mentorship relationships, commitment and balancing technical and business knowledge as key ingredients for success.

On the other hand, just as there are reasons for success, there are also reasons for business failure. Andriole (2016) provides various reasons why some entrepreneurs fail, such as lack of holistic understanding of situations or 'entrepreneurial IQ', poor network and not knowing enough about players in the market, inability to raise the right kind of funding at the right time at the right valuation, grandiose expectations, poor soft skills (such as listening or being too outspoken), choosing the wrong business partner,

ineffective sales, not spending money on marketing and public relations, and finally, being unable to adapt to unpredictable events and conditions. Adding to this, Henry (2017) states that lack of focus, motivation, commitment and passion, as well as lack of good mentorship, may lead entrepreneurs to fail. Given this information, it is not surprising to learn that a study by Harvard Business School revealed that 75% of venture-backed startups fail (Henry, 2017).

The above argues the case that business success (and failure) is due to many factors; however, according to Olakitan and Ayobami (2011), the greatest determinant of a venture's success is often the entrepreneur him or herself. For example, from the above discussion behind the reasons for successful and unsuccessful entrepreneurs, the personal characteristics of adaptability, risk-tolerance and open-mindedness are important. For the purposes of this study, therefore, the question begs: What psychological characteristics do South African entrepreneurs perceive as contributing factors to the success of their businesses?

1.4.3. Psychological characteristics related to entrepreneurial success

According to various researchers, for an entrepreneur to be successful and effective, a complexity of psychological qualities is required (Fine, Meng, Feldman & Nevo, 2012; Brandstatter, 2011; Galvao & Pinheiro, 2017). It is clear that personality has some influence on successful entrepreneurship through an examination of the characteristics of the entrepreneurial role (Brandstatter, 2011). For example, commencing a life of self-determination and autonomy requires emotional stability, discovering new opportunities and ways of structuring and developing the business requires openness to experience, being hard-working and determined in the pursuit of goals requires achievement motivation (a component of conscientiousness), creating and building a social network requires extraversion, and embracing the risk of failure requires risk propensity as well as a possible combination of extraversion, emotional stability and openness. Similarly, Olakitan and Ayobami (2011) stated that various personality variables play a part in entrepreneurial intentions and ultimately entrepreneurial success. Important to note here is that the personality traits that characterise entrepreneurs already exist in individuals who are developing or thinking about starting a business and that these traits become

more distinct when moving from concept to the reality of setting up the businesses (Galvao & Pinheiro, 2017).

Brandstatter (2011) suggested that personality traits such as self-efficacy, stress-tolerance, locus of control, autonomy and achievement motivation correlate with business creation and success of the business. Internal locus of control, (moderate) risk-taking behaviour, need for achievement, need for autonomy, need for power, need for affiliation, tolerance of ambiguity, flexibility, innovation, and endurance or perseverance were identified in relation to entrepreneurial success by Olakitan and Ayobami (2011) in their literature review. Fine et al. (2012) found that the age of the entrepreneur, business skills, previous work experience, cognitive ability, and pertinent personality dimensions (such as the tendency to take risks, tolerance for uncertainty, openness & flexibility, confidence in self, achievement motivation, determination in the face of challenges, and interpersonal collaboration) predict successful entrepreneurship in China. Likewise, in her literature review, Schmitt-Rodermund (2004) mentions high need for achievement, creativity and initiative, risk taking, self-confidence, internal locus of control, autonomy, persistence, energy and commitment as characteristic of entrepreneurs. In Portugal, pragmatism and a need for comfort and acceptance were identified as psychological traits related to successful entrepreneurship (Galvao & Pinheiro, 2017). A study by Baluku et al. (2016) showed that hope and optimism relate significantly to entrepreneurial success. Lastly, Fine et al. (2012) identified the following characteristics that have been linked to successful entrepreneurship in their literature review, namely personality traits, skills, cognitive abilities, knowledge and background of the entrepreneur.

Based on the above overview, it is evident that various psychological characteristics¹ influence entrepreneurial success. Thus, this research study will attempt to explore, in rich detail, the influence that psychological characteristics have on the business success as perceived by South African entrepreneurs.

¹ The broad term 'psychological characteristics' can refer to tendencies that are state-like and trait-like, whereas the terms 'psychological traits' or 'personality traits' refer to tendencies that are more stable over time (trait-like). For the purposes of this study, the terms 'characteristics' and 'traits' will be used interchangeably, referring to trait-like tendencies.

1.5. Problem statement

South Africa, in its constant state of flux, faces several challenges. Two major challenges pertinent to this research study are the country's high levels of unemployment and inequality (Herrington & Kew, 2016; Gordhan, 2017). Numerous sources have identified entrepreneurship as a mechanism by which these challenges can be tackled, in turn leading to improved economic growth, increased employment prospects and a more equal income distribution (Herrington & Kew, 2016; Galvao & Pinheiro, 2017; Zuma, 2017). Entrepreneurship is, however, not for the faint-hearted, and various psychological characteristics have been associated with its successful execution (Galvao & Pinheiro, 2017; Fine et al., 2012). A true understanding of the psychological variables that influence the success of South African entrepreneurs is, therefore, vital to improving the entrepreneurial landscape in our country to reap its subsequent rewards.

1.6. Research questions and objectives of the study

The research questions identified for this study were as follows:

- How is entrepreneurship, and specifically successful entrepreneurship, conceptualised according to the literature?
- What are the perceived challenges faced by, and opportunities available to, entrepreneurs in South Africa that influence their experience and business success?
- What are the personal psychological characteristics that South African entrepreneurs attribute to the success of their businesses?

The overarching aim of this study that encompassed these questions, therefore, was to explore the personal experiences of entrepreneurs that enable them to run successful businesses in the South African context.

In order to achieve this aim, the objectives of this study were formulated as follows:

- To explore, using existing literature, the concept of entrepreneurship and successful entrepreneurship.

- To understand the perceived challenges faced by, and opportunities available to, entrepreneurs in the South African context.
- To explore and more deeply understand the personal psychological characteristics that South African entrepreneurs attribute to the success of their businesses.
- To support and further enhance the insights obtained from interviews with successful entrepreneurs through the use of focus group discussions with expert entrepreneurs or coaches or specialists working closely with entrepreneurs in the South African context.
- To draw conclusions and make recommendations on possible future training, development or career guidance interventions to support successful entrepreneurship in South Africa.

1.7. Delimitations

The aim of this research was to explore the personal experiences of entrepreneurs that enable them to run successful businesses in the South African context. Furthermore, a key objective was to explore and more deeply understand the personal psychological characteristics that South African entrepreneurs attribute to the success of their businesses. In line with this, the study was qualitative in nature. Data was collected using a two-phased approach. In phase 1, data was gathered via semi-structured interviews. In phase 2, focus group discussions were held to confirm and enhance the findings from the individual semi-structured interviews. The use of focus groups in this study fulfilled the purpose of data and method triangulation (Xerri, 2018). For phase 1, a sample of opportunity-driven entrepreneurs in South Africa was utilised, as opportunity-driven entrepreneurship makes a much greater contribution to the economy than necessity-driven entrepreneurship, thus helping to solve the identified challenges mentioned previously (Herrington et al., 2017). More specifically, these opportunity-driven entrepreneurs were new and established entrepreneurs having run profit-generating businesses for more than a year. For phase 2 focus group discussions, established 'expert' entrepreneurs, as well as coaches or specialists working with entrepreneurs, were selected, as they bring a wealth of insight and experience regarding the entrepreneurial landscape in the country. The established 'expert' entrepreneurs were required to have

been running profit-generating businesses for over 3.5 years (in line with 'established' phase of entrepreneurship) (Herrington & Kew, 2016). The coaches or specialists were required to be actively working with entrepreneurs in an entrepreneurship development capacity. Both phases involved entrepreneurs in economically active phases of entrepreneurship who are generating profits and thus contributing to the South African economy and solving the identified challenges. Similarly, entrepreneurship coaches or specialists are actively building entrepreneurship capability in South Africa, consequently also contributing to the economy of South Africa, albeit in a more indirect way. Participants were all over the age of 18 and not limited to specific industries.

1.8. Significance of the study

As much of the available literature on this topic is international as well as quantitative in nature, the findings of this qualitative study could contribute to a much deeper and rich understanding of entrepreneurs in South Africa as well as inform development and training initiatives for aspiring entrepreneurs. Galvao & Pinheiro (2017, p. 275) believe that "the traits that characterise business owners are already present in people that are developing or seriously thinking about developing an entrepreneurial project and that these traits become more defined when passing from project to a real business venture." Thus, identifying these traits or characteristics early on in individuals, and assisting them to develop them further, could help to speed up business creation and enhance entrepreneurial capability in South Africa in the long term. In addition, with a greater depth of understanding of entrepreneurs in the unique context of South Africa, the information gathered from the current study can be used to inform the interventions and training programmes of local entrepreneurial hubs and schools. Creating and supporting successful entrepreneurs will contribute to economic growth and development, thus working towards solving the challenges of high unemployment and inequality in the country, which is in line with the 2030 vision (NDP, 2011).

1.9. Outline of the study

This study began by providing the context for the research, followed by the problem statement, research question, aim and objectives and delimitations of the study.

Chapter 2 focuses on the literature review which was conducted on the psychological characteristics that have been found to support entrepreneurial success. The challenges faced by, and opportunities available to, entrepreneurs in South Africa were also discussed.

Chapter 3 provides the overall research methodology used in the present study. The approach to sampling, data collection, data analysis and interpretation will be described, as well as ethical considerations.

Chapter 4 provides the insights and findings generated from the data. The insights and themes that arose through the data analysis will be summarised and presented as the main findings of the study.

Chapter 5 makes concluding remarks on the study and provides limitations, recommendations and suggestions for further research.

1.10. Summary

Chapter 1 provided the context or setting within which the present study was conducted, specifically focusing on the need for entrepreneurs to assist in creating employment and income equality in South Africa. The chapter provided a justification for studying the experiences of entrepreneurs in South Africa, specifically relating to the psychological characteristics that have been identified in relation to running successful businesses. The chapter concluded by stating the research problem, research questions, research aim and objectives, delimitations and significance or value of the current study. Based on a thorough literature review, Chapter 2 will highlight some challenges faced by, and opportunities available to, entrepreneurs in South Africa, as well as the psychological characteristics that have been found to support entrepreneurial business success.

CHAPTER 2

LITERATURE REVIEW

2.1. Introduction

This chapter provides a comprehensive examination of the existing literature related to the objectives of the present study. First, a conceptualisation of entrepreneurship will be provided, as well as an overview of a few opportunities available to, and challenges faced by, South African entrepreneurs, thereby contextualising entrepreneurship in South Africa. This chapter will then also provide an examination of what constitutes entrepreneurial business success, as well as the psychological characteristics of individuals, within the international and African context, which have been found to support successful entrepreneurship. While the literature may reveal that certain psychological characteristics have an impact on the business success of entrepreneurs globally, it remains to be explored in the South African context, specifically with new and established opportunity-driven entrepreneurs. Opportunity-driven entrepreneurs in the new and established phases of entrepreneurship have been found to contribute more significantly to the economy (than necessity entrepreneurs or entrepreneurs in other phases), thus being instrumental in solving the South African challenges of unemployment and inequality (Herrington et al., 2017).

Much of the research and information provided in Chapter 2 provided the foundation to further explore the psychological characteristics that South African entrepreneurs perceive to be attributed to the success of their businesses. Furthermore, despite what the literature may highlight, the researcher remained open to identifying other psychological characteristics and factors that entrepreneurs perceive to influence the success of their businesses.

2.2. Defining entrepreneurship

There are numerous definitions of entrepreneurship (Davidsson, 2008; Lee-Ross & Lashley, 2008). A report by the Global Entrepreneurship Monitor (GEM) defined entrepreneurship as “any attempt at new business or new venture creation, such as self-

employment, a new business organisation or the expansion of an existing business, by an individual, a team of individuals, or an established business” (Herrington & Kew, 2016, p. 9). Furthermore, entrepreneurs discover, evaluate, and exploit future goods and services by creating or identifying previously unidentified or unused ends and means (Brandstatter, 2011). Although both self-employed persons and entrepreneurs generate income, entrepreneurs engage mostly in innovative and original combinations of means-and-ends relationships (Patel & Thatcher, 2014). It can, therefore, be said that all entrepreneurs are self-employed; however, individuals who are self-employed are not necessarily entrepreneurs (Patel & Thatcher, 2014). Zhao and Seibert (2006, p. 262) held that an entrepreneur is “someone who is the founder, owner, and manager of a small business and whose principal purpose is growth.” Williams & Vorley (2014) maintained that entrepreneurship allows for the creation of wealth and employment, and the stimulation of competition and innovation. Gartner provided the following most agreed upon key components of entrepreneurship: 1) the creation or formation of a new business venture; 2) new business development; and 3) the added value created through the starting of a new business (Davidsson, 2008).

According to Lee-Ross and Lashley (2008), definitions of entrepreneurship tend to fall into two chief categories: 1) definitions featuring personality traits and behavioural characteristics; and 2) definitions taking into account the environment for situations or settings where entrepreneurs were likely to grow and thrive (Lee-Ross & Lashley, 2008). A definition that takes this complexity into account and includes both dimensions of the individual and opportunity or environment is, therefore, “one who creates a new business in the face of risk and uncertainty for the purpose of achieving profit and growth by identifying significant opportunities and assembling necessary resources to capitalise on them” (Zimmerer and Scarborough, 2005, p. 3). For the purposes of this study, this definition is how entrepreneurship is conceptualised and operationalised, as it encapsulates the important components of entrepreneurship as defined in the literature.

It is also important to elaborate on some key attributes of entrepreneurial businesses from a global perspective. These businesses usually tend to be quite small and have few resources, a limited and unknown product line, and little name or brand recognition, and

thus are challenged with smallness, newness, and legitimacy (Markman & Baron, 2003). Entrepreneurship also tends to involve high internal change and instability when compared to more established businesses (Shane & Venkataraman, 2000). Moreover, market volatility and the pursuit of new product or service combinations actively instigates further turbulence. In addition, entrepreneurial businesses have to compete under adverse market conditions as well as build their internal infrastructure, which may be challenging for entrepreneurs. Lastly, new entrepreneurial businesses may also struggle with access to resources, available capital and assets, and knowledge capital, which again gives rise to the struggles associated with newness and legitimacy (Markman & Baron, 2003).

Many of the global challenges mentioned above also tend to negatively impact South African entrepreneurs. Thus, in the following section, a brief overview of entrepreneurship in the South African context is provided, specifically focusing on the challenges faced by entrepreneurs but also highlighting some of the opportunities that are available to them.

2.2.1. Entrepreneurship in the South African context: Challenges and opportunities

The challenges facing entrepreneurs in developing or evolving countries, such as South Africa, are often quite similar (Benzing, Chu and Kara, 2009). According to Benzing et al. (2009), in most developing countries, entrepreneurs encounter an environment of instability and bureaucracy. The laws governing private businesses, especially regarding registration systems and taxation, tend to be quite intricate and difficult to understand. Laws relating to contracts and private property are also inadequately designed and enforced at times (Benzing et al., 2009). In addition, bribery and corruption frequently result in added expenses (Kiggundu, 2002; Baluku, Kikooma & Kibanja, 2016). Other challenges that hinder entrepreneurs in developing economies involve a generally weak or frail economy, limited access to financial capital, unreliable employees, and high levels of competition (Chu, Benzing & McGee, 2007; Zuma, 2017). Furthermore, overregulation commonly results in prolonged and costly delays in clearances and approvals (Macculloch 2001; EOY, 2013). For example, entrepreneurs in Kenya complain of lengthy hold-ups in obtaining consent for trade licences and business registration (Chu et al., 2007). Complex tax forms, strict control by government, and blatant misinterpretation of

laws are also prevalent (Chu et al., 2007). In South Africa, entrepreneurs face the issue of limited access to insurance and too high debt-to-equity levels, meaning that small, start-up businesses often do not meet the requirements for credit (NDP, 2011; EOY, 2013). According to Benzing et al. (2009), every government has the ability to support and encourage business development through efficient tax policies, licensing procedures, and employment laws; however, when a bureaucracy becomes too onerous or redundant, it can suppress the very economic growth it intended to help. This may be true for South Africa, as although the government has put plans in place to support entrepreneurship, in South Africa, corruption undermines progress (NDP, 2011).

Another challenge faced by entrepreneurs centres around education. Herrington et al. (2017) were of the view that the education system in South Africa has failed entrepreneurs and continues to hamper the workforce. In fact, the country's inadequately educated workforce has been listed as the third most challenging issue for doing business (Herrington et al., 2017). In addition to the poor quality of schooling, most of the country's youth are not able to access education at higher levels and are thus reliant on the skills taught in the primary and secondary school. The result is that workers are ill equipped for the working world, many being untrainable at the point when they leave school. Moreover, the poor system of educational and training produces a gap in the ability and readiness of an individual to create and run a company (Herrington & Kew, 2016; Herrington et al., 2017). This is critical to understand and address, as entrepreneurship education may have the potential to enhance self-efficacy levels in individuals as well as spark an interest in entrepreneurship as a decent and viable career option (Herrington et al., 2017). The more individuals who identify and act on entrepreneurship as a profitable career path, the greater the positive impact on South Africa's economy, thus slowly reducing poverty and inequality (identified as being major challenges in South Africa) (NDP, 2011).

Considering the challenges outlined above, it could be assumed that they are part of the reason why entrepreneurial intentions in South Africa are at an all-time low of 10.1% (well below the average for the Africa region) (Herrington et al., 2017). The same can be said for total-early stage (TEA) entrepreneurship, defined as the percentage of the adult population (18-64 years) that are currently beginning or who have recently started a

business, which has demonstrated a persistent downward trend since 2014 (Herrington & Kew, 2016). However, despite the challenges, there are various opportunities available to South African individuals interested in an entrepreneurial career path. These will now be discussed briefly.

Despite the challenges facing entrepreneurship in South Africa, there are numerous factors that contribute towards it too (Herrington & Kew, 2016; NDP, 2011). According to survey data from the Global Entrepreneurship Monitor (GEM), as opposed to other developing countries, South Africa has a good physical, commercial, and legal infrastructure that enables entrepreneurship. Herrington and Kew (2016) mentioned that private companies are contributing to entrepreneurship through various initiatives, such as the South African Breweries KickStart initiative and Anglo American's Zimele programme. Government support has also increased, as reflected in the National Development Plan (NDP, 2011). For example, a notable initiative is the Black Industrialists Programme, which has supported more than 22 entrepreneurs since its inception (Zuma, 2017). Other government initiatives that have been launched and adopted to support and drive entrepreneurship in South Africa include the New Generation Cooperatives Programme, the National Gazelles Programme, and the online portal, FinFind. (DSBD, 2016). The New Generation Cooperative is a unique idea that integrates members across the value chain to speed up growth and development. It is part of a Memorandum of Understanding with the government of the Netherlands to jointly develop and progress the production effectiveness and economic feasibility of companies. With regards to the National Gazelles Programme, the aim is to recognise and nurture small businesses that are performing well, thereby helping to create jobs and provide black-owned, manufacturing-focused and value-adding businesses with managerial skills, entry or access to markets and general production capacity. FinFind is another initiative which facilitates and provides much-needed business finance and related mentorship support (DSBD, 2016). Lastly, according to the Small Business Annual report, in the 2015/2016 year, R35.9 million was distributed to 117 women-owned enterprises by the Department of Small Business Development (DSBD), and the Black Business Supplier Development Programme gave 325 women-owned businesses funding of R45.2 million (DSBD, 2016).

Although poor-quality education is noted as one of South Africa's challenges, there are still some positive developments. The DSBD (2016) stated that Centres of Entrepreneurship at five Technical and Vocational Education Training Colleges (TVET) have been established. These Centres provide students with the relevant entrepreneurship skills needed to generate work for themselves and others. In addition, the DSBD (2016), through partnering with Wholesale and Retail Seta, provided 1 037 informal businesses with training and equipment. This is positive, considering the challenges facing entrepreneurs; however, it is the researcher's belief that more awareness should be created around these opportunities, along with greater access to them, to further encourage entrepreneurship in the country.

Should South African entrepreneurs overcome the challenges they face and leverage available opportunities, the personal benefits are many, such as independence and a certain degree of freedom (i.e. to make decisions), using various talents, skills and abilities, control over own destiny, accountability to oneself, the chance to reach one's full potential and enjoy status and achievement, and reaping greater financial rewards (Lee-Ross & Lashley, 2008). Moreover, entrepreneurs running successful businesses provide benefits to South Africa from an economic perspective, thereby addressing the critical challenges of poverty, inequality and the low rate of unemployment (NDP, 2011). It thus becomes important to create a better understanding of what constitutes entrepreneurial success and how this is key to improving conditions in South Africa.

2.2.2. Defining entrepreneurial success

The concept of 'business success' has been thoroughly studied by various authors and can be defined in many ways (Forbes, 2016; Neely, Adams & Kennerley, 2002; Headd, 2003; Rauch & Frese, 2000). Chivukula, Raman and Ramabachandra (2009) used two measures in an effort to define business success, namely financial measures and non-financial measures. The rise or fall in turnover and the growth in employment were the two financial metrics used to determine the fiscal success of the company. Furthermore, according to Tarricine and Luca (2002), business success explicitly refers to profit generation. Olakitan and Ayobami (2011) are of the same sentiment but add return on investment, growth in sales and continuity in business as alternative indicators. Beaver

(2002) suggested that success can be regarded in terms of growth and profitability, and IP6son (2010) argued that another way of defining success is to assess the degree to which needs of shareholders or stakeholders are met.

Non-financial metrics are more subjective and involve whether the entrepreneur likes his or her work experience and the quantity of time he or she spends running the business (Chivukula et al., 2009). Intellectual stimulation, giving back to others by providing job opportunities, and personal brand building have also been identified as non-financial indicators of success (Frankel, 2016; Forbes, 2016). On the other hand, Walker and Brown (2004) suggested that from the start, it may not have been the entrepreneur's intention to hire others and grow the organisation, but to rather retain it for himself and his close family. From this stance, non-financial measures related to success involve self-satisfaction, freedom and independence, job satisfaction and taking on challenges.

Considering financial and non-financial measures, success can therefore entail different aspects such as meeting goals, economic success and lifestyle success (Rauch & Frese, 2000). For the purposes of this study, the financial measures of profit-generation and business continuity were used to identify successful entrepreneurs. More specifically, the businesses started by entrepreneurs needed to have been generating a profit for more than a year (business continuity) to be considered successful and sustainable. Numerous researchers have mentioned the significance of entrepreneurship as a mechanism for sustainable economic growth through job creation, innovation and its potential to reduce poverty (Williams & Vorley, 2014; Baluku, Kikooma & Kibanja, 2016). However, for these goals to be achieved and for some of South Africa's employment issues to be addressed, entrepreneurs that are able to generate a sustainable profit and provide employment for others is critical (Herrington & Kew, 2016). This is the reason why profit-generation and business continuity were identified as the key criteria for selecting entrepreneurs for this study.

2.2.2.1. Global and South African examples of successful entrepreneurs

Some examples of entrepreneurial success will now be discussed. From a global perspective, according to Holcombe (2014), the following entrepreneurs identified profit

opportunities (centred around technology) leading to the success of their ventures: 1) Henry Ford's assembly lines were possible only when there was a big enough market for vehicles; and 2) the wealth of Bill Gates grew along with the new personal computer industry. These entrepreneurs did not devise the technology that led to their wealth; however, they had the vision to act on the opportunities they saw in the market. Entrepreneurial opportunities such as these appear, and entrepreneurs then need to move quickly to take advantage of them (Holcombe, 2014).

From a South African perspective, the following entrepreneurs have been identified as being highly successful, amongst others: 1) Elon Musk, now based in America, started his first businesses by teaching himself to programme computers and selling computer games. He has now moved onto interstellar travel with SpaceX, the solar electric company SolarCity, and Tesla, the electric car business; 2) Patrice Motsepe, who started African Rainbow Minerals, a mining services venture involved in cleaning gold dust from the inside of mine shafts. Furthermore, he implemented a scheme of worker compensation that combined low base pay with a profit-sharing bonus. In 2008, he was announced as the 503rd richest individual in the world by Forbes; 3) Herman Mashaba founded 'Black Like Me', the multi-million rand cosmetics brand, by initially selling his products from the boot of his car; and 4) Basetsana Kumalo, a past Miss South Africa winner and Miss World runner-up, who became a joint owner of Tweselopele Productions in 1995 (the production company that housed Top Billing, later becoming JSE listed), making her one of the youngest black female directors in the country. She has also developed an eyewear, clothing and cosmetics range (Mowatt, 2013; Dhlomo, 2015).

There are various reasons or explanations as to why entrepreneurs, such as those mentioned, reached success in their businesses. It has been said that entrepreneurs have to be curious so they can gather as much information and insight as possible about potential ideas. They need to continuously reflect on their decisions, be risk-takers, and be open-minded when offering ideas and receiving feedback. Communication with various stakeholders and promoting their business is important, as well as being knowledgeable about business law (Scott, 2012). Entrepreneurs also need to be principled and show care towards their staff and customers. Similarly, Henry (2017)

suggests patience and persistence, willingness to observe, listen and learn, developing appropriate mentorship relationships, commitment and balancing technical and business knowledge as key ingredients for success.

Having conceptualised what constitutes entrepreneurial business success, the characteristics that enable this success should be considered in more detail. According to Olakitan and Ayobami (2011), the greatest determinant of a business's success is often the entrepreneur's personal characteristics. Moreover, numerous researchers have suggested that for an entrepreneur to succeed, a complex set of psychological attributes is required (Fine et al., 2012; Brandstatter, 2011; Galvao & Pinheiro, 2017). For example, business success may be due to characteristics such as being open-minded, continuously reflecting on decisions, taking risks, communicating with important stakeholders, having technical and business knowledge, being customer-focused, patient and persistent, and having relationship skills (Scott, 2012; Henry, 2017). With more research and understanding, awareness can be created around the psychological characteristics which enable successful entrepreneurship in South Africa, and in some cases, development and growth of these characteristics may be possible (Rauch & Frese, 2000). It can be argued that if more individuals are able to develop their entrepreneurial-related psychological characteristics, then more profit and employment opportunities may be generated, thus positively impacting South Africa's economy. The next section, therefore, will explore psychological characteristics that have been found to influence entrepreneurs in creating successful businesses.

2.3. The psychological characteristics and individual differences of successful entrepreneurs

For a long time, it has been assumed that entrepreneurs are not only different from other people, but that successful entrepreneurs also differ from unsuccessful entrepreneurs with regards to various characteristics (Baron, 2002). For example, according to Baum, Frese and Baron (2007), individuals tend to act in a specific manner due to the influence of psychological characteristics. Much of the literature regarding the psychological characteristics of successful entrepreneurs has been conceptualised according to personality characteristics (Rauch & Frese, 2000; Fillis & Rentschler, 2010; Fine et al.,

2012). Besides personality, certain individual differences also influence successful entrepreneurship, such as cognitive or mental ability (Fine et al., 2012; Hartog et al., 2010), knowledge, including from education and experience, and specific skills (Markman & Baron, 2003; Benzing et al., 2009). These concepts will be briefly defined. From a high-level perspective, personality refers to the unique differences in characteristic patterns of thinking, feeling and behaving of individuals (American Psychological Association, 2018). Knowledge is the result of the assimilation of learned information (European Parliament, 2008). In their literature review, Hartog, van Praag and van der Sluis (2010, p. 953) define cognitive ability as the “ability to understand complex ideas, to adapt effectively to the environment, to learn from experience, to engage in various forms of reasoning, to overcome obstacles by taking thought.” In simple terms, ability in this context can be described as the capacity to apply and use knowledge, to carry out tasks and solve problems (European Parliament, 2008). Lastly, skills or expertise in certain areas are described as cognitive (using logical, intuitive and creative thinking) or practical (using manual dexterity and certain methods, materials, tools and instruments) (European Parliament, 2008). Examples include communication, interpersonal, networking, negotiation, managerial and computer skills, to name but a few (Doyle, 2018; Chiru et al., 2012).

For the purposes of this study, the psychological characteristics that were focused on include only the personality characteristics that have been found to influence entrepreneurial success. Other psychological-related individual differences (cognitive ability, knowledge, and skills), although important factors influencing success, were not covered in this study due to the influence that the environment has on them (Fine et al., 2012; Fillis & Rentschler, 2010). That is, the influence that, for example, education, upbringing, parenting style, economic status and social status has on the individual’s characteristics and their desire to become and succeed as an entrepreneur (Schmitt-Rodermund, 2004; Rauch & Frese, 2000; Jain, 2011). This sentiment is shared with Gartner (1988), who suggested that entrepreneurship is a process involving many dimensions, and that traits relating to entrepreneurship are just one part of the process. Due to the vastness of the topic of psychological characteristics that influence entrepreneurial success, another study could be conducted considering how the

environment of the individual interacts with certain individual characteristics to enable successful entrepreneurship. Therefore, in line with the aim of this study, the psychological (personality) characteristics associated with successful entrepreneurship will now be discussed in more detail.

2.3.1. Personality

Personality traits can be defined as persistent characteristics of a person that can serve an explanatory or descriptive role in accounting for visible consistencies and regularities in behaviour (Wieten, 2011). McCrae and Costa (1992), the original developers of trait theory, postulated that the more of a trait a person has, the greater the likelihood that they are to show the behaviour it disposes them towards, and thus the more it will be observed. Costa and McCrae (1992) have provided what is perhaps one of the most developed operationalisations of a personality trait model to date, known as the Five Factor Model (FFM) (Zhao & Seibert, 2006). The emergence of the FFM allows for the organisation of a great number of personality traits or variables into a small yet meaningful group of personality constructs, namely extraversion, emotional stability, openness to experience, agreeableness, and conscientiousness (Costa & McCrae, 1992; Zhao & Seibert, 2006; Brandstatter, 2011). These five personality constructs are each composed of six sub-factors called facets (Costa & McCrae, 1992). The five factors and six facets of each will be described further on in this chapter.

According to research, the FFM has been demonstrated to be valid across cultures and a person's lifespan (Du Plessis, 2014). Furthermore, the FFM has been widely accepted as functional description of the structure of personality traits, has good statistical replicability, and has been found to be applicable in various situations (McCrae, 1992; Du Plessis's, 2014; Wiggins, 1996). In addition, the facets provide useful behavioural descriptors that can be used in the qualitative data gathering phase of the study. These are the reasons the FFM was selected for this study.

For the last few decades, the FFM model has been the main reference system for personality traits and research on personality of entrepreneurs (Brandstatter, 2011; Schmitt-Rodermund, 2004; Markman & Baron, 2003). For example, Markman and Baron

(2003) mentioned that the FFM of personality may be related to the success of new ventures. Schmitt-Rodermund (2004) believed that a young business start-up age and a personality profile comprising high extraversion, conscientiousness and openness to experience, and low neuroticism and agreeableness can be expected to support successful entrepreneurship. Brandstatter (2011) stated that commencing a life of autonomy, self-determination and independence requires emotional stability; finding new opportunities or prospects and ways of structuring and developing the business requires openness to experience; being hard-working and tenacious in goal pursuit requires achievement motivation (a component of conscientiousness); developing a social network requires extraversion; and risking failure requires risk propensity, as well as a possible combination of emotional stability, extraversion and openness. Furthermore, managers are commonly used as a comparison point for entrepreneurs, given the probable need of both groups to direct employees and manage multiple tasks (Kerr, Kerr & Xu, 2017). In a meta-analysis of 23 studies done in various countries from 1970 to 2002, Zhao and Seibert (2006) found entrepreneurs to be more conscientious and open to experience, similar in terms of extraversion, less agreeable, and less neurotic (thus more emotionally stable) than managers.

In contrast, there are a few individual studies that show deviations from this pattern (Kerr et al., 2017). For example, in a survey by Envick and Langford (2000) of over 200 entrepreneurs and managers in a Canadian city, it was found that entrepreneurs were significantly less conscientious and agreeable than managers and less extraverted, while confirming the other patterns detected in the meta study. A reason for this may be that the overly general nature of the FFM personality constructs can't easily predict situation-specific behaviours of entrepreneurs (i.e. entrepreneurs in a specific city in Canada) (Rauch, 2014). This speaks to the need to conduct this study in the South African context to understand if there are certain nuances unique to successful South African entrepreneurs. A qualitative study will also add value in determining these nuances due to the richness of data that is possible to collect.

At this point it should be noted that a vast number (but not all) of the traits suggested in the literature can be categorised within the FFM of personality (Brandstatter, 2011). Table

1 has been created to assist the researcher in categorising and operationalising the personality dimensions relevant for this study (i.e. linking the personality traits mentioned in the literature to the FFM dimensions). These personality traits have been identified as significant for successful entrepreneurship in the literature and are thus important, hence their inclusion in this study, but are not necessarily theoretically related to the FFM. Table 1 also provides useful behavioural descriptors for the FFM constructs that can be used in the data gathering phase of the study, in addition to the facets that will be described further on. In addition, this table highlights a few additional traits that do not fit into the FFM but that have also been identified as important to successful entrepreneurship in the literature.

Table 1

FFM and Associated Personality Traits

Five Factor Model Dimension (Costa & McCrae, 1992)	Associated personality traits
Extraversion	Energy (Schmitt-Rodermund, 2004; Siu & Martin, 1992) Interpersonal collaboration (Fine et al., 2012) Sociability (Fine et al., 2012)
Openness to Experience	Creativity (Zhao & Seibert, 2006) Tolerance for ambiguity (Olakitan & Ayobami, 2011; Fine et al., 2012) Flexibility (Olakitan and Ayobami, 2011) Imagination (Zhao & Seibert, 2006) Intuition (Zhao & Seibert, 2006) Independence of judgment (Zhao & Seibert, 2006)
Emotional Stability (opposite of neuroticism)	Self-confidence (Fine et al., 2012; Schmitt-Rodermund, 2004) Stress-tolerance (Brandstatter, 2011) Resilience (Zhao & Seibert, 2006)
Agreeableness	Prosocial orientation (Zhao & Seibert, 2006; Kerr et al., 2017) Forgiveness (Zhao & Seibert, 2006; Kerr et al., 2017)

	Altruism (Zhao & Seibert, 2006; Kerr et al., 2017)
	Tender-mindedness (Zhao & Seibert, 2006; Kerr et al., 2017)
	Modesty (Zhao & Seibert, 2006; Kerr et al., 2017)
	Trust (Zhao & Seibert, 2006; Kerr et al., 2017)
Conscientiousness	Hard-working (Brandstatter, 2011; Chu et al., 2007)
	Dependability (Zhao & Seibert, 2006)
	Persistence/perseverance/tenacity (Brandstatter, 2011; Markman & Baron, 2003; Schmitt-Rodermund, 2004)
	Need for achievement (Brandstatter, 2011; Zhao & Seibert, 2006)
	Goal-orientation (Milner, 2012; Zhao & Seibert, 2006)
	Showing initiative (Schmitt-Rodermund, 2004)
	Commitment (Schmitt-Rodermund, 2004)

Additional personality traits:

Locus of control (Brandstatter, 2011; Kerr et al., 2017)
Self-efficacy (Brandstatter, 2011; Kerr et al., 2017)
Risk propensity (Zhao & Seibert, 2006; Brandstatter, 2011)
Innovativeness (Rauch & Frese, 2007; Olakitan & Ayobami, 2011)

A brief overview of these traits, from a global perspective, and how they connect to successful entrepreneurship will now be briefly described. In their research, Rauch and Frese (2007) suggested that the traits relating to successful entrepreneurship include high need for achievement, locus of control, self-efficacy, autonomy, risk-taking, and innovativeness. In their literature review, Olakitan and Ayobami (2011) mentioned innovation, perseverance, risk-taking propensity, and flexibility as the most common and reliably reported traits among entrepreneurs. Schmitt-Rodermund (2004) was of the view that although entrepreneurs are engaged in many different occupations and are active in various ways, there are common characteristics that have been consistently shown through various studies. These include high need for achievement, creativity, showing risk-taking behaviour, taking initiative, self-confidence, an internal locus of control,

preference for autonomy and independence, high energy, commitment, and tenacity or persistence (Schmitt-Rodermund, 2004).

Chu et al. (2007), in their study, found that in a sample of Ghanaian and Kenyan entrepreneurs, hard work was identified as an important entrepreneurial success factor. In Hong Kong, a study showed that the development of entrepreneurship was influenced by the traits of high energy, competitiveness, self-confidence and goal-orientation (Siu & Martin, 1992). Furthermore, unlike Western entrepreneurs, Hong Kong entrepreneurs ranked the need for achievement over the need for independence. A possible explanation is that entrepreneurs in Hong Kong have solid family ties and a more collective culture (Siu & Martin, 1992). According to Milner (2012), entrepreneurs are extremely goal-orientated and go out of their way to avoid failure (Milner, 2012). Fine et al. (2012) held that interacting and collaborating with many people to establish and utilise formal and informal personal networks is required when setting up a new business and has been linked to the personality traits of good communication, sociability, persuasiveness, responsiveness, and friendliness or agreeableness. According to Brandstatter (2011), entrepreneurs have to cope in situations that are ambiguous and unstructured, and running a business successfully demands careful decision making. Thus, effective entrepreneurs show high scores on achievement motivation, characterised by hope for success, with a preference for moderate risk taking. It has also been argued that tolerance for ambiguity enables entrepreneurs to cope with these unstructured and uncertain situations (Brandstatter, 2011). Lastly, the ability to stay the course towards one's business goals in the face of adversity (perseverance) is essential for entrepreneurial success (Fine et al., 2012). It can, therefore, be emphasised that various personality traits have been identified as being positively related to entrepreneurial success (Kerr et al., 2017; Rauch & Frese, 2007; Galvao & Pinheiro, 2017).

In summary, the above review of the personality trait literature, using the FFM as a framework, allows for a better understanding and conceptualisation of the characteristics associated with entrepreneurial success. This provides a theoretical framework on the basis of the research literature to make sense of the information collected for the study.

Each of the FFM dimensions, as well as the additional personality traits identified, will now be elaborated on in terms of the entrepreneurship literature.

2.3.1.1. Extraversion

Extraversion involves an energetic stance towards the material and social world and comprises traits such as dominance, sociability, activity, energy, enthusiasm, assertiveness, and positive emotionality (Costa & McCrae, 1992; Kerr et al., 2017). Facets that make up extraversion with the correlated trait adjectives are gregariousness (sociable), activity (energetic), positive emotions (enthusiastic), assertiveness (forceful), excitement-seeking (adventurous), and warmth (outgoing) (Costa & McCrae, 1992). Individuals who score high on this personality dimension tend to be joyful, enjoy people and big groups, and seek out excitement and stimulation. Individuals who score low on extraversion have a preference for spending time alone and can be described as reserved, independent and quiet (Zhao & Seibert, 2006).

Extraversion is positively associated with interest in enterprising or entrepreneurial occupations (Costa, McCrae & Holland, 1984). According to Zhao and Seibert (2006), entrepreneurs must engage with a wide range of stakeholders such as venture capitalists, partners, staff, and customers, and are often in a salesperson role. In comparison to managers, entrepreneurs tend to engage in more direct social interaction with stakeholders than do regular managers. Thus, researchers have hypothesised that extraversion could be of more importance for entrepreneurs than for managers (Kerr et al., 2017). There also appears to be a certain affinity or relationship between extraversion and proactive personality, that is, taking initiative, shaping the environment in line with goals and being tenacious in goal striving, for which Rauch and Frese (2007) show higher scores for entrepreneurs than for managers. On the contrary, Zhao and Seibert (2006) came to the conclusion that no reliable difference between managers and entrepreneurs emerges in the literature. For example, in their research, Envick and Langford (2000) indicated that entrepreneurs were less extraverted than managers and proposed that many entrepreneurs may run small, home-based businesses to be away from large organisations that require one to be very sociable and outgoing. This is where the

definition of an entrepreneur really matters; for example, self-employed individuals and growth-oriented founders tend to display very different characteristics (Kerr et al., 2017).

The above research has been conducted across the globe, from a quantitative perspective, and results are mixed as to the influence of extraversion on the success of the entrepreneurs' businesses. Thus, this qualitative study allowed the researcher to further explore, in rich detail and from a different perspective, whether extraversion had a bearing on business success in a South African sample of entrepreneurs, which could be an important contribution to the literature.

2.3.1.2. Openness to experience

Openness to experience refers to “the breadth, depth, originality, and complexity of an individual’s mental and experiential life” (Kerr et al., 2017, p.10). Costa and McCrae (1992) stated that the facets making up this personality construct with the correlated trait adjectives are ideas (curious), aesthetics (artistic), fantasy (imaginative), actions (wide interests), feelings (excitable) and values (unconventional). Similarly, Zhao and Seibert (2006) mentioned that it involves intellectual curiosity, the likeliness of seeking new experiences, exploring original ideas and having independence of judgment. Someone high on this dimension can be described as untraditional, creative, imaginative, and reflective. Someone low on this dimension can be described as conventional, having narrow interests, and being un-analytical (Zhao & Seibert, 2006). According to McCrae (1987), openness is linked positively to intelligence, particularly aspects of intelligence connected to creativity, such as divergent thinking.

In their meta-analysis, Kerr et al. (2017) mentioned that entrepreneurs, when compared to managers, are consistently found to be more open to experience. Zhao, Seibert and Lumpkin (2010) described higher correlations between openness to experience and entrepreneurial intention and performance than for any other FFM dimension. Researchers have suggested that in the context of a business endeavour, entrepreneurs are likely to be attracted to continually changing environments and the freshness of new challenges (Kerr et al., 2017). They tend to take daring, creative steps which require an extended pursuit of real newness (Stokes, Wilson & Mador, 2010). People who flourish

on challenges and new environments are those who offer creative and imaginative solutions, business models, and products, and the openness (to experience) of entrepreneurs may support these functions (Kerr et al., 2017). In comparison, managers in organisations are often selected for their capability to execute on and deliver high-quality, low-variance results for a specified set of directions rather than come up with original solutions. Thus, researchers propose that both requirements of the job and environment of an entrepreneur fit well with people who are more open to experience (Kerr et al., 2017). While these quantitative studies support the notion that openness to experience influences the business success in entrepreneurs, they were conducted internationally. Thus, there was a need for this relationship to be explored and understood more deeply, specifically by drawing on the perceptions and experiences of South African entrepreneurs.

2.3.1.3. Emotional Stability (opposite of neuroticism)

Neuroticism relates to the differences in emotional stability and adjustment of individuals. People displaying high levels of neuroticism (thus displaying low emotional stability) are likely to experience various negative emotions, including hostility, anxiety, depression, impulsiveness, self-consciousness, and vulnerability (Costa & McCrae, 1992). Alternatively, individuals who score low on neuroticism (thus high on emotional stability) can be described as self-confident, relaxed, calm and even-tempered (Zhao & Seibert, 2006). According to Costa and McCrae (1992), facets that comprise neuroticism include anxiety (tense), self-consciousness (shy), hostility (irritable), depression (not content), impulsiveness (moody), and vulnerability (low self-confidence).

Much of the research on emotional stability focuses on the comparison between managers and entrepreneurs. Managers work within established organisations with work processes supported by organisational procedures and practices. In contrast, entrepreneurs work within fairly unstructured environments where they hold responsibility for all aspects of the business (Zhao & Seibert, 2006). They tend to work longer hours than do managers and often aren't able to separate work and life (Dyer, 1994). Entrepreneurs also tend to be financially and personally invested in the business and do not have the security of benefits often provided to managers, such as redundancy

packages or retirement benefits. With this in mind, entrepreneurs have been described as having high levels of self-confidence with strong beliefs in their ability to control environmental outcomes (Zhao & Seibert, 2006; Simon, Houghton & Aquino, 2000). Therefore, great self-confidence and resilience during stressful times appears to be much more important for entrepreneurs than managers. Entrepreneurs have been found to have higher levels of emotional stability than managers in order to cope with the unstructured work environment, work-family conflict, workload, and financial risk of building and running a new business (Zhao & Seibert, 2006). On the other hand, however, Kerr et al. (2017) stated that there isn't a strong pattern of noteworthy results in the current literature on emotional stability, or conversely, neuroticism. As the research highlighted here was conducted internationally, it is not necessarily true in the South African context. Thus, the emotional stability of South African entrepreneurs was explored in order to determine whether it is a contributing factor to business success. The qualitative nature of the study also added additional depth and understanding to emotional stability in this context.

2.3.1.4. Agreeableness

Agreeableness refers to a communal and prosocial orientation towards other people and includes traits such as forgiveness, altruism, tender-mindedness, modesty, and trust (Zhao & Seibert, 2006; Kerr et al., 2017). Similarly, Costa and McCrae (1992) describe the facets making up agreeableness as trust (forgiving), compliance (not stubborn), straightforwardness (not demanding), altruism (warm), modesty (not a show-off), and tender-mindedness (sympathetic). At the high end of agreeableness, individuals have accommodating and cooperative values and prefer to maintain positive interpersonal relationships. On the low end, individuals can be seen as manipulative, suspicious, self-centred, and ruthless (Costa & McCrae, 1992).

Agreeableness may lead an entrepreneur to be seen as trustworthy, which could be helpful in the establishment of positive, cooperative working relationships. On the other hand, high levels of agreeableness may inhibit an entrepreneur's willingness to drive hard deals, protect their own self-interest, and sway others to their benefit (Zhao & Seibert, 2006). In comparison to managers, entrepreneurs often lack legal protection and have a

narrow financial margin of error as a result of limited resources. Unlike managers, entrepreneurs are more inclined to experience greater repercussions from even the smallest negotiation disadvantage. Furthermore, managers in established companies who conduct themselves in an overly selfish and disagreeable manner are, in time, likely to suffer undesirable consequences from colleagues and supervisors. Entrepreneurs work in smaller companies and are less likely to be held back by tight-knit social relationships (Burt, 1992). According to Zhao & Seibert (2006), this suggests that the negative consequences related to opportunistic behaviour of entrepreneurs may be fewer. Thus, lower levels of agreeableness have been found among entrepreneurs (when compared to managers). Overall, however, there isn't a solid pattern of significant results in the present literature (from an international and quantitative perspective) on agreeableness (Kerr et al., 2017). Agreeableness was thus explored from a qualitative perspective in this study in order to enhance the depth of understanding of its contribution to entrepreneurial success in the South African context.

2.3.1.5. Conscientiousness

Characterised by an individual's degree of organisation, persistence, motivation, and hard work in the quest for goal accomplishment, this personality construct has also been viewed as an indicator of the tendency and ability to work hard (Zhao & Seibert, 2006). The six facets that comprise conscientiousness are competence, order (organised), achievement striving (thorough), dutifulness (not careless), self-discipline (not lazy), and deliberation (not impulsive) (Costa & McCrae, 1992). In their meta-analysis, Kerr et al. (2017, p. 10) describe conscientiousness as "socially prescribed impulse control that facilitates task- and goal-orientated behaviour". Across all types of work and occupations, conscientiousness has been the most dependable personality predictor of job performance (Barrick, Mount & Judge, 2001). In addition, higher levels of conscientiousness (of entrepreneurs) have been found to be the most significant difference between managers and entrepreneurs (Zhao & Seibert, 2006).

As a global trait (without the distinction of facets) conscientiousness has been found to positively correlate both with intent to become an entrepreneur and with entrepreneurial performance (Zhao et al., 2010). From another perspective, conscientiousness is seen to

be composed of two key components, namely achievement motivation and dependability (Zhao & Seibert, 2006). It has been found that entrepreneurs score substantially higher than managers on achievement motivation, but the two groups score similarly for dependability (Zhao & Seibert, 2006). These components will now be described in more detail.

The achievement motive can be defined as a desire to perform at a high level of quality, or to be successful in competitive circumstances (McClelland, 1961). Another definition describes the need for achievement as an individual's longing for significant accomplishment, mastering of skills, and achieving difficult or challenging goals (Kerr et al., 2017). In addition, it is characterised by hope for success as opposed to fear of failure (McClelland, 1965). Achievement motivation has been extensively studied in entrepreneurial settings; however, dependability appears to have received much less overt attention (Zhao & Seibert, 2006). Researchers propose that entrepreneurs might have a high need for achievement, as creating a business from the ground up demonstrates one's unique abilities in ways that are often difficult to match when working within an organisation in which responsibility is spread (Kerr et al., 2017). McClelland was the first researcher to suggest that a high need for achievement would motivate a person to become an entrepreneur mainly because of their preference for circumstances in which performance is due to their personal efforts as opposed to other factors (Zhao & Seibert, 2006). According to McClelland (1961), successful entrepreneurs tend to have a high need for achievement and they constantly strive to do things better and to overcome challenges or obstacles. Persons with a strong need for achievement have a longing to solve problems, set challenging targets, and endeavour to meet those targets. In their meta-analyses, Collins, Hanges, and Locke (2004) and Stewart and Roth (2004) showed that entrepreneurs have higher achievement motivation compared to managers. The results of a study conducted by Zhao and Seibert (2006) support McClelland's (1961) view that achievement motivation is an important individual difference variable predicting entrepreneurship performance and are consistent with meta-analytical results presented by Collins et al. (2004) and Stewart and Roth (2004).

According to Zhao & Seibert (2006), the dependability component of conscientiousness refers to the extent to which an individual is organised, deliberate, and methodical and can be depended upon to complete their duties and responsibilities. Like the overarching dimension of conscientious, this particular set of features would appear to be valuable in both managers and entrepreneurs. Nevertheless, it is likely that managers working within an established organisation will have their duties, goals, and performance monitored and structured by systems and day-to-day interactions, mitigating to an extent the need for being dependable. On the other hand, entrepreneurs operate in a more autonomous and self-directed environment in which this individual trait is likely to have a more significant role (Zhao & Seibert, 2006). In their study of the FFM and entrepreneurial status, Zhao & Seibert (2006) found similarities between entrepreneurs and managers in terms of dependability. Thus, there is some evidence that components within a single principal personality dimension (conscientiousness) can have varying relationships with entrepreneurial status.

As with the other FFM traits, the research on conscientiousness and successful entrepreneurship has been conducted quantitatively in other countries across the globe and is not necessarily a true reflection of the relationship in the South African context, and specifically amongst a group of opportunity-driven entrepreneurs. In this study, therefore, the conscientiousness of South African entrepreneurs was explored in more depth (qualitatively) to determine whether entrepreneurs relate it to their business success. The next section will now explore some additional personality traits that have been linked to entrepreneurial success, but do not fit into the FFM.

2.3.1.6. Additional personality traits

As mentioned previously, not all personality aspects necessarily fit within the FFM framework and are, rather, rooted in specific theories (Brandstatter, 2011). Kerr et al. (2017) stated that a few additional traits have been merged into the FFM for entrepreneurial work, including self-efficacy, innovativeness, risk attitudes and locus of control. Thus, the approach for this study was also to investigate risk propensity, innovativeness, locus of control and self-efficacy as additional constructs to the FFM

(Zhao & Seibert, 2006; Brandstatter, 2011). These personality traits will now be elaborated on in terms of the entrepreneurship literature.

2.3.1.6.1. Risk propensity

Risk-taking involves the perceived likelihood of receiving the rewards or costs associated with the outcome of a planned endeavour (Stokes et al., 2010). Entrepreneurs invest a great amount of effort into an organisational start-up and tend to take calculated risks when opportunities present themselves (Milner, 2012). The types of risks that these entrepreneurs are willing to take include personal, financial, psychological and social risks, to name a few. They often go out of their way to guarantee that they reach their goals and targets and ultimately avoid failure (Milner, 2012). In addition, entrepreneurs have to cope with conditions that are unstructured and ambiguous in terms of the outcomes of decisions, which could be more problematic for risk-averse than for risk-prone individuals (Brandstatter, 2011).

There seem to be mixed reviews in the literature regarding the importance of risk propensity as a factor influencing entrepreneurial success. Some research has showed that entrepreneurs have a greater tendency and temperament to take risks than non-entrepreneurs (Rauch & Frese, 2007). Similarly, Stewart and Roth (2004) provided evidence that entrepreneurs are more prone to risk than managers. They also suggested that entrepreneurs focused on growth are more risk-prone than those focused on income (Brandstatter, 2011). On the contrary, in a study conducted by Zhao et al. (2010), only entrepreneurial intention, not entrepreneurial performance, was positively related to risk propensity. Similarly, Olakitan and Ayobami (2011) investigated the impact of personality on entrepreneurial success by examining the influence of locus of control, gender, and risk-taking behaviour on the success of a sample of Nigerian entrepreneurs. Results of this study showed no significant differences between risk-taking behaviour and entrepreneurial success of entrepreneurs compared to non-entrepreneurs.

Therefore, while there is literature available on entrepreneurial risk attitudes, there is no consistent agreement as to how risk preferences should be drawn out and how they vary between populations. In future, more studies could be done on specific populations to

gain a better understanding of the degree of risk aversion among entrepreneurs. It is also important to explore the differences between the actual risk taken on by entrepreneurs in reality versus their perceptions of the risk (Kerr et al., 2017). This study, therefore, qualitatively explored risk propensity in a sample of successful South African entrepreneurs, as this is where a gap in the literature appeared to lie.

2.3.1.6.2. Locus of control

Locus of control refers to an individual's perception that he or she has control or influence over outcomes (Judge & Bono, 2001). People with an internal locus of control believe that achievements are dependent on their own actions and abilities and are also more likely to ascribe failures to external factors, thereby preserving self-esteem (Au, 2014). Alternatively, an external locus of control refers to the belief that external forces, such as luck or powerful others, influence outcomes. Low self-efficacy tends to be positively correlated with external locus of control (Judge & Bono, 2001). Research has shown that external locus of control beliefs is associated with greater stress and lowered life satisfaction (Au, 2014). These beliefs extend across various contexts, such as at home and work, and times, and have an effect on individuals' perceptions, attitudes and behaviours (Rotter, 1966; Spector, 1986).

From an entrepreneurship perspective, many researchers have found internal locus of control to be stronger in entrepreneurial populations or groups than in other populations (Kerr et al., 2017). Rauch and Frese (2007) were of the view that successful entrepreneurs displayed an internal locus of control. Those who demonstrated an internal locus of control trusted that their actions could determine outcomes in their setting (Baum et al., 2007). Levine and Rubenstein (2017) found in longitudinal information that those who run a business venture of their own displayed a strong internal locus of control, preceding the founding of their businesses, than those who are working for someone. Olakitan and Ayobami (2011) investigated the influence of personality on entrepreneurial success, and results confirm previous research conducted showing that entrepreneurs are more likely to be characterised by an internal locus of control compared to non-entrepreneurs.

Looking within entrepreneurial groups or populations, a higher internal locus of control is linked with venture growth (Kerr et al., 2017). Rauch and Frese (2007) found in their meta-analysis that an internal locus of control had a significant relationship with business creation and eventual business success. Lee and Tsang (2001) found that internal locus of control positively correlated with venture size and growth rates after surveying 168 Chinese entrepreneurs in medium- and small-sized businesses in Singapore. Overall, it appears that the personality trait of locus of control finds widespread support and is rather similar across types of entrepreneurs (Kerr et al., 2017). This qualitative study allowed the researcher to determine whether these findings were true for a sample of successful South African entrepreneurs.

2.3.1.6.3. Self-efficacy

Self-efficacy is the belief in oneself to successfully complete a certain task effectively and is directly related to goals, expectations, and motivation (Bandura, 1997; Cassar & Friedman, 2009). Individuals with a high level of self-efficacy tend to function optimally, make bolder choices, initiate change in their own and others' lives, and put in increased effort to overcome obstacles as a result of their confidence in their abilities (Thompson, Lemmon & Walter, 2015; Egan, 2014). Self-efficacy highlights what one can do, and not what one will do. Furthermore, self-efficacy beliefs do not focus on causal attributions (i.e. locus of control) but rather on what one believes one is proficient in or capable of doing (Maddux, 2005). Sources of self-efficacy include: mastery of the task at hand, learning vicariously or through modelling, positive feedback and encouragement from others based on performance, and physiological or psychological arousal (Thompson et al., 2015).

High self-efficacy has been correlated with performance at work, growth of small businesses, choice of career and academic performance (Kerr et al., 2017). In the context of the uncertain, ambiguous and competitive environment of new business creation, many researchers have suggested that entrepreneurs thrive on a solid sense of personal self-efficacy to carry out their visions (Kerr et al., 2017). Entrepreneurs displaying high levels of self-efficacy tend to pursue an activity persistently regardless of whether resources are readily available, and they also deal with rejection constructively (Rauch and Frese,

2007). Rauch and Frese (2007) stated that higher levels of self-efficacy are present in entrepreneurs than non-entrepreneurs, as did Omorede, Thorgren and Wincent (2015), who proposed that self-efficacy was a significant factor for entrepreneurship. Chen, Green and Crick (1998) suggested that entrepreneurial self-efficacy (ESE) is made up of self-efficacy towards five tasks, namely risk-taking, innovation, marketing, financial control and management. Through surveying students in three business study courses, they found that entrepreneurship students had a higher ESE average in management, marketing, and financial control than did organisational psychology and management students. An idea is that entrepreneurship courses potentially attract students who feel self-assured in many areas due to the varied demands and stresses of being an entrepreneur, or alternatively, it could be that entrepreneurship education instils this ESE. Chen et al. (1998) also found that those who founded or started businesses had a higher ESE in innovation and risk-taking than those who didn't, even as the locus of control remained the same across the two groups. More recently, Cassar & Friedman (2009) provided evidence in their longitudinal study that individuals with higher ESE have a higher likelihood of becoming nascent entrepreneurs (those who have attempted to start a business within the last 12 months) and successful founders. The current study sought to understand, from a qualitative perspective, whether higher levels of self-efficacy are present in successful South African entrepreneurs.

2.3.1.6.4. Innovativeness

Innovation can be described as a process of adding something new into an existing product or process. It can also be seen as the implementation of ideas and the modification of products (Edokpolor & Somorin, 2017). According to Rwigema and Venter (2004), innovativeness is exhibited through the conception of new products and services, enhancement of products, and the search for creative alternatives to what other players in the market offer. Goldsmith and Foxall (2003) believe that innovativeness is how individuals respond to new things. Creativity (which is often used as an interchangeable term), on the other hand, is all about thinking new things, while innovation is all about doing new things. Creativity is thus the pillar upon which innovation is built (Edokpolor & Somorin, 2017). Innovative products or services arise from the creative thinking process

of entrepreneurs which entails a mix of diverse thinking styles and acceptance and tolerance of ambiguities and contradictions (Stokes et al., 2010).

Innovativeness can be thought of as a domain-specific or global personality characteristic (Hurt, Joseph & Cook, 1977). Unfortunately, when compared to FFM and risk attitude studies, little attention has been given to innovation as it relates to entrepreneurs' personalities. Nevertheless, scholars tend to concur that entrepreneurs are required to handle some risk and to identify and act on new business opportunities, perhaps also inventing new products and ideas that can be brought to the market. Associated industry-level evidence concurs with this view, with industries showing high rates of entry by small businesses also displaying high levels of innovation and high growth in productivity (Parker, 2009).

In summary, there appears to be a clear deficiency of research studies effectively identifying and isolating the pre-founding traits of potential entrepreneurs on dimensions, such as self-efficacy and innovation, as well as longitudinal studies that monitor individual characteristics or traits over time. This study, therefore, allowed the researcher to explore and understand whether innovativeness and self-efficacy were related to successful entrepreneurship in South Africa.

2.4. Conclusion

Entrepreneurial behaviours are significantly related to personality; however, there is no single set of personality traits that every entrepreneur must have. There are multiple factors at play (Jain, 2011). Although many psychological characteristics have been associated with the success of an entrepreneur, this chapter focused exclusively on the literature related to the personality characteristics or traits influencing the success of entrepreneurs across the world. The research referred to in the literature review was also mainly quantitative in nature. Thus, the current study addressed the gap in the literature relating to the lack of research on this topic in the South African context, as well as adding the richness of experiences depicted in a qualitative approach that quantitative research often lacks.

With this in mind, Chapter 3 explains the qualitative research approach used in this research study. To elaborate further, it is important to mention that Chapter 2 highlighted the available literature regarding successful entrepreneurship and the associated psychological (personality) characteristics from a global perspective. The approach described in Chapter 3 used this literature (the FFM and additional variables) as a framework for interpreting the perceptions held by entrepreneurs of the personality characteristics they attribute to the success of their business. Furthermore, in line with the qualitative approach, the researcher remained open to exploring other psychological variables that arose during the collection of data with the sample group of South African entrepreneurs.

The subject of psychological characteristics or traits of entrepreneurs is of great importance for the study of entrepreneurship when considering the influences on entrepreneurial success and implications for the creation and assessment of different approaches to entrepreneurship education (Kerr et al., 2017). If aspiring entrepreneurs could be developed further (i.e. through the creation of awareness around the personality traits needed for success, or through entrepreneurship mentorship and coaching), the challenges of poverty, economic hardship and inequality in South Africa may be reduced. That is, through the development and increase of economically active entrepreneurs running thriving, sustainable businesses, the challenges unique to South Africa could be addressed (NDP, 2011; DiMaria, 2014). This is in line with the NDP's 2030 vision (Herrington & Kew, 2016; NDP, 2011). However, there is still much research to be done to fully understand this topic within the South African context, and the current study aimed to fill that gap to an extent.

Chapter 3 below follows with a detailed description of the qualitative research approach used in this study.

CHAPTER 3

RESEARCH DESIGN AND METHODOLOGY

3.1. Introduction

A research design indicates the plan of how a research study will be conducted (Myers, 2013); Chapter 3 provides the research design that was used in this study. The chapter commences with a discussion concerning the paradigm that was chosen that best fits the purpose of this study. The research method that was utilised in this study is highlighted, and a description of the population and sample is provided. As data collection remains a central part of any research study, Chapter 3 provides a detailed account of the methods of data collection and analysis that were utilised. The chapter closes with a thorough explanation of ways used to ensure the study's validity and reliability, as well as ethical considerations.

3.2. Research approach

What knowledge is, and the way in which it is discovered, is often subjective (Scotland, 2012). Sometimes a researcher is more interested in understanding a phenomenon rather than an explanation, or in observation as opposed to controlled measurement (Myers, 2013). All scientific research, qualitative (focused on understanding social or cultural phenomena) or quantitative (focused on conducting research through numbers) in nature, takes place within a particular paradigm, which is the basic frame of reference or model that scholars use to arrange their findings and reasoning (Kuhn, 1962; de Vos, 2011). The paradigm guides the researcher in specific methods of data collection, observation and interpretation. In order to provide a holistic depiction of how the researcher views knowledge, various components exist within a paradigm. These components include ontology, epistemology, methodology and methods (De Vos, Strydom, Fouche & Delport, 2011; Scotland, 2012). Ontology refers to the researcher's approach to the world. It relates to what can be known about the nature of reality or existence that is to be studied (Terre Blanche, Durrheim & Painter, 2006; Punch, 2006). Epistemology refers to the nature and forms of knowledge and indicates the nature of the relationship between the researcher and what can be known. Epistemological assumptions involve how knowledge

can be created, attained and communicated (Terre Blanche et al., 2006; Scotland, 2012). Every paradigm is constructed upon its own ontological and epistemological assumptions. Since all assumptions are speculation, the philosophical basis of each paradigm cannot be empirically proven or disproven. The numerous paradigms inherently hold various ontological and epistemological perspectives, thus having differing assumptions or views of reality and knowledge which support their particular research approach (Scotland, 2012). This comes through in the methodology and methods of the specific paradigm. Methodology involves how the researcher can go about practically studying a particular topic. In other words, it involves the why, when, what, how, and from where data is collected and analysed (Terre Blanche et al., 2006; Scotland, 2012). Lastly, methods are the particular procedures and techniques utilised to collect and analyse data (Scotland, 2012).

Within the social sciences, the avenues of science that focus on establishments and functioning of society and with the social relationships of people within the society, various paradigms exist (de Vos, 2011). Significant research paradigms in the social sciences include positivist, critical, constructivism and interpretive paradigms. Each research paradigm is connected to a unique methodological approach (Terre Blanche et al., 2006). The following section describes the interpretivist research paradigm, the chosen paradigm this study was guided by.

3.2.1. The interpretivist paradigm

Interpretive research can be linked back to the research done by Max Weber, a German sociologist, and Wilhelm Dilthey, a German philosopher. They were of the belief that there were two essentially different sorts of science, namely the natural sciences, based on explanations of the abstract, and the social sciences, based on empathetic understandings of day-to-day experiences of individuals living in certain situations (de Vos, 2011). The aim of the social sciences within this paradigm is to understand (not explain) individuals as autonomous, conscious, symbolic humans (Babbie & Mouton, 2001).

From an ontological perspective, the interpretivist paradigm refutes the presence of any one truth or reality, embracing, rather, the notion of pluralism. Numerous orders of reality and unique styles of being are thought to exist, and every person is believed to have his or her own internal, subjective experience of reality (Terre Blanche & Durrheim, 1999). The interpretivist paradigm holds that the reality to be explored is made up of individuals' personal experiences of the outside world as well as language, and mediated by our senses (Scotland, 2012). This is the ontological view held by the researcher.

The epistemology of the interpretive paradigm involves subjectivism, which is based on real-world phenomena (Scotland, 2012). Interpretivist researchers try to make sense of phenomena from the individual's point of view and are "interested in understanding what those perspectives are at a particular point in time and in a particular context" (Merriam, 2002, p. 4). Similarly, Henning, van Rensburg and Smit (2004) stated that this approach is mainly concerned with meaning and aims to comprehend how people define and grasp a certain situation. As opposed to positivist researchers, those from an interpretive perspective do not take an objective attitude but rather an empathetic and subjective stance to their research. The interpretive paradigm refutes the presence of an objective reality free from the observer's frame of reference (Merriam, 2002). This is the epistemological view of the researcher.

From a methodological standpoint, the aim is to understand phenomena from a person's point of view, investigating interactions amongst people as well as the cultural and historical settings within which they live (Creswell, 2009). Examples of methodologies include: 1) case studies (an in-depth study of events over an extended period of time); 2) phenomenology (the study of direct experiences with no allowance for the influence of preconceptions); 3) hermeneutics (gleaning concealed meaning from language); and 4) ethnography (the study of cultural groups over an extended period of time). Interpretive theory is generally grounded, or inductive, thus created from the data without any preconceived ideas or assumptions (Cohen, Manion & Morrison, 2007).

Interpretive methods elicit insight and understandings of human behaviour, describe actions from the individual's perspective, and do not influence or control the individual. Examples of interpretive methods include open-ended interviews, observations and

questionnaires; focus groups; role-playing; and think aloud protocol (Scotland, 2012; Christensen et al., 2011). These qualitative research methods tend to produce descriptive information in the research participant's own spoken or written words and includes detecting the beliefs and values that lie beneath the phenomenon (Henning et al., 2004; de Vos, 2002). Analysis of the data involves the researcher's interpretations. Thus, researchers need to be aware of and state their agenda and value-system upfront (Scotland, 2012).

With an understanding of the above paradigms and aligned with the purpose of the research, the study was conducted from an interpretivist research paradigm. The interpretivist approach allowed the researcher to attempt to explain the subjective reasons and meanings that lie behind social actions (Antwi & Hamza, 2015). In addition to exploring the perceived challenges faced by, and opportunities available to, entrepreneurs in South Africa, the researcher focused on sense-making of situations that involved the psychological (personality) characteristics that these entrepreneurs attribute to the success of their businesses. With regard to data analysis, both deductive and inductive coding were appropriate strategies for this study and applied during different phases of the research. There are however different views on whether a deductive approach is appropriate for interpretivism. To address the concern, the researcher utilised inductive and deductive approaches during different phases of the study (referred to as abduction). The coding process was deductive, or theory-driven, in line with the research questions and objectives (identifying semantic themes), as well as inductive where the researcher remained open to the data (latent themes). This approach is discussed further on in this chapter. The reasons for other paradigms not being appropriate approaches for this study are briefly outlined next.

The constructivism paradigm, which views reality as dependent upon human practices, being created as a result of the interaction between people and their environment, and developed and transmitted within a social context, was not chosen for this study (Golafshani, 2003). This is due to the belief held by the researcher that the wealth of knowledge sits with the entrepreneur for the specific focus of this study. In addition, the influence on the entrepreneur by their environment or social context (although important,

as nature and nurture both have an impact on an individual's development and behaviour) was less of a focus area for this study as justified in Chapter two (2). The researcher wanted to zone in more on the subjective experiences and views of the entrepreneurs, which thus also suggests that the critical paradigm (involving social action) was less relevant as a lens for this study. More specifically, the methodology of the critical paradigm involving questioning values and assumptions, revealing injustices, disputing conventional social structures and taking part in social action was not relevant to the study at this time (Scotland, 2012). Furthermore, the quantitative nature of positivist paradigm was not the most suitable approach for this study, although possible, as the researcher values the richness of data qualitative research provides (as opposed to objective and numerical-based research). In the South African context, where this type of research has not been conducted in depth, a quantitative study (using a questionnaire with numerical outcomes) may miss the nuances of what it takes to be a successful entrepreneur from a psychological perspective, as well as missing contextual information on the challenges faced by, and opportunities available to, South African entrepreneurs. In addition, the studies referred to in the literature review were mainly quantitative in nature, thus revealing the gap in the literature for qualitative research on this topic. Lastly, the skill of collection, analysing and interpreting qualitative data was something that the researcher wanted to develop and experience for personal growth purposes, thus not focusing on pursuing a quantitative study at this time.

The methodology followed was that of phenomenology, employing qualitative research methods, as it was the most appropriate given the nature of the study. This methodology allowed the researcher to explore, in detail, how individuals are making sense of their own personal experiences relating to successful entrepreneurship (Smith, 2019).

The section below describes the qualitative research method from this perspective in more detail.

3.3. Research method

The research method utilised was qualitative in nature, as motivated in Chapter 1, which indicated a low prevalence of successful entrepreneurs in South Africa, as well as chosen in line with the pursuit of more deeply understanding the experiences of South African entrepreneurs, specifically relating to the psychological characteristics that they attribute to their business success. Qualitative research looks to understand and provide information on the behaviour, attitudes, perceptions, feelings, habits, opinions, understandings, interpretations, values, experiences and beliefs of individuals as they inhabit a specific, real-life context (Hancock, 2002). The chosen method allowed the researcher to answer the research questions and address the aims and objectives of the study as stated in Chapter 1.

The value and significance of this study related to developing a better understanding of the experiences of successful entrepreneurs in South Africa through relevant research questions, allowing participants to provide their subjective views (Scotland, 2012). Much research on entrepreneurs and the various related psychological characteristics has occurred in other countries around the world, but research within the South African context is lacking. Furthermore, many of the international studies are quantitative in nature. This provides useful and insightful information but misses the depth that a qualitative study can bring, especially as the aim was to further understand entrepreneurship and the aforementioned psychological characteristics within a specific context (South Africa). By identifying certain psychological (personality) characteristics early on in individuals, creating awareness of them and assisting in developing them further within the current South African socio-economic context, business creation and enhanced entrepreneurial capability could be fast-tracked and developed in South Africa in the long term. Creating and supporting successful entrepreneurs will contribute to economic growth and development, thus working towards solving the challenges of high unemployment and inequality in the country, which is in line with the NDP's 2030 vision (Herrington & Kew, 2016; NDP, 2011). Gaining a deeper understanding of the personal characteristics that entrepreneurs attribute to their success will better equip entrepreneurs

to navigate the challenges and access the opportunities that are characteristic of the current entrepreneurial landscape in South Africa.

3.3.1. Sampling the population

Since qualitative research aims to understand the meaning of a phenomenon in relation to the differing perspectives of the research participants involved, it was important to pick a sample from which a great amount could be learned (Merriman, 2002). For phase 1 of the study, the sample participants were selected from the identified population, which consisted of opportunity-driven entrepreneurs across South Africa. More specifically, these opportunity-driven entrepreneurs were new and established entrepreneurs according to the entrepreneurial phases outlined in the GEM report and specified in Chapter 1 (Herrington & Kew, 2016). To meet the criteria of success, the participants were required to have been running their businesses for over a year (business continuity) and be generating a profit.

For phase 2 of the study, established 'expert' entrepreneurs, as well as coaches or specialists working with entrepreneurs, were selected from across South Africa, as they bring a wealth of insight and experience regarding the entrepreneurial landscape in the country. The established 'expert' entrepreneurs were required to have been running profit-generating businesses in South Africa for over 3.5 years (in line with the 'established' phase of entrepreneurship) (Herrington & Kew, 2016). The coaches or specialists were required to have been actively working with entrepreneurs in an entrepreneurship development capacity. Participants for both phases currently run businesses in South Africa, were over the age of 18, and not limited to specific industries. A non-probability purposive and snowball sampling strategy was most suitable for the purposes of this study.

Non-probability sampling involves a non-random sampling technique and usually entails small sample sizes (Terre Blanche et al., 2006). Purposive sampling allows for the deliberate selection of information-rich cases, enabling the researcher to learn much about the central issues related to the purpose of the research (Terre Blanche et al., 2006, Yin, 2011). The use of a purposeful sampling strategy thus ensured that selection of

participants for this study was done in accordance with the needs of the study. As mentioned, the researcher also used snowball sampling, which occurs where initial participants are selected by other methods, but further participants are selected through referral from the original participants (Struwig & Stead, 2001). In simple terms, the researcher acquired more participants from those with whom interviews were conducted.

The chosen sampling techniques largely depended on the availability and willingness of these individuals to take part in the research to achieve the research objectives of this study. As this was a qualitative study, the intention was to gather a small sample of between 6-10 participants to interview (which will be phase 1 of the data-gathering process) as recommended by Terre Blanche et al. (2006) and Le Roux (2005). Six participants, ranging in age from 32 to 56 years, were identified to engage in phase 1 of the study. After the six interviews, a point of saturation was reached where the researcher decided not to conduct further research. According to Creswell (2012), in qualitative research, saturation involves the subjective decision by the researcher that new information will not provide any further insights for the developing categories.

Phase 2 of the data-gathering process constituted 2 focus group discussions, where established 'expert' entrepreneurs, as well as coaches or specialists working with entrepreneurs, were selected, using the same sampling strategy as outlined above. The decision regarding the size of the focus groups was considered within the context of the research and practical constraints (Bloor, 2001). Two (2) groups comprising 6 established 'expert' entrepreneurs or coaches or specialists working closely with entrepreneurs in South Africa would have been ideal; however, last-minute cancellations and no-shows of participants resulted in 4 participants per discussion. This was still enough to bring about sufficient insights and richness to the study (enhancing the findings obtained from phase 1 of the study). Further explanations of the interview process and focus groups will follow later in this chapter.

Due to the emerging, process nature of entrepreneurship, Davidsson (2008) identified certain challenges associated with sampling. For one, the sample can be difficult to find, as the people in the process of starting their new businesses are not listed in any pre-existing sampling frame, and neither are their start-ups. Secondly, it is quite challenging

to determine exactly what should be deemed as an eligible case and what cases are under- or overqualified for inclusion (Davidsson, 2008). The reason the above sampling techniques were chosen, and criteria identified, therefore, was to mitigate these risks or challenges.

Lastly, the skills needed by qualitative researchers, following an interpretive approach, include: listening and interpretive skills; the ability to describe and interpret one's own presence appropriately in the research project; self-reflection; and empathetic understanding (Terre Blanche et al., 2006). The researcher has studied Industrial Psychology and was thus knowledgeable about these skills. Moreover, the researcher has had experience interviewing participants for job roles and development programmes in a corporate setting and was comfortable using these skills in this context.

3.3.2. Data collection

Data collection can be regarded as a sequence of interrelated activities with the intention of gathering information relevant to the answering of the research questions as they emerge (Creswell, 1998). For the study at hand, a two-phase data collection approach was taken as each phase involved an independent set of activities. Phase 1 constituted individual semi-structured interviews, and phase 2, focus group discussions. Within the qualitative research context, interviewing is often the chosen method to gather relevant information (de Vos, 2002). The researcher, the principal instrument for data collection, was cognisant of self throughout the data collection process and conducted herself in an ethical manner all times (Marshall & Rossman, 1999). Furthermore, in order not to change or influence the social meaning or significance of the experiences of the sample group during data collection, the interviews were carried out in coffee shops, homes of the participants, or via Skype (using the online video-conferencing functionality), depending on their location in South Africa. The focus group discussions were conducted via the online conferencing platform 3CX with the participants. Lastly, in order to provide context to the information that was gathered in these two phases, all participants taking part in the study were required to fill in a short demographic information form before any interviews or focus group discussions were conducted. This also acted as a screening measure to ensure that only entrepreneurs, coaches or specialists who fit the selection

criteria were used for the study. The methods of data collection in phase 1 and 2 of the study will now be described in more detail.

3.3.2.1. Individual interviews

“Interviewing involves asking questions, listening to and recording answers, and then following up with additional relevant questions” (Patton, 1987, p. 8). Interviewing remains one of the chief data collection tools in qualitative research as it is a way of accessing individuals’ perceptions, meanings, and definitions of circumstances, as well as their unique constructions of reality (Punch, 2005).

The tool used to gather relevant information for the purposes of this study was a semi-structured interview with the identified research participants. Semi-structured interviews involve the researcher posing a few predetermined, open-ended questions to guide the interview (Greef, 2011). Other types of interviews include structured interviews, which allow the researcher to ask preformulated questions, and unstructured interviews, where there is no preconceived plan or expectation as to how the topic will be dealt with (Myers, 2013; le Roux, 2005). Semi-structured interviews are seen as an option where the best of both approaches is harnessed (Myers, 2013). The researcher chose this method for the current study as it provided the opportunity to pursue any interesting avenues that arose during the interviews. This, in turn, gave the participants the chance to provide further information regarding their perspective (Greef, 2011).

Christensen et al. (2011) mentioned that interviews allow fairly high response rates and data-rich in information. Flexibility during interviews is also an advantage for both the researcher and the participant (Greef, 2011). Interviews are a more natural form of interaction than asking participants to fill out a survey or take a test and allows the researcher to get to know the participant more intimately. According to Strydom (2011), this method supports the researcher in preserving uniformity between interviews of research participants while still allowing a degree of freedom to gather more in-depth, rich information. With the interpretivist paradigm in mind, the aim of the interview is to create an environment of openness and trust in order to find out how the participants really feel or experience certain things (Terre Blanche et al., 2006).

Although interviews have the above advantages, there are also some disadvantages or challenges that should be considered. For example: 1) interviews can be time-consuming for both the researcher and the participant; 2) interviews require a skilled interviewer who is able to create rapport with the participant and facilitate the discussion; and 3) 'selective hearing' may cause selective reporting by the researcher (le Roux, 2005). To mitigate these challenges, the interview time-frame was communicated to the participant, agreed upon beforehand and kept to, to ensure efficiency throughout the interview process. The interviews were audio recorded so as to ensure all information provided by the participant was documented and accurately transcribed, as discussed further below. Furthermore, the researcher's experience in interviewing individuals and building rapport was of value in mitigating some of the above risks.

The interviews were conducted in a quiet, semi-private setting (quiet coffee shop or participant's home) or via Skype, depending on the location of the interviewee in South Africa, and audio recorded. Informed consent was important here, and participants' permission was asked for before recording the interviews (Terre Blanche et al., 2006; Merriam, 2002). The approach was conversational and not a question and answer session. In addition, process notes were taken by the interviewer where things that weren't evident from the recording, for example, body language, or any thoughts or insights that were apparent were jotted down. After the interview process, the recordings were transcribed by a professional into written format in preparation for data analysis to begin (Terre Blanche et al., 2006). In addition, a pilot study was conducted with one participant before the formal interviews took place. This was done to establish whether the participant understood the questions and whether the questions provided enough information for the research. To clarify, the first two questions were asked to get the participants thinking about the concept of entrepreneurship and their experiences and set the tone for the interview. The remaining questions aimed to elicit the personal views and experiences of entrepreneurs in the South African context, as well as allow the researcher to pick up on certain trait adjectives, behaviours or descriptive words that could then potentially be linked back to the FFM and four additional traits (locus of control, self-

efficacy, innovativeness and risk-propensity). No amendments were needed to be made to any question, as there was no confusion or uncertainty from the responses (Bell, 2017).

To guide the interview, the participants were asked the following standard questions:

1. What does the concept 'entrepreneurship' mean to you? (After the interviewee answered this question, the researcher defined the concept of entrepreneurship used for this study, namely that an entrepreneur is "one who creates a new business in the face of risk and uncertainty for the purpose of achieving profit and growth by identifying significant opportunities and assembling necessary resources to capitalise on them" (Lee-Ross & Lashley, 2008; Zimmerer & Scarborough, 2005, p. 3). The reason for this was to get the participant thinking about the concept of entrepreneurship and to ensure their understanding of it so that the questions that followed were answered in alignment with this definition, which was highlighted and discussed in the literature review.)
2. As an entrepreneur, what does business success look like to you?
3. What are some of the challenges you have faced or are currently facing in the South African context as an entrepreneur? How did you, or are you, overcoming these challenges?
4. What are some of the opportunities that were or are available to you to better run your business in the South African context? How have these helped you to be more successful?
5. Tell me more about your experiences as an entrepreneur in South Africa? (additional probing questions can be asked if more information is required):
 - To what personal, innate characteristics do you attribute the success of your business?
 - How do you deal with the ups and downs of being an entrepreneur?
 - Tell me a bit about your interactions and engagements with the stakeholders involved in your business?
 - What made you think you would be a successful entrepreneur?

The first two questions were asked to get the participants thinking about the concept of entrepreneurship and their experiences and set the tone for the interview. The remaining broad questions aimed to elicit the personal views and experiences of entrepreneurs in the South African context, as well as allow the researcher to pick up on certain trait adjectives, behaviours or descriptive words that could then potentially be linked back to the FFM and four additional traits (locus of control, self-efficacy, innovativeness and risk-propensity). For example, if a participant suggested that their enthusiasm, warm, outgoing nature and assertiveness has positively influenced the success of their business, then it could be linked back to the FFM trait of extraversion (Costa & McCrae, 1992; Kerr et al., 2017). Although the findings may link back to the psychological characteristics mentioned in Chapter 2, the researcher aimed to be open and curious as to what else could emerge from the interviews. Once interviews were completed, the information gathered was analysed, interpreted and written up in the final research report, as outlined later in this chapter (Terre Blanche et al., 2006; Northcutt & McCoy, 2004).

3.3.2.2. Focus group discussions

In order to confirm and enhance the findings from the individual semi-structured interviews, focus-group interviews with participants were also conducted. A focus group interview is “an interview with a small group of people on a specific topic” (Patton, 1987, p. 135) and provides, as its main advantage, the chance to witness a large amount of interaction on an established topic in a limited period of time (Babbie & Mouton, 2001). The interaction amongst participants and narrative in the group discussion is the data source, and the researcher takes an active role in creating the discussion (le Roux, 2005). The use of focus groups in this study fulfilled the purpose of data and method triangulation. Using focus groups in conjunction with the phase 1 individual interviews facilitated interpretation of the data and enhanced the depth of the responses yielded (Xerri, 2018).

Focus groups typically consist of 6-8 participants (Barbour, 2007; Loots, 2009), or alternatively, 3-4 participants in ‘mini-groups’ (le Roux, 2005). Bloor (2001) also mentioned that focus groups have been reported where participation has ranged from 3-14 individuals. The decision regarding the size of the focus group should be considered

within the context of the research, as well as accounting for the researcher's personal style and practical constraints, such as time, logistics and number of questions (Bloor, 2001; Wells, 1974; Tang & Davis, 1995). The ideal size of the focus group also depends on participant characteristics and discussion topic (Bloor, 2001). There are pros and cons for both smaller and larger groups which should be considered when making this decision. Smaller groups may be preferred for studies with sensitive behaviour, older and disabled individuals, complex topics, or when dealing with experts or powerful individuals who may respond poorly if they feel they were not given enough time to speak (Barbour, 2007; Bloor, 2001). Depending on the topic, smaller groups may facilitate greater discussions but could also potentially result in limited discussion, as well as run the risk of cancellation if one or more participants don't show up. In addition, shy participants may not contribute much to the discussion, which could limit the richness of information gathered from the group (Bloor, 2001). Larger groups present their own considerations. These groups may be more difficult to moderate, could turn chaotic, and participants may feel they have limited time to express their views. Larger groups also have implications for the transcription of the recordings and subsequent analysis (Barbour, 2007; Bloor, 2001). As focus groups tend to be labour intensive in terms of recruitment, transcription and analysis, numbers should be kept small where possible (Bloor, 2001). In light of the above, 2 groups comprising 4 established 'expert' entrepreneurs or coaches or specialists (based in South Africa) working closely with entrepreneurs in each group was sufficient and manageable to support the findings from phase 1 and bring further insights to the study.

As costs and logistics posed key limitations to assembling the 2 specialised focus groups (who were scattered across South Africa) in a single physical location for the discussion, technology helped to eliminate this challenge (Loots, 2009). Technology platforms such as Skype or Zoom, where participants and the researcher (facilitator) can interact online, provide such a way to mitigate these challenges (Stewart & Shamdasani, 2017). Furthermore, "research has demonstrated that many of the same interpersonal processes and dynamics that characterise face-to-face interactions also characterise online interactions, even when the interaction is between avatars rather than face-to-face among persons" (Stewart & Shamdasani, 2017, p. 49). Although conducting the focus group

online enlarges the pool of possible participants and offers great flexibility and convenience, the format could reduce spontaneity and intimacy and eliminate non-verbal communication in the case where participants can't see each other via video (Loots, 2009; Rainie, Anderson & Connolly, 2014). However, with significant technology and bandwidth advances, as well as an appropriate platform (where participants can see each other via video in real-time), these factors can be somewhat mitigated (Rainie et al., 2014; Sweet, 2001). In addition, Stewart and Shamdasani (2017) suggested that participants value the greater opportunity to contribute, the lack of the distractions associated with face-to-face group sessions, and the enhanced likelihood of staying on topic. Thus, focus group discussions took place online via a platform named 3CX (using a stable internet connection), and a semi-structured discussion guide, aligned with phase 1 of the study, was used by the researcher to guide the conversation. As with the individual interviews, the focus group discussions were audio recorded. Informed consent was obtained in this regard via email prior to the discussion (le Roux, 2005). Lastly, the duration of each discussion was 1 hour, as in order to avoid fatigue or disinterest from participants, focus group discussions should not extend beyond 2 hours (Tang et al., 1995).

The semi-structured discussion guide created for the focus group started off by providing the definition of an entrepreneur used for this study, namely that an entrepreneur is "one who creates a new business in the face of risk and uncertainty for the purpose of achieving profit and growth by identifying significant opportunities and assembling necessary resources to capitalise on them" (Lee-Ross & Lashley, 2008; Zimmerer and Scarborough, 2005, p. 3). This was to ensure that all participants were aligned with their understanding of entrepreneurship. Furthermore, the discussion guide contained the following questions:

- In your experience as an entrepreneur, or as someone who works closely with entrepreneurs, what are some of the challenges or difficulties faced by entrepreneurs in the South African context? How do entrepreneurs overcome these challenges?
- What are some of the opportunities available to South African entrepreneurs to help them succeed that you are aware of? Are these opportunities helpful in your opinion?

- What personal, innate characteristics do you believe entrepreneurs need to have to succeed in the South African context?
- Is there anything else you would like to add to our discussion around successful entrepreneurship in South Africa?

Focus groups are beneficial to the data collection process, as the interaction between the group members has the likelihood for greater insights to be established (le Roux, 2005). Similarly, Mouton (1998) indicated that data is more likely to arise in focus groups than in a one-on-one interview, because group dynamics act as a catalyst in bringing information to the surface. Thus, these discussions allowed a range of ideas and opinions to be explored amongst the expert entrepreneurs, specialists and coaches in the group. Furthermore, focus group discussions provide data fast and provide results that are more than the sum of individual inputs (le Roux, 2005). However, despite these advantages, there are also some disadvantages that the researcher needs to be aware of. For example, strong personalities in the groups may be troublesome and counter-productive if not handled appropriately by the researcher. In addition, the behaviour and biases of the researcher may influence the discussion and interpretation of the results (le Roux, 2005; Packer-Muti, 2010). The researcher has had experience facilitating groups and thus had the skills necessary to appropriately handle the focus groups for this study and mitigate these disadvantages. Lastly, due to the virtual nature of the focus groups, the researcher was proactive in the discussion facilitation as well as ensuring participant comfort with the chosen online platform by checking that everyone could hear each other and that video feeds were turned on or off as necessary (Stewart & Shamdasani, 2017; Sweet, 2001).

3.3.3. Data analysis and interpretation

Once the individual interviews and focus group discussions were conducted, they were transcribed into written format and analysed. According to Gibson and Brown (2009), qualitative data analysis involves the search for general statements regarding relationships and themes. Similarly, de Vos (2002) stated that data analysis refers to the process of bringing structure, order, and meaning to gathered data and entails the search for general statements concerning the relationships among categories or groupings of

data. The transcriptions can be manually analysed, or computer programs such as Atlas.ti. or winMAX can be utilised. However, despite the choice of analysis method, the conceptual journey one embarks on is similar (Henning et al., 2004; Barbour 2008).

For the purposes of this study, the researcher used the manual method of thematic analysis to interpret the collected data (from the interviews and focus group discussions) to ensure and experience complete immersion in the data. Braun and Clarke (2006, p. 79) defined thematic analysis as “a method for identifying, analysing, and reporting patterns (themes) within data.” Alternatively, Daly, Kellehear and Gliksman (1997) describe thematic analysis as the search for themes that arise as being important to the explanation of the phenomenon. This type of analysis helped the researcher to more fully understand the experiences and identify the psychological characteristics that entrepreneurs in South Africa view as important to the success of their businesses. Furthermore, data analysis is required to be precise, disciplined, methodical, and carefully documented (Henning et al., 2004). To achieve this, the researcher used the data analysis phases outlined by Braun and Clarke (2006). These phases are elaborated on below. It must be noted that the thematic analysis process was first completed on the data collected from phase 1 of the study, and only then was the focus group discussion guide created, focus group discussions were held, and then the data analysed accordingly.

Phase 1: Familiarising yourself with your data

All the interviews and focus group discussions conducted by the researcher were transcribed verbatim to Word documents by a professional transcriber, as the written information helped the researcher to perform the thematic analysis. During this phase, the researcher became familiar with the collected data by listening to the recordings, as well as by reading through the transcribed data (Henning et al., 2004). The researcher searched for any recurring themes, gained an in-depth understanding of the data, and started noting ideas for coding. Once this step was completed, a more formal coding process was undertaken as outlined next (Braun & Clarke, 2006).

Phase 2: Generating initial codes

This phase involved the production of initial codes from the transcribed, raw data. In simple terms, codes are basic segments of the data that are of interest to the researcher that can be assessed regarding the phenomenon (Braun & Clarke, 2006). There are two broad strategies that coding fits into, namely deductive coding (where the analysis begins with codes already in mind, based on previous research, a theoretical framework, or the researcher's own experience) and inductive coding (where the researcher immerses him or herself in the raw data and text until themes, patterns and concepts emerge) (le Roux, 2005). Both deductive and inductive coding were appropriate strategies for this study, thus a hybrid approach. This approach complemented the identified research questions by allowing the views of phenomenology to be an important aspect of the deductive thematic analysis process, while still permitting inductive coding, where themes were free to arise from the data (Fereday & Muir-Cochrane, 2006, p. 4). Simply put, although the researcher interpreted the data according to the FFM and additional variables identified, as well as the opportunities and challenges that entrepreneurs experience, mentioned in Chapter 2, the researcher also remained open and curious to any other information that emerged from the data collection phases.

During this step, therefore, the researcher initially coded the interview and focus group transcripts, in their original Word document format, by highlighting certain sections in the text and adding the initial code as a 'comment'. The coding process was deductive, or theory-driven, in line with the research questions and objectives, as well as inductive where the researcher remained open to the data and emerging themes. Appendix C, at the end of this study, contains an example of an initial coding table demonstrating this phase. Lastly, it is important at this point to clearly differentiate between coding and the identification of themes. Coding involves the capturing of a single idea associated with a segment of data in relation to the research question, whereas the subsequent identification of themes involves a recurring pattern across a dataset, clustered around a central organising concept.

Phase 3: Searching for themes

This phase in the thematic analysis process concerned the generation of broad themes by sorting through the codes identified in the previous step. During this step, the

researcher analysed the codes and established which codes to unite to form an overarching theme. An important consideration for the researcher at this point was the relationship between different codes, between different themes, and between different levels of themes. Eventually, all the themes and sub-themes were formed and aligned with the coded data (Braun & Clarke, 2006).

The researcher conducted theme generation for the study by organising the identified codes and sub-themes into potential themes. Relevant data extracts with initial codes were copied into an Excel document and then organised and filtered accordingly. The first set of themes were derived from the codes and sub-themes in alignment with the research questions and objectives (i.e. the psychological characteristics that South African entrepreneurs attribute to the success of their businesses), thus following the deductive or theoretical approach. Next, the inductive approach was followed in order to derive the second set of sub-themes and themes from the initial codes (i.e. the contextual factors attributed to entrepreneurial success in South Africa). An example of this phase (as well as phase 4 described below), captured in the Excel document mentioned, is provided in Appendix D at the end of this study.

Important to highlight here is that the purpose of phase 2 of the data collection was to support the findings from phase 1 but also allow for new information to emerge. While the new themes, such as resourcefulness, did not corroborate the initial findings from phase 1 of the data collection, these additional themes can further be researched in future studies to provide deeper insights into the phenomenon. It has been recommended in Chapter 5 that further research be conducted to explore these emerging themes, as they are still valuable findings.

Phase 4: Review themes

During this phase, the researcher refined the themes that were identified from the previous phase. Phase 4 comprised of two levels in that the researcher revised all coded data extracts and then determined the trustworthiness in support of the subsequent discussion of credibility during the second level of analysis. On the first level, the researcher assessed the coded extracts from each theme to see whether the pattern that

had formed was logical. If no reasonable patterns emerged in the coded extracts, the theme was reworked to either create a new theme or removed from the analysis. At the second level, the credibility of each theme as compared to the data set was established. By the end of this step, the researcher had formed an impression of the story related by the data (Bell, 2017; Braun & Clarke, 2006). Furthermore, the researcher created a rough sketch of an initial thematic map in order to demonstrate the patterns formed by the data set as a whole, which was then refined into a conceptual model, outlined in Chapter 4. An example of this phase (as well as phase 3 above), captured in the Excel document mentioned, is provided in Appendix D at the end of this study.

Phase 5: Define and name the themes

During phase 5, the researcher defined, refined and named the themes put forth in the analysis. In essence, a detailed understanding of what each theme described was provided, as well as which parts of the data the themes captured. Each theme involved a detailed analysis where potential sub-themes (themes within themes) could be identified and extracted (Bell, 2017; Braun & Clarke, 2006).

Phase 6: Producing the report

The researcher, in this final phase, documented the thematic analysis in a way that persuaded the reader that the analysis was credible. The analysis and discussion conveyed a summarised, logical, coherent, and interesting story about the gathered data. The information also provided satisfactory evidence of the themes and sub-themes contained in the data, in other words, ensuring that enough data extracts existed to support the themes (Bell, 2017; Braun & Clarke, 2006). A detailed description of the findings that emerged from the analysis is presented in Chapter 4.

3.4. Strategies that ensure quality research

As with any quantitative study, the same standards of reliability and validity should be considered. Numerous authors provide descriptions of the validity (Creswell & Miller, 2000; IP6son, 1997; Morse et al., 2002) and trustworthiness (Guba & Lincoln, 1985; Shento, 2004) of qualitative data. Research validity is concerned with the correctness of

the information and the reported results (Creswell & Miller, 2000). Guba and Lincoln (1985) suggested that the validity of data can be gauged by its credibility, transferability, dependability and confirmability.

Credibility

Also known as internal validity, credibility involves the evaluation of data or information in order to determine if it is an authentic representation of the sample group's responses (Guba & Lincoln, 1985). To ensure credibility, the study was carried out in alignment with the standards and rules of research as well as by confirming with the research participants that the findings presented were a true reflection of their social world (Bryman & Bell, 2015). For the purpose of this study, both semi-structured interviews and a focus group were used to collect data and thematic analysis (Braun & Clarke, 2006) was applied as data analysis method. The triangulation of data and method contributed to the credibility of the study (Xerri, 2018). In addition, the researcher attempted to report the data as truthfully as possible (Guba & Lincoln, 1985). It was thus important that the research participants' descriptions of certain constructs or answers to interview questions were well understood rather than assumed (Bell, 2017).

Transferability

The transferability, or external validity, of data involves whether it can be generalised and applied to other settings and areas of interest (Guba & Lincoln, 1985; Terre Blanche et al., 2006). In qualitative research generally, and as was the case in this study, "small non-random samples are selected purposefully, and it is therefore not possible to generalise statistically" (Merriam, 2002, p. 28). Schurink, Fouché and De Vos (2011) explained that researchers can verify their statements or conclusions by making reference to their theoretical framework. In the current study, the researcher enabled transferability through providing an in-depth description of the research process, the participants, the context and the setting of the research. By providing a detailed description of this study, and particularly the findings, others will hopefully be able to take certain aspects and apply them to other studies, contexts or populations (Bell, 2017).

Dependability

Dependability involves the consistency of the data and whether the study can be replicated (Guba & Lincoln, 1985). Also referred to as reliability, this is where the researcher takes note of the changes that arise during the research, as well as for changing circumstances in the phenomenon under investigation (Nieuwenhuis, 2016; Schurink et al., 2011). Nieuwenhuis (2016) explained that dependability is established through the research design and its execution. This process was documented to show which decisions were made and how interpretation was done by the researcher.

Confirmability

Confirmability concerns the researcher's awareness of research bias (Guba & Lincoln, 1985). It evaluates whether the researcher was neutral and acted in good faith to prevent personal values or theoretical inclinations from biasing or influencing the research process (Bryman & Bell, 2015). It is imperative that researchers are aware of their own tendencies through the research process and particularly when engaging with participants (Nieuwenhuis, 2016). During the interviews and focus group discussions, the researcher was thus cautious to maintain a curious and questioning approach without stating any personal opinions and influencing the outcome.

3.5. Ethical considerations

There are a few ethical matters that research studies will be faced with during the data collection stage (Babbie, 2010). Ethical matters involve the treatment of the research participants throughout the study (Ritchie, Lewis, Nicholls, & Ormston, 2014). Researchers tend to believe that the ethics of science refers to right and wrong when conducting research (Mouton, 2001). Thus, ethical considerations apply to all researchers. The following ethical matters were identified, addressed and complied with in a responsible manner throughout the study.

An important ethical rule of social sciences research is that no harm must be brought to participants. This means that the participants should not be exposed to any risk of unusual stress, loss of self-esteem, or embarrassment by taking part in a study (De Vos et al.,

2011). Participants were, therefore, informed about any potential effects of the research (Strydom, 2011). Informed consent and voluntary participation were also key ethical criteria. It was imperative that participants agreed, of their own free will, to take part in the study. Additionally, participants were made aware up front of any possible risks they may encounter during the research, such as discomfort in providing certain information (Struwig & Stead, 2001). The researcher ensured that accurate and comprehensive information was provided to the selected individuals and obtained well-informed decisions to participate in the research (Strydom, 2011). Thus, written informed consent was obtained by the participant via email or hard copy before he or she took part in this research study (De Vos et al., 2011).

Lastly, confidentiality needs to be guaranteed to participants (De Vos et al., 2011). Throughout the research process, the researcher respected the participants' privacy and informed them of any possible hindrances to confidentiality in a timely manner (Struwig & Stead, 2001). In addition, the researcher informed the participants that any collected information would be handled with care and that this data would not be disclosed to others without the participant's consent. Furthermore, the participants were made aware that the interviews would be recorded and transcribed into written format and that their identity would remain anonymous (De Vos et al., 2011). Through the informed consent process, the researcher ensured that participants were aware that they could remove themselves from the study at any stage, with no consequences (Strydom, 2011). Lastly, all data collected during the course of the study will be stored securely and destroyed after a period of 5 years after the completion of the study.

3.6. Conclusion

In conclusion, Chapter 3 provided an overview of the research approach and practical implementation of this research study. The ontology, epistemology, and paradigm of the research were discussed to create an understanding of the views underpinning the research study. The sampling strategy that was used was described, as well as the process of data collection. Furthermore, the methods of how the data was analysed and interpreted were covered along with how the researcher ensured that quality findings

were reported. The chapter concluded with a discussion pertaining to the ethical considerations involved in the research.

CHAPTER 4

PRESENTATION OF FINDINGS AND DISCUSSION

4.1. Introduction

The purpose of this chapter is to present and discuss the findings obtained from the current study. The overarching aim of this study was to explore the personal experiences of entrepreneurs that enable them to run successful businesses in the South African context and encompassed the following research questions:

- How is entrepreneurship, and specifically successful entrepreneurship, conceptualised according to the literature?
- What are the perceived challenges faced by, and opportunities available to, entrepreneurs in South Africa that influence their experience and business success?
- What are the personal psychological characteristics that South African entrepreneurs attribute to the success of their businesses?

The literature review provided in Chapter 2 met the requirements of the first research question. thus the remaining two questions are the areas of focus for this chapter.

4.2. Biographical information of the research participants

The findings of the study are a result of the data collected from 14 participants in South Africa across the 2 phases of the study. In phase 1 of the study, 6 entrepreneurs were interviewed using a semi-structured interview guide. These participants were opportunity-driven entrepreneurs in the new and established phases of entrepreneurship who have been running profit-generating businesses for more than a year. In phase 2 of the study, 2 focus groups were conducted with the use of a discussion guide, with 4 participants in each group. The participants included established 'expert' entrepreneurs as well as coaches or specialists working with entrepreneurs. The established 'expert' entrepreneurs were required to have been running profit-generating businesses for over 3.5 years. The coaches or specialists were required to have been actively working with entrepreneurs in an entrepreneurship development capacity. The criteria outlined in previous chapters regarding participation in the study were adhered to for both phases

respectively. Furthermore, the entrepreneurs participating in the study operated their businesses across various fields and industries, for example, travel and tourism, IT, childcare recruitment, coaching and consulting, and food production, to name but a few.

An overview of the final sample selected for the study (phase 1 and 2) is shown below in Table 2.

Table 2

Characteristics of Participants in phase 1 (N = 6)

Item	Category	Frequency (f)	Percentage (%)
Age	18-30	0	0
	31-40	5	83,3
	41-50	0	0
	51-65	1	16,6
Race	Black	1	16,6
	White	4	66,6
	Indian	1	16,6
Gender	Female	2	33,3
	Male	4	66,6
Highest qualification received	Matric	1	16,6
	Certificate / tradesman	0	0
	Diploma	1	16,6
	Bachelor's degree	1	16,6
	Honours degree	0	0
	Master's degree	3	50

Characteristics of Participants in phase 2 (N = 8)

Item	Category	Frequency (f)	Percentage (%)
Age	18-30	1	12,5
	31-40	5	62,5
	41-50	1	12,5
	51-65	1	12,5
Race	Black	0	0
	White	7	87,5
	Indian	1	12,5
Gender	Female	3	37,5
	Male	5	62,5
Highest qualification received	Matric	0	0
	Certificate / tradesman	2	25
	Diploma	2	25
	Bachelor's degree	1	12,5
	Honours degree	1	12,5
	Master's degree	2	25

Characteristics of Participants combines (N = 14)

Item	Category	Frequency (f)	Percentage (%)
Age	18-30	1	7
	31-40	10	72
	41-50	1	7
	51-65	2	14
Race	Black	1	7
	White	11	79
	Indian	2	14

Gender	Female	5	36
	Male	9	64
Highest qualification received	Matric	1	7
	Certificate / tradesman	2	14
	Diploma	3	22
	Bachelor's degree	2	14
	Honours degree	1	7
	Master's degree	5	36

Of the participants, 7% were found to be between the ages of 18-30, as many as 72% between 31-40, 7% between 41-50, and 14% between 51-65. The majority of the participants were male (64%) with 36% being female. In terms of race, 7% were black, 14% were Indian, and the remaining participants were white (79%). With regard to education, the sample consisted of 36% of the participants having obtained a Master's degree, 7% with an Honours degree, 14% with a Bachelor's degree, 22% with a Diploma, 14% with a certificate and/or tradesman qualification, and lastly, 7% with a Matric. The phase 1 entrepreneurs were involved in businesses in various fields and industries, such as agriculture, childcare recruitment, arts and crafts supply, transportation, labour consulting and food production. The phase 2 participants included 'expert' entrepreneurs running successful businesses, for example, in the IT, telecoms, restaurant, fintech, medical, and consulting industries. One of the participants was also an established business coach and mentor for start-ups in Johannesburg.

The next section will now discuss the findings obtained from phase 1 and 2 of the study from the sample of research participants.

4.3. Research findings and discussion

The findings of the research study, specific to the South African context, are presented as themes, sub-themes, codes and quotations to support the results. The findings are outlined below and a participant numbering system (for phase 1 participants) have been

used to protect the confidentiality and anonymity of the research participants as agreed when informed consent was obtained. For example, interview participant 1 is referred to as 'IP1' and so on and so forth. For phase 2 quotations, the relevant participants are identified as 'focus group participant', again ensuring confidentiality and anonymity. The quotations were chosen due to each of them being the best example(s) of a particular code and sub-theme.

The five themes extracted from the individual interview data (phase 1) via deductive and inductive approaches were perceived challenges faced by entrepreneurs in SA context (deductive theme); perceived opportunities available to entrepreneurs in SA context (deductive theme); the personal psychological characteristics that entrepreneurs attribute to the success of their businesses (deductive theme); the contextual factors attributed to entrepreneurial success (inductive theme); and the reason for becoming and succeeding as an entrepreneur (inductive theme). The data collected from phase 2 of the study assisted in data triangulation, thus facilitating the interpretation and credibility of the data and enhancing the depth of the responses and insights yielded from the interview data. Furthermore, the findings outlined will be discussed in relation to relevant literature on the topic. In the case where the phase 2 focus group discussions did not support the findings from the phase 1 interviews, the literature on the finding will still be shared. Further research will, however, need to be done on the particular finding in the South African context in order to support and provide further insight into the findings.

The identified themes will now be presented below, starting with theme 1, the perceived challenges faced by entrepreneurs in South Africa. This theme was identified using a deductive approach.

4.3.1. Theme 1: The perceived challenges faced by entrepreneurs in South Africa

The research participants were asked to describe some of the challenges that they have faced or are currently facing in the South African context as an entrepreneur. The respondents identified numerous challenges, put forward as the sub-themes, namely poor informal support structures, a challenging economic climate, financial challenges,

insufficient and ineffective formal support structures, and poor educational systems and support. These findings will be presented and discussed below.

4.3.1.1. Poor informal support structures

From the researcher's perspective, informal support structures refer to informal entrepreneurship or professional groups (i.e. social media groups), as well as support from family, friends and fellow entrepreneurs. Considering the sub-theme of poor informal support structures, the phase 1 participants felt that successful entrepreneurs don't seem willing and open to sharing information, thus preventing aspiring entrepreneurs from growing and learning. For example, IP5 remarked that "most people, once they figure their way, they're like shut books, they keep their information and that's it, they don't share." This finding was not supported by phase 2 (the focus group discussions) of the current study, and although lack of information sharing amongst entrepreneurs may very well occur in South Africa, further research needs to be conducted to more deeply explore the finding in the South African context.

Despite the literature not mentioning lack of information sharing amongst entrepreneurs as a challenge specifically, studies do reveal other challenges related to poor informal support structures (Bimha et al., 2018). For example, a study conducted on the challenges faced by women entrepreneurs in Swaziland revealed that they tend to struggle balancing work and family life (not having adequate support structures at home), having few or no people believing in the business venture besides the entrepreneur, and lack of family support (Bimha et al., 2018).

4.3.1.2. Challenging economic climate

The phase 1 participants mentioned the poor economic conditions as a challenge to starting and running their businesses. IP1 indicated (see Table 3) that the market for entrepreneurs is currently quite competitive. For example, with many individuals living in poverty, internet access can be a challenge, making it difficult to prove their value proposition and benefits (which is already a challenge in itself) and compete with other online entrepreneurs. The growing population also means that there are more and more entrepreneurs to compete with. As stated by IP2 and IP6 in Table 3, difficult economic

conditions were also identified as a challenge for the entrepreneurs. These findings were not, however, replicated in the focus group discussions (phase 2). Thus, further research with a wider sample should be conducted in the South African context to gain more insight into this sub-theme.

Table 3

Challenging Economic Climate

Sub-theme	Code	Participant	Participant quote
Challenging economic climate	Competitive market for entrepreneurs	IP1	“Barriers of entry into markets is getting worse, because the human population is growing every day, they are getting more competition.”
	Difficult economic conditions	IP2	“...the economic conditions at the moment are obviously very challenging, the economy has been tight for many years now.”
		IP6	“I think that the market was in an extremely difficult place last year.”

Although these finding were not echoed in the focus group discussions, research does support this sub-theme as follows. A study of 356 Ghanaian and Kenyan entrepreneurs found that a weak economy was the most significant problem preventing entrepreneurs from realising their goals (Chu et al., 2007). Furthermore, many small businesses face strong competition and thus do not have the power to up their prices to counterbalance the increasing costs of raw materials or supplies (Chu et al., 2007). In South Africa currently, the economic conditions are at their worst since the 2009 recession. In this tough economic climate, disposable income is limited, and households are cutting back on spending, thus negatively impacting entrepreneurs in their attempts to sell goods and services (Department of Research and Information, 2019).

4.3.1.3. Financial challenges

The financial challenges experienced by the phase 1 research participants involved difficulties accessing capital and getting loans to start and run their businesses, as well as high interest rates on these loans and credit cards. These findings are highlighted in the quotations from IP4 and IP2 in Table 4 below. The literature supports the findings that financial issues, such as access to finance, are amongst the challenges faced by entrepreneurs (Jansen van Vuuren, 2019; Bimha et al., 2018; Mehralizadeh & Sajady, 2005; Chu et al., 2007; Cini, Cuclari & Gushi, 2014). According to Jansen van Vuuren (2019), many South African entrepreneurs do not have experience in pitching their ideas to funders, have not conducted market research or created a business plan, thus making it difficult to secure any type of funding. Banks and other conservative lenders also see young start-ups as a risky investment. Furthermore, due to severe poverty in South Africa, many entrepreneurs do not have capital to start and maintain a business (Jansen van Vuuren, 2019). This is reflected in the statistic that, compared to the average for Africa, 50% more South African entrepreneurs closed their business due to lack of access to finance (Herrington et al., 2017).

Expensive taxes were also mentioned as an issue for entrepreneurs, as indicated by IP1. This is highlighted in the literature where it is stated that accounting services, in order to manage taxes for example, are not always readily available to South African entrepreneurs (Jansen van Vuuren, 2019). Lastly, entrepreneurs appear to lack financial guidance when starting out. For example, IP5 mentioned that she knew she needed to register her business, handle her taxes, and get a credit card machine or Zapper, amongst other things, but felt that there was very little guidance and education for her in this regard. Her comments are captured in Table 4.

In terms of the focus group discussions, similar findings emerged regarding the challenge of accessing finance, such as the view that it is difficult for entrepreneurs to raise venture capital. The relevant quotation is shown in the table below. The focus group participants, however, did not specifically mention high taxes, high interest rates on loans or lack of financial guidance.

Table 4

Financial Challenges

Sub-theme	Code	Participant	Participant quote
Financial challenges	High taxes	IP1	"...if our government was less corrupt, we would pay less taxes and we wouldn't require as much taxation from corporations, specifically an individual who wanted to feed the starving family."
	High interest rates on loans	IP4	"...because credit cards are sometimes 30% interest, and this loan and this loan..."
	Difficulty accessing finance	IP2	"Ja, I think access to capital is always the biggest challenge."
		Focus group participant	"...they very often in South Africa struggle with raising venture capital..."
Lack of financial guidance for entrepreneurs	IP5	"The financial systems, you need a financial system, otherwise - it's one of the core basic foundation things. You need to register your company; nobody to educate you how to do it, it's just like jumping into the big bush and fighting it yourself. How do you handle your taxes? Is it necessary to manage your taxes? Do you need to do taxes? Do you want an online store? How on earth do you do an online store... There is really very little for small entrepreneurs."	

Considering the above-mentioned points, a study conducted by Mehralizadeh and Sajady (2005) described the following financial issues facing entrepreneurs: difficulty obtaining funding, cash flow problems, no guarantee of income during the early years, and little guidance and information regarding tax. Cini et al. (2014) stated that lack of financial support, high interest rates from banks and corruption are some of the obstacles facing women entrepreneurs in Albania. Lastly, in Pakistan, the lack of available credit for entrepreneurs was found to impede the growth of Small and Medium Enterprises (SMEs) (Coy et al., 2007). Bringing it back to the South African context, these financial challenges could be very difficult to navigate and enough to discourage any entrepreneur from pursuing their own business. In addition, although opportunity-driven entrepreneurs (such

as the sample group of this study) have a choice as to whether to start a business or not, it is the researcher's view that many do not have vast savings available to carry them through months of little to no income, or to pay taxes, with no financial support from any institution. This could either stop them from starting a business in the first place or could result in business failure and debt. This is discouraging and a real problem considering that South Africa needs to increase the number of entrepreneurs in the country to counteract poverty and inequality (NDP, 2011). Overall, many financial challenges and uncertainties seem to face South African entrepreneurs on a daily basis, and this frustration was evident from the comments and tone of entrepreneurs in the interviews and focus group sessions.

4.3.1.4. Insufficient and ineffective formal support structures

The researcher defines formal support structures as those formalised organisations or professional bodies that provide support and guidance to entrepreneurs in various forms, such as the Companies and Intellectual Property Commission (CIPC), the government, and corporates, for example. From the data analysis, various challenges were identified by phase 1 participants in relation to this sub-theme.

Firstly, the CIPC was mentioned to be a difficult entity to deal with, hindering entrepreneurs due to disorganisation, dysfunction, a backlog of business registrations, and fraud. These challenges were reflected in the statements by IP6 and IP1 in Table 5 below. For example, IP6 mentioned that it took a few months to get his business registered, a process that should be much more efficient in reality.

Secondly, government corruption was mentioned by IP1 as having a negative impact on entrepreneurship, as it has led to a budget deficit in the country resulting in South Africans (including entrepreneurs) having to pay higher taxes. Thirdly, entrepreneurs such as IP4 felt that there is very little government support available for entrepreneurship in South Africa. His view is highlighted in Table 5 below. This lack of support is also experienced through a perceived lack of industry support where big corporates and companies do not offer much help to smaller businesses to get a foot in the door. Lastly, according to IP5 and IP6, there does not appear to be a support body where mentorship and guidance are

offered to entrepreneurs, and the perceived lack of supportive systems, policies and structures is making it very difficult for entrepreneurs to thrive in the country.

The phase 2 focus group discussions reflected the view that formal support structures in South Africa are inefficient and ineffective. Participants indicated that there is a lack of government support for entrepreneurship in that government grants are difficult to access. Furthermore, the participants echoed the view that systems, policies and structures tend to be unsupportive of entrepreneurs. For example, applying for certain grants and rebates involves jumping through hoops and ensuring that the business is representative of the South African population, making it difficult for many entrepreneurs. Relevant quotations from participants are provided in Table 5 below.

Table 5

Insufficient and Ineffective Formal Support Structures

Sub-theme	Code	Participant	Participant quote
Insufficient and ineffective formal support structures	Disorganised business regulatory body	IP6	"...the CIPC had a complete backlog of registrations to do, so it took us about a good couple of months to register the business."
	Fraudulent business regulatory body	IP1	"...and they themselves [CIPC] are dysfunctional and subject to massive fraud and massive problems."
	Corrupt government	IP1	"...and that budget deficit is directly caused by the bad government. So therefore, if our government was less corrupt, we would pay less taxes..."
	Lack of government support for entrepreneurship	IP4	"It's unfortunate that the government doesn't support entrepreneurs..."
		Focus group participant	"...there are a bunch of like government grants and tax incentives for entrepreneurs, but they are – well, at least we found them very difficult to access."
	Lack of support for entrepreneurship from bigger companies	IP5	"Those industries are uninterested to support little people like me, not at all. If you cannot perform in a way that the big retailers are performing, sorry for you, boet..."
	Unsupportive systems, policies and structures	IP5	"But there's no support structure, in the sense of a body of support that you can belong to, a group of people that's similar to you..."
IP6		"I think our country's systems or lack of systems makes it really, really difficult for people..."	
	Focus group participant	"I've tried to find assistance in terms of sort of grants and maybe tax or VAT rebates, but the hoops that you have to jump through, and the representation of your company, sort of needs to change in order for you to apply for those."	

These sentiments around insufficient and ineffective formal support structures hindering successful entrepreneurship are corroborated in the literature. Chu et al. (2007) stated that entrepreneurs in developing countries (such as South Africa) tend to face unstable

and highly bureaucratic business environments, business registration, and taxation systems are extremely complex and challenging to understand, and contract and private property laws are not well designed or enforced. According to Kiggunda (2002) and Pope (2001), bribery and corruption tend to go hand in hand with an unfavourable regulatory environment. Furthermore, there are often lengthy and expensive delays in clearances and approval processes for entrepreneurs (Macculloch, 2001). According to Herrington et al. (2017), between 2015 and 2016, the time taken to complete the processes and procedures necessary to open a business in South Africa more than doubled, bringing to light government inefficiency and bureaucracy at a time when stimulating entrepreneurship is crucial to economic growth. These challenges, together with the aforementioned financial difficulties faced by entrepreneurs, paints quite a bleak picture for aspiring and current entrepreneurs living in South Africa, especially those who have a sense of urgency to get their businesses up and running.

In terms of South African government support initiatives, the Small Enterprise Development Agency (Seda) is one such initiative that helps aspiring entrepreneurs to plan, prepare, start and manage their businesses (Seda, 2019). However, according to Herrington et al. (2017), only 25% of the adult population in South Africa appeared to be aware of it. With few entrepreneurs in the rural areas being aware of Seda, this is cause for concern, as they tend to be particularly short of support structures and business development information (Herrington et al., 2017).

Therefore, support programmes do exist in South Africa, but it seems that entrepreneurs, such as those participating in this study, are not always aware of them, indicating that work may need to be done to bring about more awareness. This possible explanation is corroborated by research which stated that “while government emphasises the importance of entrepreneurial activity as well as the informal economy – and has allocated vast financial resources towards their development, the findings show that owners of start-up or growing businesses are generally unaware of the agencies which they can approach for assistance and support” (Herrington et al., 2017, p. 45).

4.3.1.5. Poor educational systems and support

Considering their educational backgrounds, the phase 1 interview participants indicated that their schooling and university years did not educate, guide or prepare them for a career as an entrepreneur. Participants, such as IP1, mentioned that during their school years, students were encouraged to study hard and to get a degree at university (his quotation can be found in Table 6 below). These degrees, however, did not prepare them for starting a business, as indicated by IP3, who states that “I did a master’s degree in psychology, which never teaches you a single thing about anything business.” These views were supported by the focus group discussions, with comments such as “my education definitely did not focus on being entrepreneurial” and “the concept of being an entrepreneur didn’t even exist in my mind in high school...it didn’t even exist in my mind during my tertiary education.”

The high cost of entrepreneurial conferences was also identified by IP6 as a challenge faced, as well as limited entrepreneurial internships or programmes available, as indicated by IP5. Relevant quotes are reported in Table 6 below. In addition, these sentiments were shared by the focus group participants. For example, it was stated that “in terms of assistance, there’s not – I don’t think there is actually really – you know, even on a skills development level.” This suggests that poor educational systems, vocational training and support does indeed appear to be a challenge faced by South African entrepreneurs.

Table 6

Poor Educational Systems and Support

Sub-theme	Code	Participant	Participant quote
Poor educational systems and support	Lack of entrepreneurship education or career guidance at school or university	IP1	"...you get taught at school that if you study hard and you go university, you will get a good degree and you will get a good job, but nowhere on that list is, if you understand the world you will be able to build your own business and follow your passion."
	High cost of entrepreneurship education and conferences	IP6	"...these conferences cost 2, 3, 4, 15, up to R15 000 per person to attend, and you talk about entrepreneurship. What entrepreneur has that much money to spend on going to learn about being entrepreneur?"
	Lack of entrepreneurship support programmes or internships	IP5	"Or have at least a programme where you can fit into, where they provide you support to build you up. You know, like – in a sense you can almost say like a BBEE programme, or an internship programme or something..."

On researching this sub-theme, the literature appears to both support and refute the findings of poor educational systems and support. In line with the findings of the current study, the 2018/19 Global Entrepreneur Monitor report found that the United States, Chile, and the Republic of Korea have gaps in their entrepreneurship education at a school level, with The Republic of Korea also displaying gaps at a higher education level (Bosma & Kelley, 2018). In South Africa, a lack of entrepreneurship education at primary, secondary and even post-school levels was found to exist, as reported by Herrington et al. (2017). This may be because introducing a new subject, such as entrepreneurship, to the school curriculum is a long and complex process (Gaotlhobogwe & Du Toit, 2018).

Interestingly, looking back at their school years, the participants of this study indicated that little focus was placed on entrepreneurial education and career guidance at their schools and universities (as stated by IP3, IP1 and focus group participants above). Similar findings are shared by Luiz and Mariotti (2011), who surveyed university students and found that the respondents were not exposed to entrepreneurship ideas at school or university. This ties in with research that showed that in 2003, only 48% of South African

adults regarded entrepreneurship as a good career choice compared to 72.6% in 2016 (Herrington et al., 2017). A possible explanation for this increase could be that since 2011, the National Development Plan has emphasised the importance of entrepreneurship for alleviating poverty and inequality in South Africa and suggested that entrepreneurship education is the key, thus creating more awareness around entrepreneurship as a career option (NDP, 2011). Luiz and Mariotti (2011) support this notion by stating that high school guidance counsellors may be giving the topic of entrepreneurship more attention now than in previous years. However, despite having more exposure to entrepreneurship at schools and universities in recent years and many South Africans believing that entrepreneurship is a good career choice, research shows that the South African education system is still lacking in this regard (Herrington et al., 2017; NDP, 2011). Furthermore, considering the prevalence of poverty in South Africa highlighted by the NDP (2011), one could assume that many individuals (and their families) cannot afford to pay for expensive entrepreneurship education or conferences, further hindering aspiring entrepreneurs.

On the other hand, contradictory to the findings that educational systems and support are lacking in South Africa, the Western Cape Government (2019) described various programmes on offer to assist young entrepreneurs. For example, Junior Achievement SA (JASA) provides in-school and out-of-school entrepreneurship, financial literacy and work readiness programmes for over 7 000 learners and young adults every year (Western Cape Government, 2019). Therefore, although there may be flaws in the educational system for entrepreneurs in South Africa as described above, there are some educational and support programmes available. It may be, however, that there is lack of awareness of them, or they only cater to a certain segment of the population (such as those in lower-income groups or necessity entrepreneurs, who were, therefore, not included in this study) due to the fact that the research participants in this study do not seem to be aware of them. Another reason for the lack of awareness or the perception that educational systems and support are lacking may be that some entrepreneurship support programmes are not well coordinated, managed or communicated to the population (Gaotlhobogwe & Du Toit, 2018; Luiz & Mariotti, 2011).

The perceived challenges faced by South African entrepreneurs have been thoroughly discussed. The following section will now focus on the perceived opportunities presented as theme 2. As a reminder, this theme was identified using a deductive approach.

4.3.2. Theme 2: The perceived opportunities available to entrepreneurs in South Africa

Through the data collection phase of the study, participants were asked about the opportunities available to them as entrepreneurs in South Africa. The opportunities (sub-themes) that were identified involved South Africa having an accessible market for entrepreneurship, small entrepreneurial businesses having a competitive advantage over larger companies, the availability of entrepreneurship education, and government financial support for entrepreneurship. In addition, participants viewed South Africa as having many opportunities for entrepreneurship by virtue of it being a third world country. The responses captured are presented below, as well as the discussion around the various sub-themes.

4.3.2.1. Accessible market

From the phase 1 data analysis results, it appears that in certain industries there are few or no barriers to entry into the market, that is, it is relatively easy to enter into the market offering a particular product or service as experienced by IP2. In his interview, he suggested that “access to markets in my context is not an issue, there have been no barriers to entry in the game lodges and hotel industry.” Another sentiment, shared by IP3, was that in South Africa, it is quite easy to reach potential customers (“it’s easier to get to people”). The phase 2 focus group participants, on the other hand, did not identify an accessible market as a potential opportunity for entrepreneurs, suggesting that further research may need to be done in the South African context to verify the phase 1 findings. Although the findings of this study suggest that entrepreneurs perceive the market to be accessible to them, the South African 2016/17 Global Entrepreneurship Monitor report indicated that new and growing businesses may struggle to enter new markets as well as afford entry into these new markets. In addition, new and growing businesses may be blocked by bigger, more established businesses when attempting to enter markets

(Herrington et al., 2017). In addressing this issue as part of South Africa's economic plan, The National Development Plan (2011) suggested that barriers to entry into markets should be lowered, regulatory red tape should be reduced, and an entrepreneurial environment should be created for business development. Perhaps plans to reduce barriers to entry into markets are slowly coming into effect, which might explain the participants experiencing relative ease in accessing the market and potential customers. Another explanation could be that certain industries have markets that are easier to access than others. Further research on this is necessary to more fully understand market accessibility for entrepreneurs in South Africa.

4.3.2.2. Competitive advantage over bigger companies

As entrepreneurs running smaller businesses, phase 1 participants, such as IP2, felt that they could respond quite quickly to the market and customers, thus being more competitive than bigger companies who may struggle to adapt and change to market conditions quickly. He summed this up by stating that "...being a small operation you are much more nimble to the market, so you can react a lot quicker than the bigger guys that I compete with."

Considering this finding, the research supports the notion that smaller businesses have a competitive advantage over larger businesses. Although, according to the Forbes Coaches Council (2019), large businesses typically have more money to spend on advertising budgets and can often outsupply and outpace smaller companies, Gartenstein (2019) agreed that smaller businesses are more nimble and responsive to changing market conditions. Gartenstein (2019) went on to state that small businesses have the advantage of personalised, face-to-face customer interactions, as well as having the opportunity to take risks that larger organisations may not be able to (such as testing new products or services in smaller markets, with little financial outlay, observing variables and problems before making the decision to try the idea on a larger scale). Furthermore, small businesses are less bureaucratic than large organisations, tend to be more flexible in how they deal with customers, and can make faster decisions (Forbes Coaches Council, 2019). Thus, although South African entrepreneurs may not have a lot of financial backing (see the section above on financial challenges faced by entrepreneurs),

should the market change, an opportunity be spotted, or they see the need to innovate quickly to remain competitive, they are able to do so quickly, which is an advantage.

The focus group discussions, however, did not provide any evidence of this finding, indicating that further research is needed in the South African context.

4.3.2.3. Entrepreneurship education and support

Although poor educational systems and support was identified as a challenge for the entrepreneurs in South Africa (see sub-theme 4.3.1.5 above), the phase 1 research participants also mentioned that some entrepreneurship education and programmes are available in South Africa, such as through business schools and banks, as well as online courses. Table 7 below provides supporting quotes from IP3 and IP5. These two findings seem contradictory. A possible explanation could be that although there are support programmes and educational courses available, South African entrepreneurs tend to not utilise them, possibly due to lack of awareness? Furthermore, the manner in which IP5 stated that “some of the banks claim that they do entrepreneurial support” suggests that she is either sceptical of such support or she is aware that support exists but has not explored this further. Again, this emphasises that entrepreneurship education and support does exist but may not be fully utilised by entrepreneurs in South Africa.

Table 7

Entrepreneurship Education and Support

Sub-theme	Code	Participant	Participant quotes
Entrepreneurship education	Some entrepreneurship and support education is available	IP3	“...there’s a lot of online courses that you can do, there’s like – you know, you can go to the business schools, like Gibbs, and you can actually go do little entrepreneurship programmes.”
		IP5	“Some of the banks claim that they do some entrepreneurial support...”

Based on the results of the phase 2 focus group discussions, similar findings to phase 1 interviews were found, namely, that there do seem to be entrepreneurship programmes available to aspiring entrepreneurs in South Africa. This is illustrated through an extract taken from a focus group participant:

It's like an incubator almost, where they [young entrepreneurs] get taken on, and some of them actually get put into businesses in certain locations, and then they get mentored, and the stipend is either paid by the corporate, or the corporate in exchange gets BEE points.

The literature reveals consistencies with the findings obtained from the current study. For example, research regarding this sub-theme found that the National Youth Development Agency (NYDA) includes an entrepreneurship development programme that aims to help young entrepreneurs who have left school to access the skills, knowledge, values and attitudes required to develop and create a business (Gaotlhobogwe & Du Toit, 2018). Universities in South Africa also work with and assist entrepreneurs through their community engagement initiatives (Chimucheka, 2014).

However, when considering the reason for why such programmes are not utilised more, Gaotlhobogwe and Du Toit (2018) suggested that entrepreneurship programmes are often not coordinated or managed well, so very few young people tend to benefit from them. Another reason that aspiring entrepreneurs may not be accessing the available educational and support programmes is that there is a low proportion of South Africans that have completed secondary education (von Broemnsen, Wood & Herrington, 2005). These individuals, therefore, may not meet the criteria needed to take part in such programmes (i.e. a Matric certificate). This explanation seems to be in line with earlier comments regarding the poor state of education in the country.

4.3.2.4. Financial support from government

It appears that there is some government financial support available to entrepreneurs in South Africa, as indicated by the research participants, although no specific details of this support were given. IP5's comment that she's "heard that you can get government support that helps you, but even that – I mean, they will provide the individual with

money...” could suggest that she knows that financial assistance is available but does not seem to know where or how to access it. This sub-theme, however, was not supported by the focus group discussions, indicating that further research needs to be done.

The literature supports the notion that financial assistance is available to entrepreneurs from government. According to Herrington et al., (2017), the National Experts Survey highlighted that South African government policies do support and make entrepreneurship a priority; in fact, South Africa was ranked 19th out of 66 economies. In addition, South Africa ranked 37 out of 66 economies for financial support offered, which is above the average for the African region (Herrington et al., 2017). For example, funding for businesses is available through the Industrial Development Corporation (IDC) and the Department of Trade and Industry’s Government Investment Incentives (South African Government, 2019). Loans and grants for youth entrepreneurs are also provided by certain government agencies such as the South African Black Entrepreneurs Forum (SABEF) and the Small Enterprise Finance Agency (SEFA) (Office of the Secretary-General’s Envoy on Youth, 2014). However, as previously stated, entrepreneurs seem to be generally unaware of the agencies they can approach for assistance and support (Herrington et al., 2017; Office of the Secretary-General’s Envoy on Youth, 2014).

4.3.2.5. Opportunities exist due to South Africa being a third world country

This sub-theme arose through the analysis where phase 1 participants mentioned that many entrepreneurship opportunities exist by virtue of the fact that South Africa is a third world country. For example, it was mentioned by IP1 the endless opportunities available to entrepreneurs and the ease at which ideas established in first world countries can be replicated in this country. IP4 and IP3 also commented on the fact that there are many opportunities available for entrepreneurs in South Africa. In addition, it was mentioned by IP3 that starting and running a business in South Africa does not require much money. Supporting quotations are provided in Table 8 below.

Table 8

Opportunities Exist Due to South Africa Being a Third World Country

Sub-theme	Code	Participant	Participant quotes
Opportunities exist due to SA being a third world country	Many business opportunities available	IP3	“South Africa is a really, really nice springboard for entrepreneurship, because the opportunities are endless...”
		IP4	“...being an entrepreneur, seeing how much opportunity there is in this country, I don't think – there's very few countries in the world where you've got the opportunities there.”
		IP1	“...it's very easy to take advantage of the fact that South Africa is still a bit of a third world country.”
	Little capital needed to start a business in SA	IP3	“...you don't need as much money. So I think it's fantastic to be an entrepreneur in South Africa.”

The literature suggests similar findings relating to the current study. According to Ncube (2013), despite the various challenges for entrepreneurs in Africa, such as limited access to finance and government bureaucracy, the potential and opportunities are abundant. For example, there is a growing middle class (thus more potential customers with disposable income), a wealth of natural resources, and improving political stability (Ncube, 2013). A survey of South African university students conducted by Luiz and Mariotti (2011) found that the students are of the view that many entrepreneurial opportunities exist. In addition, they see South Africa as a good country in which to start a business, thus echoing the insights gathered from participants of the current study (Luiz & Mariotti, 2011).

The phase 2 focus group discussions did not, however, yield any supporting data regarding this sub-theme. This is surprising (also considering the research above), as one would think this would be a common thought, and relatively easy, for entrepreneurs who tend to look for gaps and opportunities in the market. The ideas and businesses developed in first world countries, such as the United Kingdom, are already established,

and information is readily available as to whether the particular business is successful or not. This means that entrepreneurs here would just need to ascertain whether there is a need for the product or service in the South Africa market, perhaps adapt it accordingly and then implement it. Further research, therefore, would need to be done to see if these sentiments are shared by other South African entrepreneurs.

The various opportunities perceived to be available to successful South African entrepreneurs has now to be addressed. Theme 3, the psychological characteristics that South African entrepreneurs attribute to the success of their businesses, will now be elaborated on. A deductive approach was used to derive this theme.

4.3.3. Theme 3: The psychological characteristics that South African entrepreneurs attribute to the success of their businesses

The research participants were asked to describe their experiences as an entrepreneur in South Africa with specific probing questions around the personal, innate characteristics they attribute to the success of their businesses and how they overcome the ups and downs of being an entrepreneur. Responses from the participants indicated that the following personal psychological characteristics are attributed to the success of their businesses in the South African context: agreeableness, conscientiousness, emotional stability, extraversion, openness to experience, innovation, risk propensity and self-efficacy. These responses are presented below.

4.3.3.1. Agreeableness

Agreeableness involves a communal, cooperative and prosocial orientation towards other people (Zhao & Seibert, 2006; Kerr et al., 2017). Agreeable individuals tend to be accommodating and warm, whereas those low on this trait can be seen as self-centred, ruthless, and competitive (Costa & McCrae, 1992; Ariani, 2013).

In terms of the psychological characteristics that entrepreneurs attribute to the success of their businesses in South Africa, agreeableness was identified as one of the sub-themes by the phase 1 participants of this study. More specifically, research participants felt that being straightforward and upfront with customers was a key factor in building trust

and relationships, as well as for setting expectations. For example, IP2's take on this was to "just be completely honest and upfront all the time. If you avoid giving your customers bad news or anything of the like, you lose that trust, and that's it for you." Being modest in the sense of not being too proud to ask for help and support was also suggested as important to success by IP4. He specifically stated: "Don't be too proud."

On the other hand, at times participants felt that they needed to be less agreeable in their endeavours in order to succeed, such as by making tough decisions that could appear ruthless to others (IP4), or being quite self-centred and focused on the business (IP5). Thus, moderate levels of agreeableness seem to be related to entrepreneurial success in the South African context, as suggested by the phase 1 results. Supporting quotations are provided in Table 9 below.

Table 9

Agreeableness

Sub-theme	Code	Participant	Participant quotes
Agreeableness	Ruthless	IP4	"...you become ruthless, you make decisions and people are like, 'Yoh, that was hectic.', and you're like, it's survival."
	Self-centred	IP5	"...I think at this part of my life I'm very self-centred, I really just worry about myself and my own business."

The phase 2 focus group discussions, however, did not support this conclusion, suggesting that further research needs to take place in the South African context. With a bigger sample group, perhaps the discussion would have brought through some additional insights to support or refute the phase 1 findings, especially as the literature also does not appear to have a clear stance as to how agreeable entrepreneurs need to be to be successful, discussed next. From a global perspective, the literature appears mixed regarding the degree of agreeableness needed for successful entrepreneurship. Fine et al. (2012) found that individuals who are agreeable have more success as

entrepreneurs than those who are not agreeable, yet Zhao and Seibert (2006) indicated that lower levels of agreeableness have been found among successful entrepreneurs when compared to managers. Liang et al. (2015) also showed that entrepreneurs or aspiring entrepreneurs typically score lower on agreeableness.

Considering the South African context, it makes sense that moderate levels of agreeableness would be needed to run a successful business. For example, although an entrepreneur needs to be accommodating, friendly and cooperative when dealing with customers, there are times when the entrepreneur may need to refuse to deal with customers who may be difficult to work with. Lower levels of agreeableness would also likely be needed during negotiations to ensure the entrepreneur obtains the best deal for themselves and their business. In addition, entrepreneurs need to build good working relationships with employees, but should the employee take advantage or steal from the entrepreneur, they may need to be somewhat ruthless and (legally) dismiss the employee. This could be very difficult for a trusting, highly agreeable entrepreneur, especially if the employee stole to support his or her family due to high levels of poverty in the country; however, tough decisions need to be made at times. The saying suggesting that entrepreneurs need to 'run a business, not a charity' comes to mind in these scenarios. Therefore, in line with some of the research on the topic, successful South African entrepreneurs tend to display lower to moderate levels of agreeableness, although this should be explored further in future studies.

4.3.3.2. Conscientiousness

Conscientiousness involves being persistent, hard-working, organised, responsible and goal-directed, and the results of this study illustrate that it appears to be important to entrepreneurial success in the South African context (Zhao & Seibert, 2006). Phase 1 participants, such as IP5, indicated that they engage in planning activities, thus being organised in their approach to their businesses. They seem to be very self-disciplined, work extremely hard, and are fully committed to the success of their businesses, often sacrificing social commitments and time off, even when sick (see relevant quotes from IP6, IP3 and IP5). Being dependable to customers and employees, such as following through with promises, was also cited as important by participants such as IP2.

Furthermore, the participants showed a great desire to solve problems (IP2) and persevere through challenges or obstacles (IP6 and IP1). For example, the participants admitted going through tough times and having bad days, but no matter what, try to figure out a solution to their problems and keep moving forward. Lastly, the participants mentioned being achievement driven (i.e. IP5) and setting goals (i.e. IP4), regularly evaluating their progress against them. Supporting quotations from phase 1 of the study are provided in Table 10 below.

Table 10

Conscientiousness

Sub-theme	Code	Participant	Participant quotes	
Conscientiousness	Hard work	IP6	"...the work it is very demanding, it is – you work hard. I know how hard I work, I work bloody hard."	
	Organised	IP5	"...I do a lot of objective planning, business planning..."	
	Dependable	IP2	"...whatever you say, make sure that you follow through."	
	Desire to solve problems	IP2	"...I just try and assess the situation very quickly and look at the best way forward."	
	Commitment		IP3	"...never ever left my business for a second, not even taken a sick day, never."
			Focus group participant	"...dedication to stick through the difficult times."
	Perseverance		IP6	"But we persevered and we learnt from our mistakes and things are getting better."
			IP1	"...if you can't open the front door, go through the back door. If you can't get around the wall, bash that wall down."
			Focus group participant	"...you definitely have to have perseverance."
Goal-orientation		IP4	"...you need to have goals, like a yearly goal or every six months or every quarterly, and say this is what I want to do	

		in these next three months, then reassess it after three months.”
Achievement-driven	IP5	“I like to make a success of what I do and I’ve set out for myself, to have a business of my own that’s successful...”
Self-disciplined	IP5	“I’m very driven, I’m very self-driven...”

The findings from the individual interviews appear to be consistent with the findings from the phase 2 focus group discussions. For example, the focus group participants made the following comments indicating a conscientious approach to running their businesses:

...work through the night, go that extra mile, do a little bit more for people.

...to have routine and be constant, whether you’re doing paperwork or whether you’re out on the job or whether you see clients...

...you’ve got to make sure that you find a way around a problem.

The literature on the topic also shows vast support for the findings of the current study. For example, Doerr and Rice (2012) studied 671 nascent entrepreneurs and stated that those individuals who were conscientious performed better as entrepreneurs. In a study of successful entrepreneurs in China, Fine et al. (2012), results indicated that individuals who are conscientious may have more success as entrepreneurs than those who are not. Setia (2018) concluded that conscientiousness showed a strong significant correlation with successful entrepreneurs in Indonesia. Research by Zhao et al. (2010) found similar results. Lastly, drilling down to the characteristics making up conscientiousness, hard work, such as working long hours, and dedication (commitment) were found to contribute to entrepreneurial business success according to Neshama (2000) and Coy et al. (2007). Therefore, consistent with other global studies, higher levels of conscientiousness seem to be attributed to the success of South African entrepreneurs.

4.3.3.3. *Emotional stability (Neuroticism)*

Neuroticism relates to the differences in emotional stability and adjustment of individuals. Individuals with low levels of emotional stability are likely to experience various negative

emotions, such as anxiety and impulsiveness, whereas those who are more emotionally stable tend to be calm, relaxed and self-confident (Costa & McCrae, 1992; Zhao & Seibert, 2006). This personality trait appears to be another that is important to the business success of South Africa.

The phase 1 research participants, such as IP1 and IP3, mentioned staying calm during tough times (knowing and accepting that things won't run smoothly at all times), as well as developing quite a 'thick skin'. On the other hand, IP3 mentioned being impulsive as her downfall (closer to the neuroticism side of this personality dimension), as she finds she sometimes doesn't question her ideas thoroughly. It has, however, not yet affected her ability to be successful, which may suggest that impulsiveness, in moderation, may actually be helpful in not overthinking decisions and catching opportunities as they arrive. The phase 2 focus group discussions also identified emotional stability, especially relating to stress tolerance, as an important aspect of successful entrepreneurship in South Africa. See Table 11 below for relevant participant quotations.

Table 11

Emotional Stability

Sub-theme	Code	Participant	Participant quotes
Emotional stability	Stress tolerance	IP2	"When challenges come across I don't tend to get too stressed..."
		IP3	"Oh, I developed a thick skin..."
		Focus group participant	"I think just having a thick skin..."
	Impulsive	IP3	"...I'm extremely impulsive, and when I get a good idea I run with it, I don't really question myself."

Several studies have suggested that entrepreneurs or individuals with entrepreneurial intentions typically have high degrees of emotional stability (Brandstatter, 2011; Zhao et al., 2010; Liang et al., 2015). The findings of the current study specifically mention traits

such as stress tolerance (at the high end of emotional stability) and impulsiveness (at the low end of emotional stability) as being related to successful entrepreneurship in South Africa, thus, in contrast to the studies suggesting higher levels of emotional stability as important for success, the current study indicates that perhaps in some instances, more moderate levels of emotional stability are needed in the South African context. In this country where entrepreneurs face various challenges (as outlined previously), are affected by poverty and crime, and need to jump at opportunities quickly as they arise to remain competitive, it seems logical that moderate levels of emotional stability (impulsivity) could help entrepreneurs to be more successful. However, as stress tolerance was highlighted in the phase 2 focus group discussions (which indicates higher levels of emotional stability, with nothing being mentioned that relates to the more neurotic aspects of the trait), it will be notable to further explore the concept of moderate stress tolerance levels and impulsiveness pertaining specifically to operating as an entrepreneur in the South African context.

4.3.3.4. Extraversion

Extraversion involves an energetic, sociable, assertive and positive approach towards life (Costa & McCrae, 1992; Kerr et al., 2017). Individuals displaying high levels of extraversion tend to be cheerful and optimistic, enjoy interacting with others, and seek excitement and stimulation. Individuals displaying low levels of extraversion tend to be more reserved and steady (Rothmann & Coetzer, 2003). The participants in phase 1 interviews, such as IP4, mentioned the importance of being assertive and standing their ground when dealing with difficult clients and situations. Being sociable and developing and maintaining good customer and stakeholder relationships at a personal level were also identified as important to participants in their endeavours to build a successful business, as commented on by IP3. IP1 also mentioned how being positive and optimistic in the face of challenges has helped him. This seems to go hand in hand with emotional stability, as entrepreneurs need to stay calm and remain optimistic when facing the many challenges they will encounter along the way. Furthermore, despite going through difficult times on occasion, entrepreneurs still need to be sociable and energetic when interacting with customers and various other stakeholders in order to uphold the businesses

reputation and customer confidence in the brand. Lastly, IP5 indicated that there is a certain amount of energy that goes into being an entrepreneur, as things are always moving and changing. The quotations to support these statements are provided in Table 12 below.

Table 12

Extraversion

Sub-theme	Code	Participant	Participant quotes
	Sociable	IP3	"...I like to rub shoulders with them..."
	Assertive	IP4	"...but when they step over the mark, you have to be firm..."
	Energetic	IP5	"To find the energy to continuously go and go and go; you can't not."
	Optimism	IP1	"I have always been optimistic..."

Consistent with the individual interview findings, in a study of entrepreneurs in China, Fine et al. (2012) found that extraverted entrepreneurs had more success than those who are not. Research conducted by Zhao et al. (2010), measuring the relationship between the Big 5 personality dimensions and entrepreneurship, also concluded that extraversion was positively related to successful entrepreneurship. Furthermore, in a study of 671 nascent entrepreneurs, those who were extraverted tended to perform better as entrepreneurs (Doerr & Rice, 2012).

With regard to the phase 2 focus group discussions, no evidence was provided to support these findings. This is again a surprising outcome, as one would imagine that an entrepreneur's network, connections and positive, social relationships with others would be crucial in a country like South Africa where it is often 'who you know, and not always what you know' that brings about opportunities and success. Therefore, further research should be conducted to further enhance and support the initial insights of the current study.

4.3.3.5. Openness to experience

Openness to experience encompasses personality traits such as being innovative, curious and flexible, seeking new experiences, making independent judgements and having a tolerance for ambiguity (Costa & McCrae, 1992; Zhao & Seibert, 2006; Olakitan & Ayobami, 2011; Fine et al., 2012; Rothmann & Coetzer, 2003).

Evidence for this sub-theme emerged through the phase 1 interviews as follows. Seeing things differently and being creative in coming up with new ideas was cited by participants as imperative for business success. For example, IP6 mentioned that “I think of ways to do things differently” and IP4 admitted that “I think there is a bit of a creative side to me.” In addition, IP5 suggested the importance of seeing opportunities and gaps in the market. Participants, such as IP4 and IP1, also mentioned having a strong curiosity for understanding the world, their business and customers, and having a need to seek out new experiences. The business landscape of an entrepreneur is ever changing, and the participants indicated the need to be able to tolerate ambiguity and constantly adjust and adapt to survive and thrive in the market. IP4 sums it up well by stating that “every day you have to constantly adjust yourself, see what the competitors are doing, and you just have to – you have to grow.” Furthermore, IP3 appeared to enjoy the independence of entrepreneurship in the sense that she makes her own rules and does not need to submit to an authority. Table 13 below provides relevant quotations from the interview participants.

The phase 2 focus group discussions yielded similar findings. For example, being adaptable and making the necessary changes to one’s business to remain competitive and successful was mentioned by one of the participants: “to constantly adapt to what’s happening in your business.” Another participant also spoke to the preference to be independent and stated that “the desire to paddle your own boat, I suppose really is what did it for me.” Thus, the focus group discussions provided support for the findings gathered from the phase 1 individual interviews. Additional quotations are provided in Table 13 below.

Table 13

Openness to Experience

Sub-theme	Code	Participant	Participant quotes
Openness to experience	Showing curiosity	IP4	"...I would sit there and I find out, listen to customers what they like from this bus, what they don't like and how people are."
	Seeing opportunities	IP5	"Business opportunities you just have to find, you need to find a niche gap, like I found a gap..."
	Seeking new experiences	IP1	"I was still working at Price Waterhouse Coopers and Deloitte, because I had this insatiable need to do something as well outside of it."
	Independence	IP3	"I like to make my own rules."
	Tolerance for ambiguity	IP5	"...you rollercoaster continuously as an entrepreneur."
	Adaptability	IP4	"...every day you have to constantly adjust yourself, see what the competitors are doing, and you just have to – you have to grow."
	Seeing things differently	Focus group participant	"...the most important thing really is the ability to – and the requirement to operate outside of the box."
	Creativity	Focus group participant	"...you kind of have to get a little bit more inventive as to how you actually deal with these clients these days."

In the South African context, the evidence obtained from this study makes it abundantly clear that entrepreneurs need to be open to experience in order to remain competitive in a tough economy, as well as to quickly adapt to change and think out of the box as markets and the business landscape changes. A prime example of how quickly entrepreneurs need to adapt to change is the current Covid-19 pandemic, locally and globally. Should entrepreneurs not be able to digitise their offerings or appeal to customers' changing needs, literally overnight, businesses will not survive. Alternatively, if entrepreneurs can creatively adapt their offerings, or offer a high-need product or

service quickly, they could go from a relatively successful business to hugely successful within weeks.

Various global studies corroborate the current findings that South African entrepreneurs view openness to experience as an important psychological characteristic attributing to their business success. For example, according to Fine et al. (2012), in their study of entrepreneurs in China, openness to experience was found to be predictive of entrepreneurial success. In addition, Brandstatter (2011) found that entrepreneurs typically score higher on openness to experience than non-entrepreneurs, as did Schmitt-Rodermund (2001). Creativity, an aspect of openness to experience, was also mentioned to be an important trait associated with successful entrepreneurship according to van Zuilenburg (2012).

4.3.3.6. Innovation

It was mentioned by the phase 1 research participants that innovation, defined as coming up with creative ideas and implementing them, has been key in surviving through difficult times and meeting the needs of a changing market (Edokpolor & Somorin, 2017). For example, IP3 stated that “you’ve got to be innovative, so when I had that terrifying year, I innovated like you have no idea.” Although the importance of innovating was highlighted in the phase 1 interviews, none of the focus group participants directly mentioned innovation.

There also seem to be few research studies available regarding innovation as it relates to entrepreneurs’ personalities and business success, indicating a gap in the literature in this regard (Parker, 2009). One of the studies found by the researcher relating to this topic, and supporting the phase 1 evidence, stated that innovating was one of the factors involved in the success of artisan entrepreneurs in Ghana (McDade, 1998). Schumpeter (1934) also noted the importance of innovation as it relates to entrepreneurship, as did Rauch and Frese (2007), who linked innovation to entrepreneurial success.

A possible explanation for this sub-theme not coming through in the phase 2 focus group discussions could be that it is a similar concept to openness to experience. One could easily become confused between creativity, thinking outside of the box, imagination

(openness to experience) and innovation. Even according to the above-mentioned definition, the only difference between openness to experience and innovation really is that innovation entails 'implementing' the creative ideas identified by entrepreneurs (Edokpolor & Somorin, 2017). It seems, then, that openness to experience perhaps encompasses innovation, and the two categories could possibly be combined in future studies.

4.3.3.7. Risk propensity

According to Stokes et al. (2010), risk-taking involves the perceived likelihood of receiving the rewards or costs associated with the outcome of a planned endeavour. The phase 1 participants, such as IP4, IP2 and IP1, mentioned taking chances in their businesses, as well as the courage to take these chances, as being part of their entrepreneurial journey to success. At times these were calculated risks, and at other times they were 'sink or swim' or 'fly by the seat of your pants' situations. It was also suggested by IP4 that a reasonably safe risk for an entrepreneur tends to be high risk for the average person, possibly highlighting a high appetite for risk amongst entrepreneurs. Risk taking was also mentioned in the phase 2 focus group discussions, thus supporting the findings of the phase 1 interviews. Relevant quotations from the participants regarding this sub-theme are provided in Table 14 below.

Table 14

Risk Propensity

Sub-theme	Code	Participant	Participant quotes
Risk propensity	Taking a chance	IP2	“But I know inherently that I’m a natural risk taker...”
		IP4	“...in the words of an entrepreneur, to play it reasonably safe is for most people damn risky.”
		IP1	“You need to also be able to have the courage to take a chance.”
		Focus group participant	“That’s the other thing about entrepreneurship, you have to put things on risk.”
	Taking calculated risks	IP4	“...you start getting a feeling of what’s worth the risk and what’s not worth the risk.”

Consistent with the above findings, previous research indicated that risk-taking propensity was positively related to successful entrepreneurship (Ang & Hong, 2000; Caliendo, Fossen & Kritikos, 2009). Similarly, Stewart and Roth (2004) provided evidence that entrepreneurs have a higher likelihood of taking risks than managers. It is important to note, however, that it may be a misconception that entrepreneurs are wild risk-takers. Rather, Timmons and Spinelli (2009) argued that successful entrepreneurs take carefully calculated risks, which ties in with the findings of the present study. The findings were further supported by the focus group delegates. Thus, it can be postulated that entrepreneurs in South Africa tend to attribute risk-taking propensity to the success of their businesses.

4.3.3.8. *Self-efficacy*

The belief in oneself to successfully complete a certain task effectively is known as self-efficacy and is directly related to goals, expectations, and motivation (Bandura, 1997;

Cassar & Friedman, 2009). Task mastery is also a component of self-efficacy, according to Wang et al. (2014).

With regard to this sub-theme, the participants of the phase 1 interviews, such as IP6, mentioned learning from his previous experiences and mistakes to progress and ensure better decision-making for the future. Some of the participants (i.e. IP1) stated that they spend time learning new skills and tools in order to better serve their business and customers, which relates to task mastery. A sentiment shared by a few of the participants, IP5 for example, was that as an entrepreneur, one can never sit back and be comfortable; one has to always think about what's next and initiate change. Although IP5's comment ("you can never, never, never be comfortable, never, you always have to think about the next...you can never be just comfortable, sit back and think it's fine") could relate to openness to experience in the sense that entrepreneurs need to adapt and come up with new ideas, in this case, initiating change (thus, being motivated to take goal-directed action) speaks to self-efficacy. Lastly, the participants, such as IP3 and IP5, suggested their belief in their own ability to succeed and make things work in their businesses as a factor attributed to the success of their businesses. Supporting quotations are provided in Table 15 below.

Table 15

Self-efficacy

Sub-theme	Code	Participant	Participant quotes
Self-efficacy	Learning through experiences	IP6	"...you learn, you just keep learning..."
	Task mastery	IP1	"...it allowed us to sharpen our tools; the tools were, for example, proposals to gain new customers, website marketing, advertising, meeting clients, doing the sales pitch, working out what to say, how to get the winning edge."
	Belief in own ability to succeed	IP3	"...I just stand in my certainty and I know I can do this."
		IP5	"I knew I could run a business."
Initiating change	IP5	"You can never, never, never be comfortable, never, you always have to think about the next... you can never be just comfortable, sit back and think it's fine."	

In line with the individual interview findings, research conducted by Miller (2014) found that entrepreneurs tend to show higher scores on self-efficacy than ordinary individuals. This was echoed by Killekar (2010), who proposed that self-belief is critical to the success of an entrepreneur. In addition, in a study of successful music entrepreneurs, van Zuilenburg (2013) concluded that self-belief is key to being a successful entrepreneur. This makes sense, considering that as an entrepreneur, you are the boss. There is no manager to provide you with feedback on your performance or to motivate you or coach you to do better. It could, therefore, be argued that self-efficacy, particularly learning from past mistakes and experiences, as well as believing in oneself, is needed to run a successful business in South Africa. The saying may be true that if one does not believe in oneself and one's business, no one else will.

Although the literature supports the phase 1 findings mentioned above, further research should to be conducted, as the phase 2 focus group discussions found no evidence for this sub-theme.

This section explored the psychological characteristics that South African entrepreneurs attributed to the success of their businesses. The next theme that will be discussed relates to the contextual factors that these entrepreneurs attribute to the success of their businesses. This was the theme that emerged inductively through the qualitative data analysis process.

4.3.4. Theme 4: Contextual factors attributed to entrepreneurial success in South Africa

From the thorough analysis of the data collected for the study, a theme that emerged revolved around various contextual factors that South African entrepreneurs attribute to their success. Although contextual factors were not included in the scope of this study, it is important to mention them here and to understand how they influence the success of entrepreneurs (further research should be conducted on this topic in South Africa). The sub-themes discussed in this section include the influence of upbringing, social capital, leveraging of previous skills and experience, and informal, self-driven learning. These contextual factors were not covered in the literature review of this study but appear to be significant to the success of entrepreneurs and will thus be presented here and discussed further in the chapter. The participant responses are presented below.

4.3.4.1. Influence of upbringing

Being brought up with an entrepreneurial mindset, being exposed to successful entrepreneurs during childhood, and having a good educational foundation were indicated by the phase 1 interview participants as being helpful in relation to entrepreneurial success in South Africa. See Table 16 below for supporting quotes from IP1 and IP4. The phase 2 focus group discussions did not, however, yield information related to this sub-theme, indicating that further research on this topic is needed.

Table 16

Influence of Upbringing

Sub-theme	Code	Participant	Participant quotes
Influence of upbringing	Development of entrepreneurial mindset during childhood	IP1	“You need to be brought up with a mindset that one day you’re going to be in business or you’re going to be earning an income...”
	Exposure to successful entrepreneurs while growing up	IP4	“A lot of them started their own businesses, and some of those people are the ones who are some of the wealthiest...and I think that exposure to those type of people growing up was awesome.”
	Good educational foundation	IP4	“...I think first of all my upbringing. My parents, yes, they did sacrifice a lot to take me to some really good schools...”

Taking into account the findings of the present study, the literature search results are mixed. Although the findings of this study suggest that successful entrepreneurship is related to having been exposed to entrepreneurs growing up, a survey of 609 university students in South Africa, conducted by Luiz and Mariotti (2011) on perceptions of entrepreneurship, found that individuals whose parents own businesses did not differ significantly from those whose parents did not. Both groups were just as likely to start their own entrepreneurial ventures, although individuals whose parents own and run businesses were more likely to have seriously thought about starting a business.

On the other hand, with regard to the influence of a good educational foundation on successful entrepreneurship, the literature supports the view taken by IP4 (Table 21 above). For example, McDade (1998), in a survey of Ghanain artisan entrepreneurs, found that formal education was related to business success (higher revenue). Djankov et al. (2005), as well as Unger et al. (2011), also suggested that better-educated entrepreneurs were more likely to succeed in their businesses.

As the focus group discussions did not provide any evidence to support this sub-theme, and considering that the literature holds mixed views, further research could be done in the South African context to gain further insights.

4.3.4.2. Social capital

Social capital refers to the networks of social relationships involving trust and mutual caring that exist in society (Nieman, 2006). It is “dependent on the social structures that exist between people, which make it possible for those involved to take certain actions and to be able to get things done that they would not have been able to do on their own” (Coleman, 1990, p. 302).

As an emerging sub-theme, the phase 1 interview participants, such as IP6, IP2 and IP5, indicated that being an entrepreneur can be quite tough, and having a network of supportive family, friends, fellow entrepreneurs, and mentors to draw on was instrumental to their success. IP5, for example, mentioned the following:

I built a network of other entrepreneurs, which I think is probably a great support for me. I think a lot of my help comes from other more experienced entrepreneurs and networks.

These networks were also key during times of uncertainty and when the participants felt they needed a bit of guidance and direction from their peers. Furthermore, this support included financial assistance at times, such as obtaining loans from friends or family or being financially supported by one’s spouse so as to focus on building and growing the business. As evidence of this, IP2 mentioned that he has “approached friends and family for venture capital purposes on very sort of low interest rates and so on, and that has helped a lot.”

The idea of social capital was echoed in the phase 2 focus group discussions, with participants mentioning the support they receive from friends, family and other entrepreneurs through the course of their entrepreneurial journeys. One such mention in this regard was that “I tend to go to family and friends, I always have.” Additional quotations to support these statements are provided in Table 17 below.

Table 17

Social Capital

Sub-theme	Code	Participant	Participant quotes
Social capital	Support from network of friends, family and fellow entrepreneurs	IP2	"...I'm fortunate and blessed to have a network of other entrepreneurs that are close friends and family, that are huge support structures in terms of guidance, advice and just sounding boards for ideas and problems."
		IP5	"...I've always believed that networking is – it doesn't matter networking with your customer, suppliers, it doesn't matter who, you need to have excellent relationships with all of them..."
		Focus group participant	"...there's business groups that people try to join...for networking and building your business."
	Access to a mentor	IP6	"...she's my mentor, she's a role model, she's a best friend, so there's lots of – it's quite a special relationship."

The literature on social capital suggests the value of social contacts and networks to entrepreneurship, and since economic activity is rooted in society, entrepreneurs develop social capital through growing networks which offer external sources of support, information, expertise and finance, permitting mutual learning and crossing of boundaries (Nieman, 2006). According to Bauernschuster, Falck and Heblich (2010), social capital assists entrepreneurs to overcome resource constraints. In Neshamba's (2000) study with Kenyan entrepreneurs, it was found that assistance from family as well as networking with friends from school and university were important business success factors. Van Zuilenburg (2012) also found that building both social and professional networks were considered important to successful entrepreneurs in the music industry.

The findings of the present study indicate that social capital is perceived to be an important component in the success of entrepreneurs' businesses, which correlates with the literature. However, Jansen van Vuuren (2019) suggested that new entrepreneurs in South Africa often do not have access to professional networks and thus aren't able to obtain mentorship and other benefits that connecting to relevant leaders can bring about.

Considering this as well as the phase 1 and 2 findings, it appears that South African entrepreneurs mostly draw on their own personal or social networks rather than on established professional networks that may be limited or difficult to access.

4.3.4.3. Leveraging of previous skills and experience

The participants interviewed individually (phase 1) conveyed how the skills and experience gained from other times in their lives have been utilised successfully in their current entrepreneurial ventures. The skills mentioned by participants, such as IP6, IP3 and IP1, included marketing and communication, leadership, financial and customer relations skills. IP6's statement, "my skills were marketing and communications, and I could bring marketing and communications expertise into the business", provides evidence for this. IP5 also attributed much of her current entrepreneurial success to her experience running a business within a corporate environment for many years.

The phase 2 focus group discussions did provide evidence for this sub-theme suggesting that leveraging previous skills and experience, such as computer literacy, is involved in successful entrepreneurship in South Africa. For example, according to the participants, these skills included "the ability to interface with technology", as well as "their ability to multi-task." Further supporting quotations from phase 1 and 2 of the study are provided in Table 18 below.

Table 18

Leveraging of Previous Skills and Experience

Sub-theme	Code	Participant	Participant quotes
Leveraging of previous skills and experience	Leadership skills	IP3	"...I know that I have a strong propensity for leadership, it's always demonstrated in my life."
	Financial skills	IP1	"I had financial training, so it was easy for me to build a map of all my fixed costs, my variable costs, my revenues, my deductibles...so I knew exactly what I had to do to be able to support the company no matter what."
	Customer relations skills	IP3	"...my customer relations was good enough to kind of from the psychologist angle, was good enough to overshadow that for a little bit, while I kind of fumbled and figured it out along the way..."
	Corporate background	IP5	"...30 years of industry experience in corporate, where I know how to run a business in a corporate environment, I just had to do the conversion to a small world."

The research appears to corroborate the findings highlighted in the current study. For example, according to Neshamba (2000) in a study conducted with 25 Kenyan entrepreneurs, previous work experience and skills acquired on the job were significant factors contributing to business growth and success. Fine et al. (2012) found that in China, mastery of relevant business skills and previous business experience were predictive of entrepreneurial success. It was also found that entrepreneurs who have longer industry experience were more likely to be successful entrepreneurs than those who have less extensive industry experience (Unger et al., 2011). Furthermore, various studies reported good customer service skills, prior start-up experience, communication skills, interpersonal skills and relevant managerial background and experience to be responsible for the success of small business ventures (Duchesneau & Gartner, 1990; Steiner & Solem, 1988; Coy et al., 2007). Lastly, in entrepreneurship literature, leadership has been regarded as being an indispensable component for probable success (Bagley & Dauche, 2008).

With regard to successful entrepreneurship in South Africa, these results therefore suggest that most entrepreneurs worked in various jobs or had obtained a certain qualification or skill (i.e. finance, psychology or marketing) before taking the plunge to start their own businesses. Their previous work experience and skills gained appears to have helped them to understand and run their businesses more effectively (compared to if they had perhaps not have had this experience or learned a particular skill before). Important to note here, however, is that this study focused on opportunity-driven entrepreneurs who appear to have had the luxury of employment and the choice as to whether to start their own venture. Considering poverty and the high rate of unemployment in South Africa, this would be in stark contrast to many people who may not have had any previous employment or skills to draw from and had to start their business out of necessity. This could have negative implications for the success of entrepreneurial businesses, which is important to explore further as economically sound small businesses are needed in the country to assist in the fight against poverty and inequality (NDP, 2011). Further research could be conducted to explore this idea further in the South African context.

4.3.4.4. Informal, self-driven learning

Although there are formal entrepreneurship education opportunities available, such as through business schools as previously mentioned, the participants interviewed in phase 1 mentioned more informal ways of learning new entrepreneurial skills and building their knowledge. For example, IP5 suggested that "...there's lots of YouTube stuff, you can go and read and do your own – that's how I've learnt just about everything I know at the moment, is the internet and you just go and learn." In addition to watching YouTube videos, these informal channels included reading the newspaper, entrepreneurship magazines, and textbooks. No evidence was found to support these findings in the phase 2 focus group discussions, however, indicating a need for further research in the South African context.

On reviewing the literature on the topic, the research acknowledges the significance of informal learning activities as a means to enhance work-related performance, which lines up with the findings of the current study (Keith et al., 2016). According to Whitmore (2014),

the most effective entrepreneurs view themselves as assets and continually invest in themselves through ongoing education and self-improvement. A longitudinal study conducted with 132 small business owners in Germany found partial support for the idea that entrepreneurial success is increased in entrepreneurs who take the time to engage in deliberate informal learning activities (Keith et al., 2015). Another study using a sample of South African small business owners concluded that self-driven informal learning activities, for example, mental simulation, exploring new strategies, asking customers for feedback, professional reading, and observing others, predicted entrepreneurial knowledge which then predicted entrepreneurial success (Unger et al., 2009). Globally then, informal, self-driven learning seems to enhance the success of entrepreneurs. From a South African perspective, many people do not necessarily have access to, or can afford, formal education. It is encouraging, therefore, to note that entrepreneurs in South Africa appear to take the initiative to develop themselves further through more informal channels, although this should be explored further as the focus group discussions did not provide evidence for this.

In the following section, the final theme, the reason for becoming and succeeding as an entrepreneur, will be discussed.

4.3.5. Theme 5: Reason for becoming and succeeding as an entrepreneur

Another theme that emerged inductively through the data collection and analysis phase of the study was the reason entrepreneurs cited for choosing to become an entrepreneur, and a reason for their success, namely, passion. The responses of participants are presented below.

4.3.5.1. Passion

Passion can be described as “any intense emotion that stirs humans with energy and deep longing to make a difference” (Cardon et al., 2009, p. 515). The phase 1 interview participants, such as IP4, IP5 and IP6, suggested the importance of being passionate about a particular topic or business idea as a key reason or motivation for becoming an entrepreneur and ultimately being successful and happy in the long term. IP4 sums it up well, saying that “you have to have passion for what you’re doing, or whatever you’re

going to – if you're not passionate about it, it's never going to get anywhere." Further quotations gathered from the interviews illustrating the importance of passion in successful entrepreneurship are indicated in Table 19 below.

These views were shared by the phase 2 focus group participants. For example, one of the participants shared that "a big part of excelling as an entrepreneur is that you have that like flame, that excitement, the enjoyment that you have from your work." These results thus provide credibility for the findings obtained from phase 1 of the study.

Table 19

Passion

Sub-theme	Code	Participant	Participant quotes
Passion	Passion for what you're doing	IP5	"I think I have to do something that I'm passionate about. It just makes it much easier to be passionate about whatever you do, to be able to be a success."
		IP6	"...and really being passionate about what you do is part of the reason why you get into entrepreneurship in the first place. That was certainly it for me."

Echoing the results of the current study, many researchers and entrepreneurs are of the belief that one of the reasons for starting a business can be explained by passion (Dalborg, von Friedrichs, & Wincent, 2015). One study suggested that passion is a core component of entrepreneurship, as passion tends to fuel the personal agency, creativity, proactivity, aspiration, risk-taking and perseverance needed to think and act entrepreneurially (Obschonka, Moeller & Goethner, 2019). Passion also seems to be important in social interactions, as passionate entrepreneurs are perceived to be more successful by investors, employees and clients, according to Baum and Locke (2004). Furthermore, Isaacson (2011) stated that one of the most important success factors described by successful entrepreneurs is a strong passion for entrepreneurship. Therefore, being passionate about one's business appears to be a key factor in starting

and running a successful business amongst opportunity-driven, South African, entrepreneurs.

4.4. Summary of findings

In alignment with the aim of the research study (to explore the personal experiences of entrepreneurs that enable them to run successful businesses in the South African context), the findings, in the form of themes, sub-themes and codes, that were identified through qualitative methods have now been thoroughly presented and discussed. The findings answered the following research questions, namely:

- What are the perceived challenges faced by, and opportunities available to, entrepreneurs in South Africa that influence their experience and business success?
- What are the personal psychological characteristics that South African entrepreneurs attribute to the success of their businesses?

As well as answering these questions, the study also highlighted additional factors relevant to the success of entrepreneurs, referred to previously as emerging themes (that were identified through an inductive approach to the data analysis). In summary then, the following findings (themes and sub-themes) were identified through phase 1 of the study, and then supported through the phase 2 focus group discussions: 1) the perceived challenges faced by entrepreneurs in South Africa include financial challenges, insufficient and ineffective formal support structures and poor educational systems and support; 2) the perceived opportunities available to entrepreneurs in South Africa relate to entrepreneurship education and support; 3) the psychological characteristics that South African entrepreneurs attribute to the success of their businesses include conscientiousness, emotional stability (moderate levels), and openness to experience from the Big 5 model of personality, as well as risk propensity; 4) the contextual factors attributed to entrepreneurial success in South Africa involve social capital and leveraging of previous skills and experience; and lastly, 5) the reason for becoming and succeeding as an entrepreneur is due to passion.

It is important at this point to briefly clarify the points around education being identified as both a challenge and opportunity for successful South African entrepreneurs as, on the

surface, this may appear contradictory. What was revealed through the analysis is that educational systems and support are available in South Africa (the opportunity); however, the educational offerings are often not utilised by entrepreneurs for unknown reasons, or entrepreneurs are unaware of many of the offerings available, possibly due to poor management and coordination of these programmes (the challenge).

Another point to clarify is that the findings from phase 1 of the study that were not supported in the phase 2 focus group discussion require further research in the South African context and are, therefore, not included in the high-level summary above.

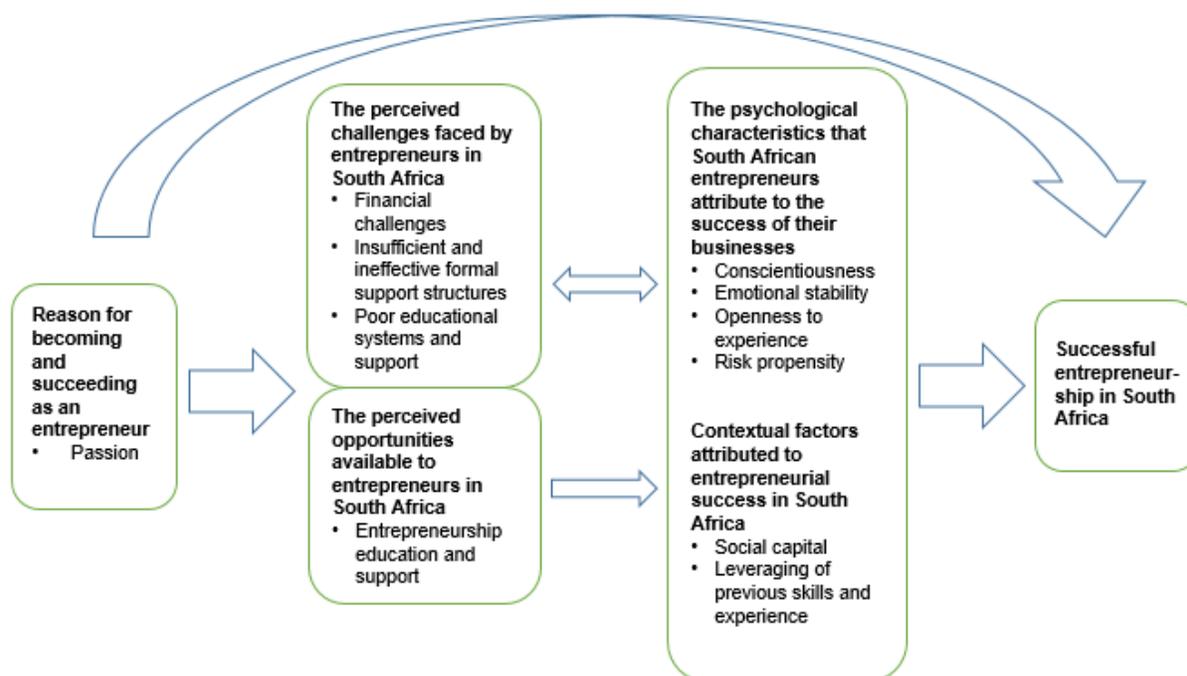
A conceptual model reflecting the experiences of successful entrepreneurs in South Africa (those that were supported in phase 2 of the study) will now be outlined in the next section.

4.5. Conceptual model

In an attempt to create a visual representation and interpretation of the major findings of the current study, the researcher has created a conceptual model (see Figure 1), which will be elaborated on briefly below. This is a high-level view, as each theme was discussed in detail in section 4.3 above.

Figure 1

The personal experiences of entrepreneurs that enable them to run successful businesses in the South African context:



The researcher proposes the following explanation regarding successful entrepreneurship in South Africa: As a sample of successful, opportunity-driven entrepreneurs were chosen for this study, one of the emerging themes, namely the reason that businesses were started by entrepreneurs, was due to having a passion for a particular product/service/business. This passion is also what sustains the entrepreneur during tough times, contributing to the success of the business venture.

Once the entrepreneur has made the decision to start the business, they are faced with various (perceived) challenges in the South African context but also potentially assisted or enabled by various (perceived) opportunities available to them. When faced with potential difficulties, such as financial challenges or poor educational systems and support, the entrepreneurs tend to draw on their innate, psychological characteristics (i.e. conscientiousness and openness to experience) and various contextual factors (i.e. their network in the form of social capital, or skills obtained from previous work experience) in

order to cope and deal with said difficulties, thus moving forward with the business venture. This is depicted by the two-way arrow in Figure 1. In terms of the perceived opportunities available to entrepreneurs, in this case, entrepreneurship education and support, entrepreneurs are aware of these opportunities but may or may not utilise them. These opportunities, therefore, may enhance the entrepreneurs' experience but do not seem to hinder them in any way, and no psychological characteristics are needed to cope or deal with them, as in the case with the challenges faced (this is the reason for the one-way arrow in Figure 1).

In addition to using the specific personality characteristics and contextual factors outlined in Figure 1 to cope with challenges faced, the entrepreneurs also use these to effectively run and grow their businesses, resulting in entrepreneurial business success in the South African context.

4.6. Conclusion

In conclusion, although much research has been done globally to identify the psychological characteristics involved in successful entrepreneurship, scarce research has been conducted in the South African context. This study explored these psychological characteristics as well as highlighted the perceived challenges faced by, and opportunities available to, entrepreneurs in the South African context (in alignment with the research study's objectives). Furthermore, additional findings also emerged that brought about deeper insights regarding the experience of successful entrepreneurship in South Africa. Chapter 4, therefore, presented and discussed the findings obtained from the data collection phase of the current study, as well as presented a conceptual model to visually represent and interpret the findings obtained. Conclusions, limitations of this study and recommendations will be discussed next in Chapter 5, the final chapter of this study.

CHAPTER 5

LIMITATIONS AND RECOMMENDATIONS

5.1. Introduction

The current research study aimed to explore the personal experiences of entrepreneurs that enable them to run successful businesses in the South African context. Chapter 5 will discuss the limitations of the study, recommendations for future research, as well as recommendations for future entrepreneurship training, development or career guidance initiatives in South Africa, which is important, as fast-tracking entrepreneurship has been identified as a key focus area in the fight to alleviate poverty and income inequality, according to the National Development Plan (2011).

5.2. Limitations of the study

Firstly, data for this study was collected by semi-structured interviews (phase 1) and focus group discussions (phase 2), which means it could have been contaminated by socially desirable responses. To clarify, social desirability bias involves the tendency of research participants to give socially desirable responses instead of choosing responses that are reflective of their actual feelings (Grimm, 2010). The results were thus interpreted with this in mind.

Secondly, 10 of the 14 participants were between the ages of 31-40, and 11 of the 14 participants were white. This could be a potential limitation, as the experiences shared in the interviews and focus group discussions could be unique to these groups, not incorporating the diverse perspectives that other age and cultural groups could offer in South Africa.

A third limitation could be that this study focused on the perceptions and experiences of successful opportunity-driven entrepreneurs only. In South Africa, considering poverty and extremely high levels of unemployment, it is safe to assume that these entrepreneurs are in the minority. The vast majority of entrepreneurs in South Africa are most likely to be necessity-driven, coming from low socio-economic groups with very different backgrounds to opportunity-driven entrepreneurs. Necessity-driven entrepreneurs would

potentially bring about additional insights, as their environment and experiences with entrepreneurship may be quite different from that of the sample group contained in this study.

Fourth, in Chapter 2, the literature review is limited in that cross-cultural research on the application of the FFM was not consulted. For example, Cheung and colleagues (2011, 2013) incorporated universal personality factors with culturally relevant dimensions appropriate for the Chinese people, extracting an inter-personal relatedness factor beyond the FFM (Chinese Personality Inventory). Similarly, a six factor solution was found in the construction of the South African Personality Inventory (Hill, et al., 2013; Moyo & Theron, 2019). This could potentially provide supporting evidence for the social capital and social relationship theme identified.

A final limitation of the study is that only the researcher analysed and coded the data and identified the themes, which were then discussed and reviewed with the research supervisor. This process brought about consistency in the method but did not provide for multiple viewpoints from a variety of individuals with differing expertise. When using this method for other studies, the coding of data could include several individuals and developing themes discussed with other researchers, a panel of experts, and/or the participants themselves (Fereday & Muir-Cochrane, 2006).

5.3. Recommendations for future research

For future research studies, it is recommended that a larger sample size for phase 1 and phase 2 be selected. This would enable researchers to generalise the findings to a larger population group and elicit more information about entrepreneurs' personal experiences that enable them to run successful businesses in the South African context. Furthermore, it is recommended that quantitative analysis is utilised in future research to verify the findings gathered through the qualitative analysis of this study, as well as test the proposed conceptual model.

Future research could also be conducted on this topic by making use of not only successful entrepreneurs, but also entrepreneurs who were not successful in their business ventures. A comparison could be drawn with a view to determine if these

unsuccessful entrepreneurs have similar (or dissimilar) personality traits to successful entrepreneurs (du Plessis, 2014). This insight could inform recruitment and selection practices for entrepreneurship programmes and internships in South Africa in that applicants could be benchmarked against a certain personality 'success profile'. The performance of selected entrepreneurs could then be monitored over time to determine if the 'success profile' does in fact hold and is predictive of entrepreneurial success. This ties in with Brandstatter (2011), who suggested that longitudinal studies focusing on the personality-entrepreneurship link are still quite rare. Longitudinal studies could, therefore, be useful in further understanding the makings of successful entrepreneurship over time, especially in the South African context where successful entrepreneurship is critical to solving the challenges of poverty and inequality (NDP, 2011).

Another area that would be greatly beneficial to study in future relates to necessity-driven entrepreneurship in South Africa. This type of entrepreneurship is most likely extremely prevalent considering high levels of unemployment and poverty and would add great value in understanding how to support and encourage these entrepreneurs to be successful, thus stimulating and growing the economy.

In Chapter 3, it was mentioned that certain codes, sub-themes and themes that emerged inductively in phase 2 focus group discussions that did not support the phase 1 interview findings, were not included or written up on in this study due to the added length and complexity. Further studies should thus be conducted with successful South African entrepreneurs, using a larger sample size, as mentioned above. The themes that emerge should be explored further, as they are still important and provide valuable insight into the perceptions of successful entrepreneurship in the South African context.

Lastly, to address the limitation regarding the absence of cross-cultural research on the application of the FFM, future studies should include research in this area. Furthermore, future research should relate the findings on social capital and social relationships potentially to the inter-personal relatedness factor (discussed in Chapter 4, section 4.3.4.2).

5.4. Recommendations for future entrepreneurship training, development and career guidance initiatives

In line with the final research objective of the study, which was to draw conclusions and make recommendations on possible future training, development or career guidance initiatives to support successful entrepreneurship in South Africa, this section makes appropriate recommendations. This is particularly important, as one of the perceived challenges identified by the research participants was poor educational systems and support. It is critical that entrepreneurship education and development be prioritised in South Africa as research has shown that it has a positive influence on students and their careers. For example, a study conducted by the European Commission (2015) stated that students participating in entrepreneurship education showed a higher likelihood of starting their own businesses, and these businesses tended to be more successful and innovative than those operated by individuals without such education. Furthermore, individuals who had received entrepreneurship education were at a lower risk of being unemployed and tended to have better jobs and earn more money than their peers (European Commission, 2015). Lastly, according to Chimucheka (2014), any proposed entrepreneurial educational interventions should aim to prepare individuals to be responsible, innovative, able to take risks, manage results, prevent and solve business problems, and learn from experiences.

Overall, it is vital again to emphasise the reason that entrepreneurship education and development in South Africa is so critical. Van Praag and Versloot (2007), on an analysis of 57 current studies, concluded that entrepreneurs have a very definite function in the economy in that they create employment and productivity growth and yield and commercialise high-quality innovations. As the focus of the National Development Plan (2011) is to significantly reduce unemployment and inequality by 2030, building the entrepreneurial capability in South Africa has never been so important.

In terms of training, development and career guidance initiatives, the suggestions provided below are based purely on the researcher's ideas as a result of the information collected and analysed from the sample participants during the course of the study.

5.4.1. Career guidance

Considering the age range of the participants who took part in the research study, it appears that the schooling system a decade or more ago did not seem to create enough awareness and encouragement around entrepreneurship as a career option. The schooling system today, however, especially private schooling, may be more entrepreneurially focused due to the rising awareness that entrepreneurship is a mechanism to boost the economy and solve certain social challenges faced by South Africa. Although not everyone may be suited to entrepreneurship or have the desire to follow this career path, the aim of career guidance should be to provide options so that students can make informed decisions together with their parents. Although a career day at school to identify future career options is beneficial in this regard, schools should provide more than this. Below are a few recommendations put forward by the researcher to ensure adequate exposure to entrepreneurship as a career option at high school level.

A starting point to improve the entrepreneurial landscape in South Africa could be to incorporate relevant career guidance into the education system at appropriate points. For example, at high school level when students choose a particular profession or job to experience and observe in the field for a week or two (this often happens in Grade 11), spending time with an entrepreneur, as opposed to (or in addition to, for contrast) a doctor or lawyer, could be encouraged, depending on the student's interests and personality.

Another time that entrepreneurship could be introduced as an option to explore during high school is during the subject selection process (i.e. helping students to understand how the subjects they choose actually relate to potential career options rather than just choosing traditional subjects, such as mathematics and science, to gain entrance into university). Better still, a subject on entrepreneurship should be included in the curriculum to teach students how to start and run a business (this is important, as many students may not go on to study at a tertiary level but would at least leave school with foundational knowledge that could serve them well). Successful entrepreneurs could also be brought in to talk to high school students at all levels to provide them with a realistic preview of an entrepreneurial career path, as well as a bit of education around where to start or what they need to know should they be inspired to explore entrepreneurship further.

Lastly, when psychologists conduct career assessments with students before university applications, an assessment related to entrepreneurship could be incorporated into the assessment battery. The psychologists facilitating the career guidance and assessment process should also be prepared with more education and awareness regarding entrepreneurship and its importance to the growth and development of South Africa, thus providing students with a broad view of career options as opposed to the traditional path of going to university and then getting a job (not that there is anything wrong with a university degree). This statement makes the assumption that entrepreneurs do not necessarily need a university degree to be successful (Richard Branson is a great example). The alternative suggestions provided by career guidance practitioners could involve business management or entrepreneurship short courses or certificates (such as those provided by GIBS or Stellenbosch University). These courses are expensive, however. A cheaper option could be to take an online short course on Udemy, for example. This could provide good foundational knowledge as well as give the student an idea of whether entrepreneurship really is for them before they spend a fortune on further education.

5.4.2. Self-awareness and coaching programme

The study revealed the psychological traits that are important for the success of budding and seasoned entrepreneurs. As such, these traits should be taken into account when training and developing future and current entrepreneurs. By becoming aware of the psychological (personality) characteristics that are related to successful entrepreneurship in South Africa (according to this study, conscientiousness, moderate levels of emotional stability, openness to experience and risk propensity), specific coaching programmes could help entrepreneurs to develop these traits and better equip them for a future as a business owner. According to Glavao and Pinheiro (2017), besides technical skills, entrepreneurs (new or established) should be made aware of their personality traits, as developing them may provide a competitive advantage.

A suggestion put forward by the researcher is as follows. As part of the internship training required for Industrial Psychologists in South Africa as per the Health Professional Council of South Africa (HPCSA), all interns could dedicate a few days to assessing the

personality traits and to coaching relevant aspiring entrepreneurs at university or those who are part of existing entrepreneurship development programmes (post-high school). The days dedicated by the interns would count towards their hours in Testing and Assessment or Career Guidance, for example, as part of their portfolio of evidence. In addition, assessment providers, such as Psytech or SHL, could be encouraged or incentivised to sponsor relevant psychometric assessments (as well as train the intern industrial psychologists on the particular assessment battery, providing assessment feedback and basic coaching skills) as part of their Corporate Social Responsibility initiatives in line with the NDP's plan to encourage entrepreneurship in South Africa to alleviate poverty and inequality (NDP, 2011). Once the assessments have been completed, the interns, under the supervision of an Industrial Psychologist, could then provide one-on-one feedback sessions to the aspiring entrepreneurs to share the results as well as to discuss their entrepreneurship career path and what personality strengths and development areas they may need to be aware of. Follow-up coaching sessions (perhaps on a monthly basis over a period of 6 months or a year) could then also be provided by the interns to support the aspiring entrepreneurs as they progress with their studies or start-up businesses.

The benefits of such a proposal are numerous. For example, it would assist intern industrial psychologists in building their portfolio of evidence in order to register as psychologists with the HPCSA. This is important, as South Africa is in dire need of qualified psychologists to help prevent mental health issues and enhance well-being and development (SACAP, 2017). For assessment providers who support entrepreneurial development, the advantage could involve potential rebates or rewards provided by Government. Furthermore, it would enhance the self-awareness of aspiring entrepreneurs and provide them with critical support needed to give them the best chance of success.

5.4.3. Parenting programme

In order to create further awareness about entrepreneurship and its importance in overcoming poverty and inequality in South Africa, parents could be reached out to. The researcher is of the belief that the upbringing of children has a great influence on their

mindset and whether entrepreneurship is an 'approved of' career option that is valued by the family. Parents tend to want the best for their children, and there are many talks and programmes available for them to attend to better equip them as parents. Perhaps part of this parental education could involve teaching parents how to look out for or identify entrepreneurial personality traits and behaviours in their children and how to foster these behaviours, as well as the mindset and skills, required for successful entrepreneurship. A parenting talk or workshop of this sort, aimed at creating awareness around entrepreneurship, could also be taken into poorer communities and townships where creating and developing entrepreneurs would make a big impact, not only to the future prosperity of the community, but to South Africa as a whole. Furthermore, successful entrepreneurs from impoverished backgrounds could be encouraged to volunteer their time to talk to parents (and the youth) in these communities about the personality, skills and mindset involved in starting one's own business and where to start. In this way, a whole family system is educated around entrepreneurship so that parents can support and encourage their children regarding this potential career path from a young age.

In order to support these initiatives, it may be helpful for social media networks to be set up to provide ongoing support to aspiring entrepreneurs and their families. For example, after a parenting talk or workshop takes place in the community, the parents could be invited to join a WhatsApp group or Facebook group (depending on what platform is most accessible and appropriate), managed by a volunteer entrepreneur, where questions can be asked and information disseminated quickly and easily. If technology is an issue in this regard, perhaps a support group meeting (2 hours every 3 months) could take place in the community, facilitated by the volunteer entrepreneur, to provide ongoing support, education and reinforcement. Alternatively, or in addition to these networks (on social media or face-to-face), groups could be created for high school level aspiring entrepreneurs to provide similar ongoing support, guidance and education.

5.5. Conclusion

Chapter 5 discussed the potential limitations of the study, recommendations for future research, as well as recommendations around potential training, development and career guidance initiatives that could enhance entrepreneurial capability in South Africa,

resulting in more sustainable and successful businesses that would help to alleviate poverty and inequality (NDP, 2011). The recommended educational initiative included career guidance at school, a self-awareness and coaching programme, and a parenting programme.

In conclusion, through this study, the overarching aim to explore the personal experiences of entrepreneurs that enable them to run successful businesses in the South African context was achieved. It encompassed various research questions, which were answered in the previous chapters. In addition, the research objectives that were set out to assist the researcher in achieving the aim of the study and answer the research questions were addressed accordingly.

As a final note, there is still much to be done to support entrepreneurs in this country, and further research on entrepreneurship in South Africa is crucial if we are to become the prosperous and successful country we have the potential to become. This study was a start in providing insight into the perceptions of entrepreneurs currently operating in this space, and the researcher hopes it proves valuable in providing some insight into the experiences of successful entrepreneurs in South Africa, especially relating to the personal psychological characteristics that they attribute to the success of their businesses.

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APPENDICES

APPENDIX A

High-level view of the National Development Plan (2011, p. 34):

“By 2030:

- Eliminate income poverty – Reduce the proportion of households with a monthly income below R419 per person (in 2009 prices) from 39 percent to zero.
- Reduce inequality – The Gini coefficient should fall from 0.69 to 0.6.

Enabling milestones:

- Increase employment from 13 million in 2010 to 24 million in 2030.
- Raise per capita income from R50 000 in 2010 to R120 000 by 2030.
- Increase the share of national income of the bottom 40 percent from 6 percent to 10 percent.
- Establish a competitive base of infrastructure, human resources and regulatory frameworks.
- Ensure that skilled, technical, professional and managerial posts better reflect the country’s racial, gender and disability makeup.

- Realise a developmental, capable and ethical state that treats citizens with dignity.
- Ensure that all people live safely, with an independent and fair criminal justice system.
- Broaden social cohesion and unity while redressing the inequities of the past.
- Play a leading role in continental development, economic integration and human rights.

Critical actions:

1. A social compact to reduce poverty and inequality and raise employment and investment.
2. A strategy to address poverty and its impacts by broadening access to employment, strengthening the social wage, improving public transport and raising rural incomes.
3. Steps by the state to professionalise the public service, strengthen accountability,

- Broaden ownership of assets to improve coordination and prosecute historically disadvantaged groups. corruption.
- Increase the quality of education so that all children have at least two years of preschool education and all children in grade 3 can read and write. 4. Boost private investment in labour-intensive areas, competitiveness and exports, with adjustments to lower the risk of hiring younger workers.
- Provide affordable access to quality health care while promoting health and wellbeing. 5. An education accountability chain, with lines of responsibility from state to classroom.
- Establish effective, safe and affordable public transport. 6. Phase in national health insurance, with a focus on upgrading public health facilities, producing more health professionals and reducing the relative cost of private health care.
- Produce sufficient energy to support industry at competitive prices, ensuring access for poor households, while reducing carbon emissions per unit of power by about one-third. 7. Public infrastructure investment at 10 percent of gross domestic product (GDP), financed through tariffs, public-private partnerships, taxes and loans and focused on transport, energy and water.
- Ensure that all South Africans have access to clean running water in their homes. 8. Interventions to ensure environmental sustainability and resilience to future shocks.
- Make high-speed broadband internet universally available at competitive prices. 9. New spatial norms and standards – densifying cities, improving transport, locating jobs where people live, upgrading informal settlements and fixing housing market gaps.
- Realise a food trade surplus, with one-third produced by small-scale farmers or households.
- Ensure household food and nutrition security.
- Entrench a social security system covering all working people, with social protection for the poor and other

groups in need, such as children and people with disabilities.

10. Reduce crime by strengthening criminal justice and improving community environments.

APPENDIX B

Phase 1 informed consent:



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STELLENBOSCH UNIVERSITY

CONSENT TO PARTICIPATE IN RESEARCH

AN INVESTIGATION IN TO THE PSYCHOLOGICAL CHARACTERISTICS THAT SOUTH AFRICAN ENTREPRENEURS ATTRIBUTE TO THE SUCCESS OF THEIR BUSINESSES

You are asked to participate in a research study conducted by Mrs Natasha Pirie from the Industrial Psychology Department at Stellenbosch University. The results obtained will contribute to the completion of a Masters of Commerce degree in Industrial Psychology. The results of this study will contribute to the completion of the thesis component of this postgraduate programme. You were selected as a possible participant in this study because you are an entrepreneur in South Africa, who can provide valuable input in to the data gathering process of this study.

1. PURPOSE OF THE STUDY

South Africa, in its constant state of flux, faces several challenges. Two major challenges pertinent to this research study are the country's high levels of unemployment and inequality (Herrington & Kew, 2016; Gordhan, 2017). Numerous sources have identified entrepreneurship as a mechanism by which these challenges can be tackled, in turn leading to improved economic growth, increased employment and a more equal income distribution (Herrington & Kew, 2016; Galvao & Pinheiro, 2017; Zuma, 2017). Entrepreneurship is, however, not for the faint-hearted, and various psychological characteristics have been associated with its successful execution (Galvao & Pinheiro, 2017, Fine et al., 2012). A true understanding of the psychological variables that influence the success of South African entrepreneurs is, therefore, vital to improving the entrepreneurial landscape in our country, to reap its subsequent rewards.

2. PROCEDURE

If you volunteer to participate in this study, you will be asked to take part in an interview to discuss your experience and success as an entrepreneur in the South African context. There are no right or wrong

responses; we are merely interested in your personal opinions. The completion of the interview will take place at a time and location that is convenient to you. Alternatively, the interview can be conducted via Skype. The researcher would require approximately 45 minutes to 1 hour of your time. Please note that before the interview begins, you will be asked to fill out a short biographical information form and reminded that the interview will be audio recorded with the recording used only for the purposes of this study.

3. POTENTIAL RISKS AND DISCOMFORTS

In order to participate in the study, you will need to have created and been running a profit-generating business for more than a year in South Africa. Although the researcher does not require any figures, confirming that the business is profit-generating may cause slight discomfort to you. Sharing your experiences as an entrepreneur should not pose any discomfort to you and you are entitled to share only as much as you are open and willing to share.

As part of the informed consent process, your permission will be requested for the audio recording of the interview. This will assist the researcher to capture all information and insights obtained in the interview for data analysis purposes and is an important part of the research process. Although direct quotations may be included in the research write up, please note that all information shared with the researcher will be treated as anonymous, confidential, used only for research purposes, and will in no way negatively impact you or your business. Furthermore, the researcher will be careful not to expose any information that can directly identify you or your business through direct quotations and will rather, in that case, de-identify or paraphrase the information.

4. POTENTIAL BENEFITS TO SUBJECTS AND/OR TO SOCIETY

Participation in this study has no direct benefit to the individual participant. Feedback on the results of the survey will be provided to the participating entrepreneurs in aggregated form. The findings and conclusions drawn from this research could inform future research and interventions for assisting entrepreneurs in South Africa, thereby helping to grow our economy.

5. PAYMENT FOR PARTICIPATION

No payment will be made to participants for taking part in this study.

6. CONFIDENTIALITY

Any information that is obtained in connection with this study and that can be identified with you will remain confidential and will be disclosed only with your permission or as required by law. Confidentiality will be maintained by means of a coding procedure. The results of this study will be published in the form of a completed dissertation as well as in an accredited journal, but confidentiality will be maintained. Participants' identities will not be published.

7. DATA MANAGEMENT

All electronic data gathered during the course of this study will be saved on the researcher's password protected laptop or mobile phone (recorded interviews), as well as backed up on a flash drive stored at a secure location. Any paperwork associated with the study will also be stored at a secure location, accessed only by the researcher. All data will be stored for a period of 5 years after which time, it will be destroyed.

8. PARTICIPATION AND WITHDRAWAL

You can choose whether to be in this study or not. If you volunteer to be in this study, you may withdraw at any time without consequences of any kind. Please note that it might not be feasible/possible to withdraw your opinions once thematic analysis (or other similar analysis) has been performed on the data; however, any information you shared will be kept anonymous and confidential at all times. You may also refuse to answer any questions you don't want to answer and still remain in the study. The investigator may withdraw you from this research if circumstances arise which warrant doing so.

9. IDENTIFICATION OF INVESTIGATORS

If you have any questions or concerns about the research, please feel free to contact Natasha Pirie (natasha.pirie@yahoo.com / 079 6969 082) or Mrs L Bailey (ltb@sun.ac.za / 021 808 2599).

10. RIGHTS OF RESEARCH SUBJECTS

You may withdraw your consent at any time and discontinue participation without penalty. You are not waiving any legal claims, rights or remedies because of your participation in this research study. If you have questions regarding your rights as a research subject, contact Ms Maléne Fouché [mfouche@sun.ac.za; 021 808 4622] at the Division for Research Development, Stellenbosch University.

CONSENT FORM (please tick the appropriate box):

I hereby consent to voluntarily participate in this study. I agree that my data may be integrated into a summary of the results of all the interviews without identifying me personally.

I give consent for my interview to be audio recorded and understand that this is so that information obtained can be transcribed for data analysis purposes only.

I agree that the research data gathered for this study can be used for future research purposes. I understand that my personal details will be kept anonymous and confidential.

I don't want to participate in this study.

Informed consent phase 2:



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CONSENT TO PARTICIPATE IN RESEARCH

**AN INVESTIGATION IN TO THE PSYCHOLOGICAL CHARACTERISTICS THAT SOUTH AFRICAN
ENTRPRENEURS ATTRIBUTE TO THE SUCCESS OF THEIR BUSINESSES**

You are asked to participate in phase 2 of a research study conducted by Mrs Natasha Pirie from the Industrial Psychology Department at Stellenbosch University. The results obtained will contribute to the completion of a Masters of Commerce degree in Industrial Psychology. The results of this study will contribute to the completion of the thesis component of this postgraduate programme. You were selected as a possible participant in this study because you are an expert entrepreneur, or coach/specialist working closely with entrepreneurs in South Africa, who can provide valuable input in to the data gathering process of this study.

11. PURPOSE OF THE STUDY

South Africa, in its constant state of flux, faces several challenges. Two major challenges pertinent to this research study are the country's high levels of unemployment and inequality (Herrington & Kew, 2016; Gordhan, 2017). Numerous sources have identified entrepreneurship as a mechanism by which these challenges can be tackled, in turn leading to improved economic growth, increased employment and a more equal income distribution (Herrington & Kew, 2016; Galvao & Pinheiro, 2017; Zuma, 2017). Entrepreneurship is, however, not for the faint-hearted, and various psychological characteristics have been associated with its successful execution (Galvao & Pinheiro, 2017, Fine et al., 2012). A true understanding of the psychological variables that influence the success of South African entrepreneurs is, therefore, vital to improving the entrepreneurial landscape in our country, to reap its subsequent rewards.

12. PROCEDURE

If you volunteer to participate in phase 2 of this study, you will be asked to take part in a small focus group discussion consisting of expert entrepreneurs, or coaches or specialists working with South African entrepreneurs in a developmental capacity. In this discussion, summary results from interviews held with successful entrepreneurs in South Africa (phase 1 of the study) will be shared with you in order to obtain your insights and views on the topic. Using this approach, in conjunction with individual interviews, facilitates interpretation of the data and enhances the depth of the responses yielded. There are no right or wrong responses; we are merely interested in your personal opinions. Due to geographical and logistical constraints, the discussion will be held remotely via an online conferencing platform (Zoom). Please note that before the focus group discussion takes place, you will be asked to fill out a short biographical information form. In total, the researcher would require approximately 1 hour of your time in order to review the presented information and provide your expert opinion and insights. Please note that your responses will be used only for the purposes of this study.

13. POTENTIAL RISKS AND DISCOMFORTS

If you are an expert entrepreneur taking part in the focus group discussion, you will need to have created and been running a profit-generating business for more than 3.5 years in South Africa. Although the researcher does not require any figures, confirming that the business is profit-generating may cause slight discomfort to you. Sharing your expert opinion as an entrepreneur should not pose any discomfort to you and you are entitled to share only as much as you are open and willing to share. Although direct quotations may be included in the research write up, please note that all information shared with the researcher will be treated as anonymous, confidential, used only for research purposes, and will in no way negatively impact you or your business.

As part of the informed consent process, your permission will be requested for the audio recording of the focus group discussion. This will assist the researcher to capture all information and insights obtained in the discussion for data analysis purposes and is an important part of the research process. Although direct quotations may be included in the research write up, please note that all information shared with the researcher will be treated as anonymous, confidential, used only for research purposes, and will in no way negatively impact you or your business. Furthermore, the researcher will be careful not to expose any information that can directly identify you or your business through direct quotations and will rather, in that case, de-identify or paraphrase the information.

14. POTENTIAL BENEFITS TO SUBJECTS AND/OR TO SOCIETY

Participation in this study has no direct benefit to the individual participant. Feedback on the results of the focus group discussions will be provided to the participants in aggregated form. The findings and conclusions drawn from this research could inform future research and interventions for assisting entrepreneurs in South Africa, thereby helping to grow our economy.

15. PAYMENT FOR PARTICIPATION

No payment will be made to participants for taking part in this study.

16. CONFIDENTIALITY

Any information that is obtained in connection with this study and that can be identified with you will remain confidential and will be disclosed only with your permission or as required by law. Confidentiality will be maintained by means of a coding procedure. The results of this study will be published in the form of a completed dissertation as well as in an accredited journal, but confidentiality will be maintained. Participants' names will not be published.

17. DATA MANAGEMENT

All electronic data gathered during the course of this study will be saved on the researcher's password protected laptop or mobile phone (recorded interviews), as well as backed up on a flash drive stored at a secure location. Any paperwork associated with the study will also be stored at a secure location, accessed only by the researcher. All data will be stored for a period of 5 years after which time, it will be destroyed.

18. PARTICIPATION AND WITHDRAWAL

You can choose whether to be in this study or not. If you volunteer to be in this study, you may withdraw at any time without consequences of any kind. Please note that it might not be feasible/possible to withdraw your opinions once thematic analysis (or other similar analysis) has been performed on the data; however, any information you shared will be kept anonymous and confidential at all times. You may also refuse to answer any questions you don't want to answer and still remain in the study. The investigator may withdraw you from this research if circumstances arise which warrant doing so.

19. IDENTIFICATION OF INVESTIGATORS

If you have any questions or concerns about the research, please feel free to contact Natasha Pirie (natasha.pirie@yahoo.com / 079 6969 082) or Mrs L Bailey (ltb@sun.ac.za / 021 808 2599).

20. RIGHTS OF RESEARCH SUBJECTS

You may withdraw your consent at any time and discontinue participation without penalty. You are not waiving any legal claims, rights or remedies because of your participation in this research study. If you have questions regarding your rights as a research subject, contact Ms Maléne Fouché [mfouche@sun.ac.za; 021 808 4622] at the Division for Research Development, Stellenbosch University.

CONSENT FORM (please tick the appropriate box):

I hereby consent to voluntarily participate in this study. I agree that my data may be integrated into a summary of the results of all the interviews without identifying me personally.

I give consent for the focus group discussion to be audio recorded and understand that this is so that information obtained can be transcribed for data analysis purposes only.

I agree that the research data gathered for this study can be used for future research purposes. I understand that my personal details will be kept anonymous and confidential.

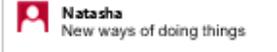
Name:

Signature:

Date:

APPENDIX C

Example of phase 2 of the data collection process as described in Chapter 3. The initial codes from a transcribed interview were generated with the use of 'comments' in a Word document.

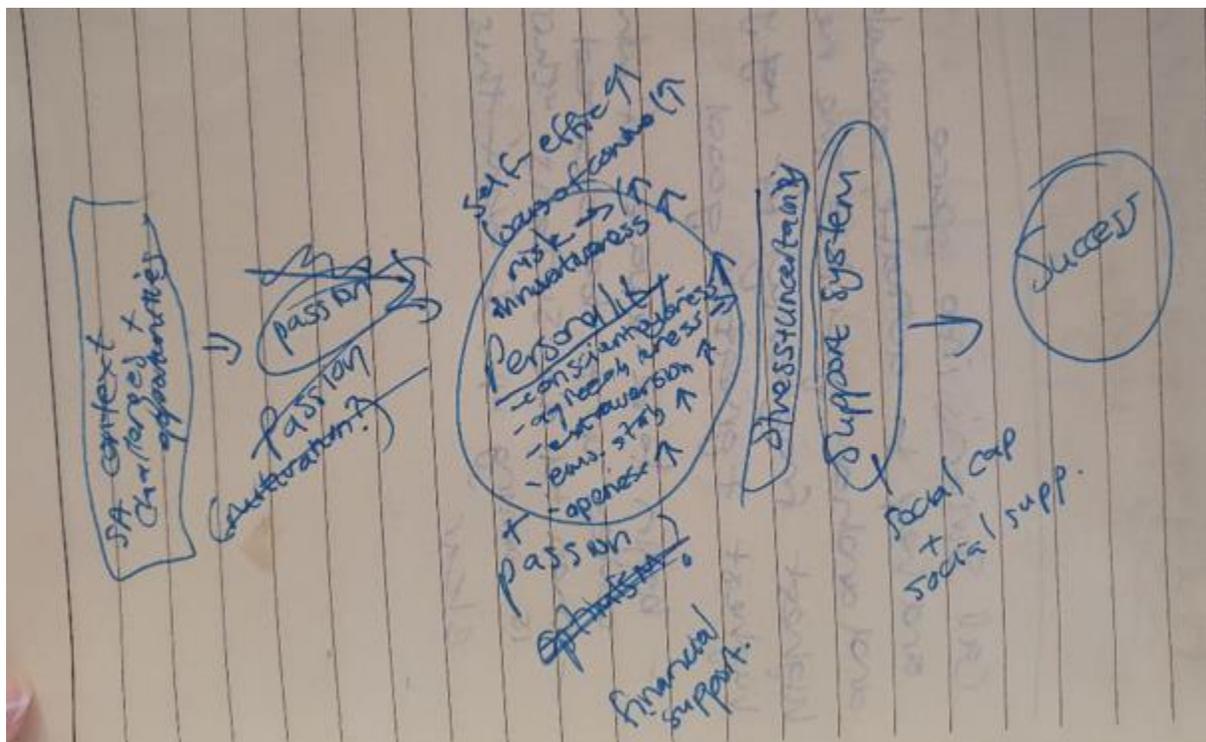
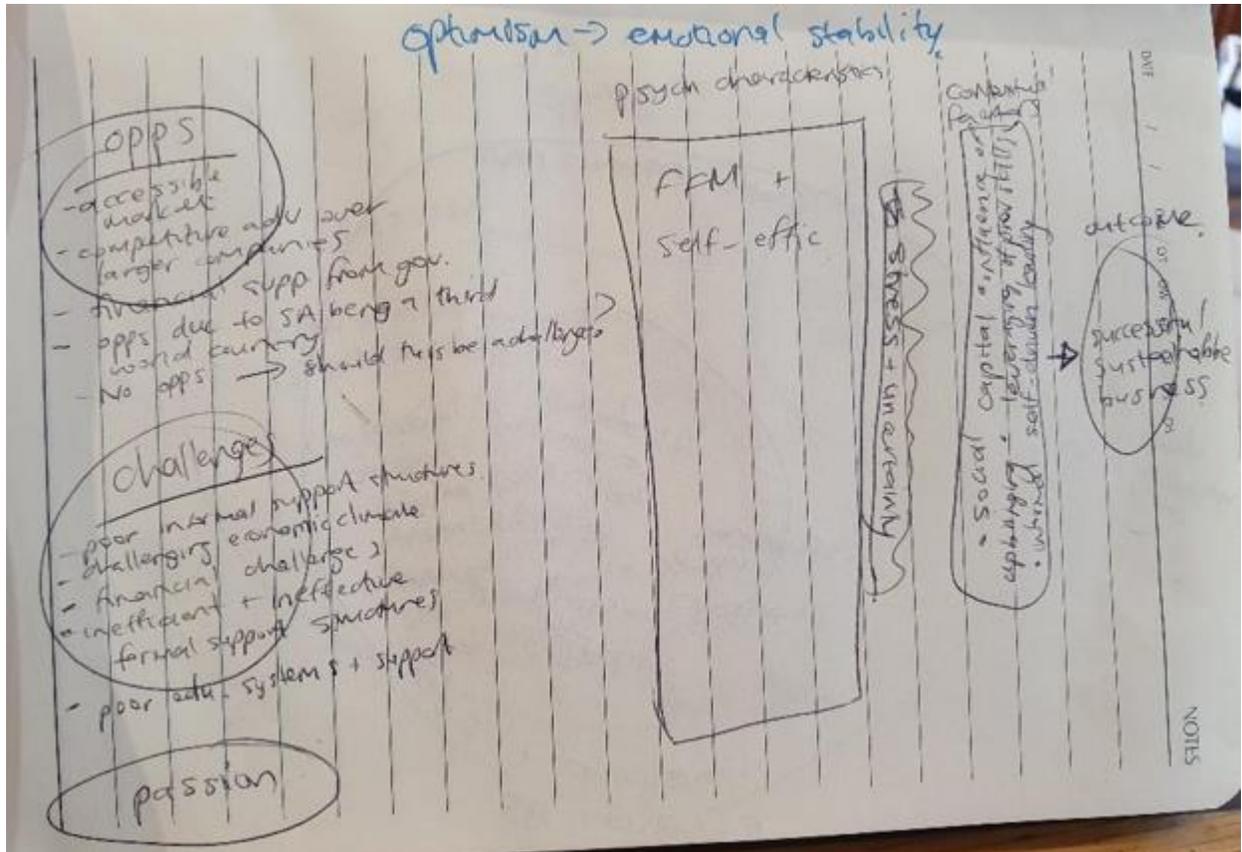
<u>INTERVIEWER</u>	When your business is facing these ups and downs and these major sort of challenges where you're questioning whether you can survive another month, how do you cope with that?	 <p>Natasha July 09, 2019 Implementation of new ideas</p>
<u>RESPONDENT</u>	<p>You don't really, you just do. You do and you don't. It's like you are willing as an entrepreneur to take money, me, out of whatever, to make it work. You kind of just - you talk to your support structure, you kind of - you restructure how things are working. Look, you can't you've got to be innovative, so when I had that terrifying year, I innovated like you have no idea. And the ideas that I implemented and came up with, I mean, the next year we literally turned over our gross annual target in the first three months, because of the innovation. </p>	
	<p>So the thing is, innovation takes money, so it's - you've got to be so crafty and thrifty sometimes, and think about ways that you can innovate that don't cost money, because there are ways that you can market without it costing you a lot of money, there are ways for you to offer things that don't cost you a lot of money, just to kick start that Boeing again ...[intervention]</p>	 <p>Natasha Innovation</p>
<u>INTERVIEWER</u>	Yes, and get that cycle, that process going.	 <p>Natasha Adaptability</p>
<u>RESPONDENT</u>	<p>Ja. So you can't just in those places of adversity, you can't literally just sit there and go, 'Okay, well, I will just take money out of my savings and fingers crossed.', because what did Einstein say, the definition of insanity is doing the same thing over and over again and expecting different results. You can't, you're showing - that year showed me that the way I had been doing things in the past no longer worked, and it's showing me consistently - it was the first time I need to learn how much you consistently need to adapt. Your model that worked in 2016 may not necessarily work in 2019. In fact, it probably won't, because things are changing, technologies are changing, people are ...[intervention]</p>	 <p>Natasha New ways of doing things</p>

APPENDIX D

Example of Phase 3 and 4 of the data collection process; searching for themes and reviewing the themes. The researcher conducted theme generation for the study by organising the identified codes and clusters of data into potential themes. Relevant data extracts with initial codes were copied into an Excel document and then organised and filtered accordingly. These codes were then reviewed and refined. The highlighted red writing indicates the relevant participant quote associated with the code and thus sub-theme and theme.

Response	Theme	Sub-theme	Code
The CIPC is one of the worst run entities, and yet it is supposed to be a regulator of all the small companies and listed companies in South Africa. So you're dealing with this very disorganised and difficult entity , which is supposed to govern all the rules and regulations for a small business owner or a medium business owner, or a large business owner, and they themselves are dysfunctional and subject to massive fraud and massive problems.	Perceived challenges faced by entrepreneurs	Insufficient and ineffective formal support structures	Disorganised business regulatory body
The CIPC is one of the worst run entities , and yet it is supposed to be a regulator of all the small companies and listed companies in South Africa. So you're dealing with this very disorganised and difficult entity, which is supposed to govern all the rules and regulations for a small business owner or a medium business owner, or a large business owner, and they themselves are dysfunctional and subject to massive fraud and massive problems.	Perceived challenges faced by entrepreneurs	Insufficient and ineffective formal support structures	Fraudulent business regulatory body
Starting at that point, if I wanted to create a company in South Africa right now, just pretend I was 22 years old, my first hurdle in all the hurdles would be the regulator itself. Second hurdle would be, I would say the government and its extension into tax. Taxes are high in South Africa, because we need to cover a budget deficit, and that budget deficit is directly caused by the bad government. So therefore if our government was less corrupt we would pay less taxes and we wouldn't require as much taxation from corporations, specifically an individual who wanted to feed the starving family.	Perceived challenges faced by entrepreneurs	Financial challenges	High taxes
Second hurdle would be, I would say the government and its extension into tax. Taxes are high in South Africa, because we need to cover a budget deficit, and that budget deficit is directly caused by the bad government. So therefore if our government was less corrupt we would pay less taxes and we wouldn't require as much taxation from corporations, specifically an individual who wanted to feed the starving family.	Perceived challenges faced by entrepreneurs	Insufficient and ineffective formal support structures	Corrupt government
And thirdly we're looking at the Department of Trade and Industry, which by their mandate have been trying to stimulate the trade and industry, we then start leaning towards the education structure, which is a massive problem as well, in the sense that you as an 18 year old finishing off high school don't really know much. The things that you weren't taught about maths are just the tip of the iceberg, because you don't know anything about incorporating yourself as a company. A lot of people don't know what a sole trader is, a lot of people don't know what a partnership is.	Perceived challenges faced by entrepreneurs	Poor educational systems and support	Lack of entrepreneurship education at school or university
you get taught at school that if you study hard and you go university, you will get a good degree and you will get a good job, but nowhere on that list is, if you understand the world you will be able to build your own business and follow your passion.	Perceived challenges faced by entrepreneurs	Poor educational systems and support	Lack of career guidance for entrepreneurship career paths at school and university

In parallel to this, as part of phase 4 of the data collection process, the researcher made rough sketches of possible thematic maps to represent and explain the patterns emerging in the findings. Two examples of these sketches are shown below. These ideas were then refined, resulting in the conceptual model outlined in Chapter 4, Figure 1.



APPENDIX E

REC approval letter

**NOTICE OF APPROVAL**

REC: Social, Behavioural and Education Research (SBER) - Initial Application Form

1 October 2019

Project number: 8906

Project Title: An investigation in to the psychological characteristics that South African entrepreneurs attribute to the success of their businesses.

Dear Miss Natasha Pirie

Your response to stipulations submitted on 26 August 2019 was reviewed and approved by the REC: Humanities.

Please note the following for your approved submission:

Ethics approval period:

Protocol approval date (Humanities)	Protocol expiration date (Humanities)
23 July 2019	24 July 2022

GENERAL COMMENTS:

Please take note of the General Investigator Responsibilities attached to this letter. You may commence with your research after complying fully with these guidelines.

If the researcher deviates in any way from the proposal approved by the REC: Humanities, the researcher must notify the REC of these changes.

Please use your SU project number (8906) on any documents or correspondence with the REC concerning your project.

Please note that the REC has the prerogative and authority to ask further questions, seek additional information, require further modifications, or monitor the conduct of your research and the consent process.

FOR CONTINUATION OF PROJECTS AFTER REC APPROVAL PERIOD

Please note that a progress report should be submitted to the Research Ethics Committee: Humanities before the approval period has expired if a continuation of ethics approval is required. The Committee will then consider the continuation of the project for a further year (if necessary)

Included Documents:

Document Type	File Name	Date	Version
Default	Revised Supervisor CV_L Bailey__REC application	23/05/2019	1
Recruitment material	Revised COMMUNICATION TO POTENTIAL PARTICIPANTS --6 June	06/06/2019	2
Data collection tool	Revised Semi-structured interview guide - phase 1_6 June	06/06/2019	1
Research Protocol/Proposal	Revised Research proposal - Natasha Pirie - 6 June 2019	06/06/2019	1
Informed Consent Form	Revised Informed consent - phase 1_12 June	12/06/2019	1
Informed Consent Form	Revised Informed consent - phase 2_12 June	12/06/2019	1
Informed Consent Form	Revised Informed consent - phase 1_12 June	12/06/2019	1
Informed Consent Form	Revised Informed consent - phase 2_12 June	12/06/2019	1
Default	Revised biographical information form phase 1 - 12 June	12/06/2019	1
Default	Revised biographical information form phase 2 - 12 June	12/06/2019	1
Default	Revised DESC Report_Natasha Pirie 13 June 2019.v2	13/06/2019	1

Data collection tool	Revised focus group discussion guide - phase 2_21 Aug	21/08/2019	1
Debate	REC letter - approved with stipulations	21/08/2019	1

If you have any questions or need further help, please contact the REC office at cgraham@sun.ac.za.

Sincerely,

Clarissa Graham

REC Coordinator: Research Ethics Committee: Human Research (Humanities)

National Health Research Ethics Committee (NHREC) registration number: REC-050411-012.
The Research Ethics Committee: Humanities complies with the 24 National Health Act No.61 2003 as it pertains to health research. In addition, this committee abides by the ethical norms and principles for research established by the Declaration of Helsinki (2013) and the Department of Health Guidelines for Ethical Research: Principles Structures and Processes (2nd Ed.) 2015. Annually a number of projects may be selected randomly for an external audit.

APPENDIX F

Turnitin in summary report

An investigation in to the psychological characteristics that South African entrepreneurs attribute to the success of their businesses

ORIGINALITY REPORT

21%	17%	4%	16%
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5	Submitted to University of Stellenbosch, South Africa Student Paper	1%
6	fashionomicsafrica.org Internet Source	1%
7	core.ac.uk Internet Source	1%

APPENDIX G



SUBMISSION OF MINOR-THESIS FOR EXAMINATION

Name of student:	Natasha Pirie
Student number:	19608144
Name of study leader:	Lisa Bailey
Title of thesis:	An investigation in to the psychological characteristics that South African entrepreneurs attribute to the success of their businesses

The following checklist must be adhered to when submitting a minor-thesis for examination:

		✓
1.	Language editing	✓
2.	Referencing according to APA 6 th Edition	✓
3.	General editorial care	✓
4.	Ethical clearance letter (REC) included after the reference list	✓
5.	Turnitin similarity index signed off by the study leader ¹	✓

I hereby declare that the work submitted is ready for examination.

Lisa Bailey

Signature of study leader

Date:

20 Aug 2020

Natasha Pirie

Signature of student

Date:

20 Aug 2020

¹ To be included as part of the documentation sent to the examiners.