# INVESTIGATE ENTREPRENEURIAL SKILLS OF CONTINGENT EMPLOYEES IN SMALL RETAIL BUSINESSES IN ROODEPOORT AS JOB SECURITY DETERMINANT

by

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I declare that:

Investigate Entrepreneurial Skills of Contingent Employees in Small Retail Businesses in Roodepoort as Job Security Determinant is my own work and that all the sources I have used or quoted have been indicated and acknowledged by means of complete references.

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#### **ABSTRACT**

Entrepreneurial skills stimulate entrepreneurial activities. An increase in entrepreneurial activities culminates in high economic growth, creation of employment, and alleviation of poverty. South Africa's entrepreneurial activity ratio stands at 9.1%, far below 14.3% of the BRICS (Brazil, Russia, India, China and South Africa) countries. Entrepreneurship is a national priority endeavour which helps absorb individuals searching for employment. Small, Medium and Micro Enterprises (SMMEs) provide employment to approximately 61% of households in South Africa. SMME shutdowns have increased and can be attributed to lack of entrepreneurial proficiencies. Hence, contingent employees in small retail businesses face poor working conditions, are unprotected by labour legislation, low remuneration, skills redundancy, and discrimination. They are also not affiliated with a union. The foregoing variables lead to job insecurity. Job insecurity leads to job dissatisfaction, disloyalty, and low organisational commitment. The study investigated whether contingent employees in Roodepoort have entrepreneurial skills to be entrepreneurial, as an avenue to offset job insecurity. The question why contingent employees are not entrepreneurial in Roodepoort was posed. A sample composed of 129 contingent employees from 60 small retail businesses in Roodepoort was used. Results showed a positive relationship between entrepreneurial skills entrepreneurship, job insecurity and entrepreneurship, and contingent employees and job insecurity. However, it appears that contingent employees in Roodepoort were not affected nor concerned about job insecurity. They possess a significant understanding of entrepreneurial skills, yet they are not entrepreneurial.

**Keywords:** Contingent employees, entrepreneurial skills, job insecurity, self-employment, entrepreneurship

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#### LIST OF ABBREVIATIONS AND ACRONYMS

BDSCs - Business Development Services Centres

BRICS - Brazil, Russia, India, China and South Africa

CCMA - Commission for Conciliation, Mediation and Arbitration

CIPC - Companies and Intellectual Property Commission

COSATU - Congress of South African Trade Unions

CPPP - Community Public Private Partnership

**ECC** – Employment Conditions Commission

ECI – Employee Confidence Index

FET - Further Education and Training

FLFP - Female Labour Force Participation

GDP - Gross Domestic Product

**GEM** – Global Entrepreneurship Monitor

IDC - Independent Development Corporation

ILO – International Labour Organisation

IMF – International Monetary Fund

LED - Local Economic Development

NAMAC - National Co-ordinating Office for Manufacturing Advisory

**Centres Trust** 

NDP - National Development Plan

NEF – National Empowerment Fund

NYDA - National Youth Development Agency

SABPP - South African Board for People Practice

SAIE - South African Institute for Entrepreneurship

SAMAF - South African Micro-Finance Apex Fund

SAQ - Self-administered Questionnaire

SEDA - Small Enterprise Development Agency

SEFA - Small Enterprise Finance Agency

SMMEs - Small, Medium and Micro Enterprises

SPSS - Statistical Package for the Social Sciences

TEA - Total Entrepreneurship Activity

TIA – Technology and Innovation Agency

UNISA - University of South Africa

#### CHAPTER 1: INTRODUCTION AND OVERVIEW

#### 1.1 INTRODUCTION

The South African workforce has been faced with various changes since the revised labour laws in the early 1990s that resulted in an increased use of contingent employees while reducing prospects for permanent employment (Barchiesi, 2010:70; Leibbrandt, Woolard, McEwen & Koep, 2008:14; Altman, 2006:37). The value of the labour laws is to advocate for fair maximum hours of work, protection of the labour force, and distribution of equitable wages and eliminating a discriminatory working environment for all employees. The Labour Relations Act No. 66 of 1995, Skill Development Act No. 97 of 1998, Basic Conditions of Employment Act No. 75 of 1997, and the Employment Equity Act No. 55 of 1998 (South Africa, 1995, 1998a, 1997, 1998b) were passed into law with intentions of improving labour peace and preserving employees' rights and human dignity. Altman (2006:29) recorded a high number of employees with weak or unwritten employment contracts, but with the promulgation of the Basic Conditions of Employment Act of 1997, by 2002, 70% of employees had written employment contracts. These laws ultimately protect the interests of the poor and weaker members of society.

Fourie (2008:111) expresses dismays on the limitations of the South African labour laws that seemed to only safeguard permanent employees' environment while lacking the efficiency to advance the rights of contingent employees. As a result of this phenomenon, the principle of social justice is sacrificed and there is an unprecedented increase in contingent employment as opposed to permanent employees. However, there are several factors which give rise to an increase in contingent employment. These factors range from diminished traditional employment contracts, budgetary constraints in the private and public sector, and labour market deregulation. Contingent employees represent a valuable source of low wage and flexible workers.

Dachapalli and Parumasur (2012:31) identify other factors which encouraged contingent employment, such as the global economic downturn; the volatile situation of global economic conditions; outsourcing certain functions of business and new advances in information technology. Barchiesi (2008:128) caution that contingent jobs offer employers access to compliant employees who rely on contract renewal. On the contrary, businesses face several economic challenges which heighten their needs for cheaper workforce.

Consequently, companies had to minimise production costs in order to survive. In 2016, contingent employment decreased by 84 000 quarter-on-quarter (Statistics South Africa, Q2:2016). A quarter-on-quarter drop of 212 000 of permanent jobs was recorded. The continued growth of contingent jobs within the labour markets is affirmed (International Labour Organisation [ILO], 2016). The aforementioned statistics are likely to exclude the actual growing number of low-paid employees due to migrant workers within the South African economy.

According to Bhandari and Heshmati (2006:3), job insecurity remains a matter of grave concern and presents an opportunity for closer investigation and debate around the factors that may ignite entrepreneurial conversation and activity. A compelling argument advanced by Fourie (2008:112) is that most contingent employees are poorly educated, unskilled, and have no access to collective bargaining coverage, thus leaving them exposed to job insecurity as compared to full-time employees. Increasing unemployment rates could be used to measure the time it takes to lose and find another job (Berglund, Furaker & Vulkan, 2014:167). A number of scholars have offered varying definitions for job insecurity, but an underlying factor is the fear of job loss, threats of losing job features, and a sense of powerlessness about the job of an employee (McGuinness, Woolen & Hahn, 2012:1; Bhandari and Heshmati, 2006:3).

In light of this background, contingent employment versus permanent jobs, the researcher identified the gap of entrepreneurial skills of contingent employees as a fundamental base to entrepreneurship and self-employment in order to avert contingent job insecurity. The objective of the study is to investigate entrepreneurial skills of contingent employees in small retail businesses in Roodepoort. Studies of

entrepreneurial skills have gained support in literature (Kirzner, 1973; Kuratko, 2005; Aldrich & Kim, 2007; Ardichvili, Cardozo & Ray, 2003). The theory of Lazear (2005:676) posits that the probability of becoming an entrepreneur is enhanced by the level of entrepreneurial skills which can be attained through education, work experience, and be passed on by relatives.

Entrepreneurial skills are important for successful entrepreneurship. The skill sets can be classified as personal, technical and managerial talents (Henry, Hill & Leitch, 2005:104; Cooney, 2012:7; Nieman, 2001:446). These skill sets can be broken down further as creativity, networking, innovation, time management, technology, finance, marketing, and leadership skills (Nieuwenhuizen, 2008:3). The investigation of entrepreneurial skills process is another intervention within the entrepreneurial theory that involves identifying potential entrepreneurs and stimulates entrepreneurship.

The significance of entrepreneurial skills is clearly emphasised in literature, but the question is whether contingent employees have entrepreneurial skills in small retail businesses in Roodepoort. If so, why have they not opted for starting and running their own business ventures? This question gives rise to the problem statement and objectives of the study.

#### 1.2 BACKGROUND

Push or pull factors have the propensity to increase entrepreneurial activity. According to Dawson and Henley (2012:699), pull factors relate to perceived available opportunities for self-employment, while push factors are associated with perceived necessities for being entrepreneurial. Several scholars (Segal, Borgia & Schoenfeld, 2005:44; Meyer and Landsberg, 2015:3678) concur that in the push theory, individuals are pushed into entrepreneurship by negative external forces, such as job dissatisfaction, unemployment, poor salaries, and inflexible work schedules. In contrast, according to the pull theory, individuals are attracted to entrepreneurial activities by seeking self-fulfilment, wealth, independence, and other self-enrichment factors.

During economic crises and rising unemployment rates, individuals may be pushed towards entrepreneurship (Dawson and Henley, 2012:670). Entrepreneurship ignited

through pull factors originate from the needs for personal autonomy, financial betterment, and exploitation of market opportunities. A distinction is made between "opportunity-based" and "necessity-based" self-employment in the Global Entrepreneurship Monitoring (GEM) report (Turton and Herrington, 2012:8).

According to Dawson and Henley (2012:700), the opportunity-based theory leans towards favourable business opportunities coupled with necessary capabilities for being entrepreneurial. In this regard, potential entrepreneurs are pulled towards self-employment due to high expected earnings, low interest rates for borrowing, and access to factors of production. Capability includes, but is not limited to, the necessary education and entrepreneurial skills to start a business.

Necessity-based entrepreneurs are pushed towards entrepreneurship and selfemployment by negative external forces such as unemployment, lay-offs, redundancy, and unavailability of decent jobs (Dawson and Henley, 2012:700). Statistics South Africa reported slight unemployment increases of 0.3% year-on-year change from 24.5% to 26.7% in the first quarter of 2016. This is still a concern. According to the push theory, rising unemployment lowers opportunities for finding decent jobs and permanent jobs (Dawson and Henley, 2012:701; Berglund, *et al*; 2014:167).

In this turbulent economy of rising unemployment, job losses for the employed become the order of the day. In the first quarter of 2015 to the first quarter of 2016, contingent employment dropped by 191 000 (Statistics South Africa, Q2:2016). The number of employed people in the informal sector dropped by 111 000 in the first quarter of 2016 when compared to the fourth quarter of 2015. The largest decrease was recorded in trade sector at 79 000 (Statistics South Africa, Q2:2016). Contingent employment offers virtually no job security due to lack of protection by labour laws, unions, and poor earnings. As a result, contingent employees are exposed to job insecurity within small retail businesses (Barchiesi, 2010:68). Small businesses tend to employ more employees compared to larger businesses. According to Bhandari and Heshmati (2006:3), contingent employees are unprotected and tend to be easily demoted, retrenched, or dismissed despite their years of service and loyalty.

Drawing from a non-economic perspective, there are other determinants that give rise to entrepreneurship, such as internal motivators including the desire for autonomy, innovation, self-realisation, and oversupply of job seekers (Dawson and Henley, 2012:702). A migration of job-seekers from an agricultural environment to an industrial sector contributes to an oversupply of labour, which feeds the necessity for entrepreneurship.

There is a separate but less developed literature of contingent employees' job insecurity, which seldom has been studied. Bringing contingent employees' job insecurity and entrepreneurial skills together is important for highlighting any relationships and differences. A combined analysis of entrepreneurial skills and contingent employees enables a comparison of the relative value of job insecurity for the effectiveness of entrepreneurial skills.

#### 1.2.1 The rationale for this study

Contingent employment seems to be the order of the day (Leibbrandt, *et al*; 2008:14). Many small retail businesses cannot provide opportunities that may lead full-time employment which offers security and benefits such as medical aid, leave, and pension. A great number of contingent employees find themselves without alternatives but to stay in jobs that are contingent in nature.

In this study, the researcher sought to establish whether contingent employees have entrepreneurial skills that can be used as an offset to contingent jobs. Entrepreneurial skills contribute towards effective entrepreneurship and intrapreneurship. Small retail businesses can be easy to start and run with all factors equal. A small business can run on a part-time basis until a prospective entrepreneur breaks even and makes a profit. Starting as a part-time entrepreneur can also help entrepreneurs develop and harness appropriate entrepreneurial, technical and managerial skills. While the debate rages on regarding whether entrepreneurs are born or made, entrepreneurial skills can help individuals harness their life skills and support employees within the business to do their jobs better.

It is argued that entrepreneurship activity in South Africa moved from 7% to 9.2% from 2014 to 2016, which is too low for a developing country such as South Africa (Herrington and Kew, 2015). The established business ownership rate is at 2.7%, and entrepreneurial intention stood at 10% by the end of 2015. The education system has contributed to the low level of entrepreneurial intentions. As a result of the repercussions of lack of education, assertiveness in people to start up businesses as a means of creating job opportunities rather than being job seekers is undermined. The main question to address is: What are the main issues that may seem to be confronting Roodepoort communities to opt for contingent jobs rather than entrepreneurship?

#### 1.3 CLARIFICATION OF KEY CONCEPTS

#### 1.3.1 Entrepreneurship

Although many scholars have written about entrepreneurship, no unanimous definition yet exists. Several scholars explore entrepreneurship from an economic, psychology, sociology, social, and management view. Schumpeter (1934) was among the first scholars who defined and clarified entrepreneurship. The concept is multidimensional. Antonites (2003:3) defines entrepreneurship as an important drive and skills to create wealth, idea generating, opportunity identification, and acting to transform it into a sustainable growth-orientated business, combining all prerequisites of efficient entrepreneurship. The emphasis is on adequate entrepreneurial skills, competencies, and knowledge base to stimulate and ensure quality entrepreneurship. Life's uncertain future and economic challenges require skilful entrepreneurs.

Ogundele, Akingbade and Akinlabi (2012:149) describe entrepreneurship as the "process of emergence behaviour and performance of an entrepreneur" in order to make profits. The entrepreneur's behaviour is proactive, innovative, and dynamic in nature. Based on this view, individuals can be entrepreneurial both as employees, students, or while searching for employment.

A complementary description provided by Kobia and Sikalieh (2010:111) indicates, "entrepreneurship is a process whereof individuals use organized efforts and means to pursue opportunities to create value and grow fulfilling wants and needs through innovation and uniqueness, no matter what resources are controlled". It appears that entrepreneurship can be a process of starting and running an own company or someone else's company.

Entrepreneurship is usually equated with small business, self-employment, and owner management (Gibb, 2007:5). Entrepreneurship is larger than small business management. It entails creativity, risk-taking, innovation, and networking skills (Chell, 2013:12-13). Schaper and Volery (2004:4) further describe entrepreneurs as individuals who undertake entrepreneurial activities as risk-taking people who forge through uncertainty and bring a balance between supply and demand in a specific market (Kroon, 1998:2) while acting innovatively in all spheres. It also entails an ability to turn business ideas into action.

Lack of a unanimous definition of entrepreneurship can also be ascribed to the interdisciplinary and multidisciplinary traditions within the field of entrepreneurship research (Ahmad and Seymour, 2008:6). However, the typical features which distinguish entrepreneurs from non-entrepreneurs entail new ventures, creative acts, innovation, capitalising on an idea, taking risks, and leadership. In furtherance of this viewpoint, Gibb (2007:2) considers that a universal view can witness the way individuals and companies start and execute new ideas, the way things are done, the way they proactively respond to the environment, and the way they manage change and uncertainty. In general, entrepreneurship is described as the unique way individuals and business act.

Another phenomenon of entrepreneurship includes "intrapreneurship", also known as "corporate entrepreneurship". Intrapreneurship is the process by which individuals inside companies pursue business opportunities without regard to the resources under their control (Guth and Ginsberg, 1990:6). An intrapreneur can be a manager or individual who provides a business solution or technical knowledge to a business problem. The success of an intrapreneur results in effective business processes and systems and renewal of ideas. Effective intrapreneurship leads to a birth of new business within the organisation known as corporate venturing. However, entrepreneurship is also perceived to be the effective combination of factors of

production such as capital, land, and natural resources to produce goods or services for profit reasons (Mostert, Oosthuizen, Smit & Van der Vyver, 2002:5).

It is thus incumbent upon scholars to define their terms according to the study. For this study, the definition suggested by Antonites (2003:3) applies. These authors describe entrepreneurship as a "capacity and willingness to start, organise and manage a business accepting its risks and benefits for the purposes of long-term profit". Entrepreneurship entails activities undertaken by an entrepreneur, and such activities distinguish entrepreneurs from non-entrepreneurs.

#### 1.3.2 Entrepreneurial skills

Entrepreneurial skills are heterogeneous in nature. Nascent entrepreneurs must learn specific skills to run successful businesses, which may be referred to as managerial skills and technical skills (Henry, et al; 2005:10; Cooney, 2012:7; Nieman, 2001:446). Hartog, Van Praag and Van Der Sluis (2010:949) add that entrepreneurial skills include non-cognitive abilities, for instance, inborn and interpersonal skills. Entrepreneurial skills combine a series of personal, managerial, and technical skills. According to Nieuwenhuizen (2008:3), entrepreneurial skills encompass attributes such as proactiveness to initiate, achievement orientation, and commitment to succeed. Successful entrepreneurs seem to possess a collection of skill sets such as interpersonal skills, personal skills, technological skills, and leadership skills.

Lazear (2005:655) suggests that nascent and novel entrepreneurs should be multiskilled, or be a jack of all trades in order to succeed as entrepreneurs. Classification cognitive skills include managing business finances, identification of markets for the business, flexible and adaptive to technology, and build management information systems. On the other hand, non-cognitive skills refer to building business networks, effective communication, and ability to negotiate (Hartog, et al; 2010:950).

According to Morgan, Marsden, Miele and Morley (2010:117), entrepreneurial skills refer to commercial, social and leadership skills. The imperative skills for effective entrepreneurship include physical resources, human capital resources, and organisational capital resources (Haber and Reichel, 2007:120). Ogundele, *et al* 

(2012:149) bring out that entrepreneurial skills are attainable through entrepreneurial orientation. Some scholars posit that education and training programme are important to achieving entrepreneurial skills (Prodan and Drnovsek, 2010:341). For purposes of this study, the definition given by Hartog, *et al* (2010:949) applies, which suggests that entrepreneurial skills are cognitive and non-cognitive in nature. Entrepreneurial skills are essential because they impact on people's economic, personal, and social lives. Entrepreneurial skills provide an opportunity cost regardless of whether individuals start a business or remain employed.

#### 1.3.3 Contingent employment and employees

There is no universal definition of contingent employment or employees due to the complex nature of work done by contingent employees. Contingent jobs refer to employment contracts of limited duration (Zeytinoglu, Denton, Davies & Plenderleith, 2009:259). Various schools of thought exist concerning categories of contingent jobs. Gallagher and Parks (2001:185) distinguished contingent jobs as follows: seasonal work, part-time, fixed-term temps, consultants, freelance, and casual and interim contracts of employment. The employment contracts range from written to verbal agreements. Fourie (2008:111) found that contingent employees do not enjoy adequate protection from labour laws. Scholars (Polivka, 1996:4; Zeytinoglu, 2005:11; Fullerton and Wallace, 2007:203; Leibbrandt, *et al*; 2008:14; Costa, Ceatano & Santos, 2016:6) found that there are different types of contingent employment contracts.

Application of the definition of contingent employment or employees will differ from one country to another. In Britain, Chapman (1994:16) describes contingent employees as individuals who work 20-30 hours per week on an ongoing basis. On the other hand, Sparks, Faragher and Cooper (2001:490) define contingent employees as "temporary and occasional part-time employees, often contracted from outside agencies or independents". Furthermore, Polivka and Nardone (1989:11) describe contingent work as any work whereby individuals do not have an explicit or implicit contract of employment, and minimum hours of employment can vary in a non-systematic way. According to South African researchers such as Leibbrandt, *et al* (2008:14), contingent

employees are defined as people working on a fixed end-date contract and work less than 35 hours per week.

Contrary to the foregoing views, contingent employment can be continuous, seasonal, cyclical, and project-based. Contingent employees may have no explicit or implicit long-run working arrangement (Polivka, 1996:3). Contingent employees are described as employees who are directly employed by the company to work seasonally, cyclically, and temporarily or consultants and employees hired to work through employment agency companies (Gallagher and Parks, 2001:185). Wilkin (2013:48) suggests four types of contingent employees, namely, agency, direct-hire, contractors, and seasonal employees. The view is validated by Zeytinoglu, *et al* (2009:258) when they state that contingent employment concerns "employment conditions of non-permanent contracts, part-time or casual hours, involuntary hours, on-call work, split shifts, pay per visit, and hourly pay with variable hours". Thus, contingent jobs denote perceived employment insecurity, labour market insecurity, and turnover intention (Zeytinoglu, *et al*; 2009:258). Contingent jobs are associated with poor health. On the contrary, Bernhard-Oettel, Sverke and De Witte (2007:312) found no correlation between job security and employees employed on a contingent basis.

Essentially, contingent employees refer to individuals who do not expect their jobs to last. In other words, their jobs can be terminated at anytime either for socio-economic reasons or due to the employer's volition (Polivka, 1996:10). United State Bureau of Labor Statistics (BLS:2005) provides for three descriptions of the contingent employement concept, which are as follows: "1) individuals with wage and salary who expect their jobs to last one year or less, and who have been in the current job for one year, 2) workers, including self-employed or independent contractors, who expect their jobs to last for one year or less, and 3) all employees who do not expect their jobs to last, even if they have held the job for more than one year". Bernasek and Kinnear (1999:468) compared employees who prefer and those compelled to take up contingent jobs. Their study reveals that contingent jobs could be positive for some and negative for others.

This study will use a stereotypical definition of contingent employees because it is adequate for the study. The South African view held by Leibbrandt, *et al* (2008:14) will apply. The authors contend that contingent employment consists of a provisional group of contingent employees who work on a non-permanent basis, for example, contract workers, temps, casual workers or seasonal workers.

#### 1.3.4 Job insecurity

Job insecurity refers to employed people who feel threatened by unemployment (Dachapalli and Parumasur, 2012:31-32; De Witte, 2005:2; Berglund, *et al*; 2014:167). According to De Witte (1999:156), job insecurity can be conceptualised from two perspectives, namely, "a sense of powerlessness to maintain a desired continuity in a threatened job situation" and job insecurity signifying the threat of job loss and job discontinuity. Job insecurity can also be underscored as a perception of lack of control by contingent employees (Barling and Kelloway, 1996:255). Greenhalgh and Rosenblatt (1984:438) cited in Dachapalli and Parumasur (2012:32) argue that job insecurity cannot be limited to the degree of uncertainty only but also to include the following components:

- the severity of the threat pertaining to job continuity;
- the powerlessness to maintain desired continuity in a threatened job situation;
   and
- the inability of the contingent employee to control his/her environment.

Several scholars offer different definitions for job insecurity, but the common understanding is that it is the fear of involuntary job loss. According to Zeytinoglu, *et al* (2009:259), job insecurity denotes a circumstance whereby an employer can arbitrarily dismiss or lay off employees or where legislation for hiring and firing are relaxed. Job insecurity also refers to a situation where an "employer can shift employees from one job to another, or alter or reduce the content of the job at will" (Zeytinoglu, *et al*; 2009:259). However, Martinez, De Cuyper and De Witte (2010:196) suggest that job insecurity measurements could also be multi-dimensional and global. For this study, the

working definition of job insecurity is perceived as a threat of job loss or job features and a sense of powerlessness at a workplace (Bhandari and Heshmati, 2006:3).

#### 1.3.5 Small business sector

Globally, the small business sector is reportedly playing an important role towards boosting employment creation, poverty alleviation, gross domestic production and equitable distribution of wealth (Soni, Cowden & Karodia, 2015:15). Despite resounding economic contributions, Small, Medium and Micro Enterprise (SMME) definitions differ across sectors, industries and also across countries worldwide, including South Africa. Bridge, O'Neill and Cromie (2003:180) concur that no universal SMME or small business definition for that matter currently exists. Qualitative and quantitative definitions have been applied to interpret and classify SMMEs. The quantitative method classifies SMMEs according to the size of the entity, number of employees, maximum turnover, and maximum assets in accordance with the sectors, subsectors, and industry.

One organisation classifies a range of small businesses from "medium-sized enterprises, such as established traditional family businesses employing over a hundred people, to informal micro-enterprises" (Small Enterprise Development Agency [SEDA], 2016:5). The differences are in respect of the number of employees employed, annual returns, and assets. The South African economy places SMMEs on the lowest level of the economy, where survivalist businesses are located (Berry, Von Blottnitz, Cassim, Kesper, Rajaratnam & Van Seventer, 2002:25). Prominent global multilateral institutions have defined SMMEs as indicated in Table 1.1 (Gibson and Van der Vaart, 2008:5).

Table 1.1: SMME definitions used by multilateral institutions

Institutions	Maximum number of	Maximum revenue or	Maximum
	employees	turnover	assets
World Bank	300	15 000 000	15 000 000
Multilateral Investment Fund –	100	3 000 000	None
Inter-American Development			
Bank			
African Development Bank	50	None	None
Asian Development Bank	No official definition. governments	Uses definitions of ind	ividual national
United Nations Development	200		None
Programme			

Source: Adapted from Gibson and Van der Vaart (2008:5)

Table 1.1 depicts at least five different small business sector definitions suggested by global multilateral institutions. The purpose of the table is to illustrate different interpretations by multilateral organisations. The significance of these institutions is that they play an important role in the development of South Africa's economy. The table further elucidates different interpretations of what small business is. The World Bank's definition indicates a larger number of small businesses (World Bank Group, 2012) compared to the Multilateral Investment Fund (MIF) of the Inter-American Development Bank (IADB), African Development Bank, and United Nations Development Programme (UNDP). The series of definitions clearly depict that SMMEs vary from one industry and sector to another.

Another symbolic distinction can be drawn among the Brazil, Russia, India, China and South Africa (BRICS) countries, since South Africa is part of the association for economic growth. BRICS countries comprise five countries which represent the world's emerging markets and act as a counterweight to the G8 and G20, which are dominated by affluent countries. The definition of small business is depicted in Table 1.2.

Table 1.2: SMME definitions used by respective BRICS countries

Enterprise category	Brazil	Russia	India	China	SA
Number of employees					
Micro	1-19	-	0		< 5
Small	10-49	15-100	0	< 300	< 20-49
Medium-sized	20-49	15-100	0	> 300-2 000	50-200
Turnover		•			
Micro	0	0	Rs 50	-	< 200 000
Small	0	400 million	> Rs 50-60	< Y30 million	R3-32
		RUB max	million		million
Medium-sized	0	1 billion RUB	Rs 60-99 million	< Y30-300	R5-64
		max		million	million

Sources: Adapted from D'Imperio (2011:9)

Since South Africa is part of the BRICS countries, the performance of SMMEs is compared with developing countries within BRICS. Furthermore, SMMEs are dependent on trade and competitiveness on BRICS countries for growing the economy as indicated earlier. Abor and Quartey (2010:219) assert that SMMEs stimulate international trades. However, South Africa still experienced a slow gross domestic product (GDP) of 1.6% in 2014 and 1.3% in 2015 respectively. It is indicated that entrepreneurship contributes about 45% to South Africa's GDP (Herrington and Kew, 2015:75). Poor performance in entrepreneurship affects GDP.

The definitions of the National Small Business Act of 1996 as amended by the National Small Business Amendment Act 26 of 2003 provide for micro enterprises to have few than five employees, very small businesses to have 6 to 20 employees, small businesses to have 21 to 50 employees, and medium businesses to have fewer than 200 employees, as brought out in Table 1.2. The National Small Business Amendment Act 26 of 2003 provides broad quantitative criteria for the classification of each enterprise that falls within the SMME sector, as shown in Table 1.3.

Table 1.3: Classification of Small, Micro and Medium Enterprises as per Act

Sector or Subsector in	Enterprise	Number of	Annual	Gross assets,
accordance with industries	size	employees	turnover	excluding fixed
				property
Agriculture	Medium	100	R5m	R5m
	Small	50	R3m	R3m
	Very Small	10	R0.50m	R0.50m
	Micro	5	R0.20m	R0.10m
Mining and Quarrying	Medium	200	R39m	R23m
	Small	50	R10m	R6m
	Very Small	20	R4m	R2m
	Micro	5	R0.20m	R0.10m
Manufacturing	Medium	200	R51m	R19m
	Small	50	R13m	R5m
	Very Small	20	R5m	R2m
	Micro	5	R0.20m	R0.10m
Electricity, Gas and Water	Medium	200	R51m	R19m
	Small	50	R13m	R5m
	Very Small	20	R5.10m	R1.90m
	Micro	5	R0.20m	R0.10m
Construction	Medium	200	R26m	R5m
	Small	50	R6m	R1m
	Very Small	20	R3m	R0.50m
	Micro	5	R0.20m	R0.10m
Retail and Motor Trade and Repair Services	Medium	200	R39m	R6m
	Small	50	R19m	R3m
	Very Small	20	R4m	R0.60m
	Micro	5	R0.20m	R0.10m
Wholesale Trade, Commercial Agents, and Allied Services	Medium	200	R64m	R10m
	Small	50	R32m	R5m
	Very Small	20	R6m	R0.60m
	Micro	5	R0.20m	R0.10m
Catering, Accommodation, and Other Trade	Medium	200	R13m	R3m

Sector or Subsector in	Enterprise	Number of	Annual	Gross assets,
accordance with industries	size	employees	turnover	excluding fixed
				property
	Small	50	R6m	R1m
	Very Small	20	R5.10m	R1.90m
	Micro	5	R0.20m	R0.10m
Transport, Storage, and Communications	Medium	200	R26m	R6m
	Small	50	R13m	R3m
	Very Small	20	R3m	R0.60m
	Micro	5	R0.20m	R0.10m
Finance and Business Services	Medium	200	R26m	R5m
	Small	50	R13m	R3m
	Very Small	20	R3m	R0.50m
	Micro	5	R0.20m	R0.10m
Community, Social and	Medium	200	R13m	R6m
Personal Services	Mediaiii	200	1(15)11	Rom
	Small	50	R6m	R3m
	Very Small	20	R1m	R0.60m
	Micro	5	R0.20m	R0.10m

Source: Adapted from South Africa (2003)

The significance Table 1.3 is to show differences between SMMEs within the sectors and subsectors. The differentiating factors entail number of employees employed, annual returns, and total assets. It appears that differences according to sectors and industries are remarkable and culminate in varied applicability of the definition and practices. According to Abor and Quartey (2010:225), South Africa' SMMEs can further be classisfied based on locations, for instance, urban and rural, organised and disorganised, registered and unregistered small businesses, or developed and developing economies. This categorisation further affects preferable statistical and economical definitions of the small business sector.

A solution to the prevailing small business definition problems was proposed by tabling an economic and statistical definition (Bolton Committee, 1971). Economic definition regards a business as as small business if it meets three criteria: relatively small share of marketplace, managed by owners in a personalised way without legitimised management structure, and autonomous from large businesses condition (Storey, 2016:9). The statistical definition depicted three measurements for small businesses as to quantify small business contribution as per economic aggregates, as per changes of contribution overtime, and as per contribution of small business in one country to another country. However, what remains universal and essential is that small businesses contribute to employment, innovation, and exports. Storey (2016:10) further distinguishes small businesses from large businesses according to uncertainty, innovation, and evolution. Thus, this study will apply the National Small Business Act of 1996 as amended by the National Small Business Amendment Act 26 of 2003 because it provides a more South African-focused analysis.

#### 1.4 RESEARCH PROBLEM

In South Africa, entrepreneurship contributes up to 45% to GDP and 70-80% to employment, which is the lowest compared to developed countries (Herrington and Kew, 2015; Mkhize, 2014:20). The small business sector boasts South Africa's employment rate and GDP. However, small business is largely affected by the scarcity of resources, such as capital, land, materials, technology, entrepreneurial skills, and access to markets, which make it harder for small business to survive, trade satisfactorily, and make profits. This phenomenon gives rise to economies of scale, reduced labour, reliance on contingent employees, and reduced working hours (De Kok, Vroonhof, Verhoeven, Timmermans, Kwaak, Snijders & Westhof, 2011:7).

The small business sector faces serious challenges; to survive, it needs to be versatile, innovative, and very entrepreneurial to sustainably employ the current workforce. The World Economic Forum' 2015 Global Agenda entailed income inequality and jobless growth as a global crisis. Slow growth of the economy continues to pose challenges to effective enterprising and consequently decent jobs.

High competition for low levels of job opportunities in the formal sector compels people to necessity entrepreneurship (Herrington and Kew, 2015). The small business sector's retrenchment scale increased significantly up to 13 020, and a 40% rise in retrenchment cases were registered with the Commission for Conciliation, Mediation and Arbitration (CCMA) (CCMA, 2015). Tough economic conditions bite the labour market. The Adcorp Employment Index (2014) reported a decline of 54 184 in permanent employment and an increase of 27 250 contingent employment by May 2014.

The reports cited above are collaborated by the Statistics South Africa (Q2:2016) report employment levels, which show 212 000 per quarter decrease in employment, and 84 000 of those are contingent jobs. The current phenomenon does not look good for South Africa given that 11 000 decent jobs that must be created by 2030 as stated in the National Development Plan (NDP). It was reported in the fourth quarter of the Solidarity Employee Confidence Index (ECI) that 18% of the respondents felt insecure in their jobs compared to 32% of the third quarter survey in the same year (Van Onselen, Joubert, Brink and Lamberti, 2016:3).

Contingent jobs offer low earnings, poor working conditions, redundancy, discrimination, minimal representation by unions, and job dissatisfaction, which culminate in job insecurity. Low-level education, contingent jobs, mergers and incorporation, rationalisation, lay-offs, and globalisation exacerbate contingent employees' fear of job loss. South Africa's apartheid laws, which were premised on exclusion of African people from economic mainstreams, severely reduced expansion of education, entrepreneurial and artisan skills among the majority of people in South Africa (Altman, 2006:16).

South Africa's entrepreneurial activity remains low; however, marginal growth has been witnessed over the last 10 years. Women's entrepreneurship has increased due to government-focused programmes which boasted entrepreneurial activity. South Africa's Total Entrepreneurship Activity (TEA) stands at 7%, and entrepreneurial intention stands at 10% (Herrington and Kew, 2015). If job insecurity is classified as a push factor towards entrepreneurship (Verheul, Thurik Hessels & Van der Zwan, 2010:5) and entrepreneurial skills as a pull factor into entrepreneurship (Dawson and Henley, 2012:714), what are the reasons which may hinder contingent employees from entering

into entrepreneurship in Roodepoort? Therefore, the study aims to investigate whether contingent employees have the necessary entrepreneurial skills to start and run their own businesses as a job security determinant and entrepreneurial factor.

#### 1.4.1 Research questions

Given the aforementioned research problem, the research question to be answered is as follows:

 What are the main issues confronting Roodepoort communities to opt for contingent jobs rather than entrepreneurship?

The following secondary research questions are formulated:

- What level of importance do contingent employees assign job insecurity in small retail businesses in Roodepoort?
- What are the current competencies contingent employees have relating to entrepreneurship?
- What are the reasons hindering contingent employees from opting for entrepreneurship in Roodepoort?

#### 1.5 OBJECTIVES OF THE STUDY

#### 1.5.1 Primary objective

The primary objective of the study is to investigate entrepreneurial skills of contingent employees in small retail businesses in Roodepoort as job security determinant in order to document important entrepreneurial skills for starting and running an effective small business.

#### 1.5.2 Secondary objectives

To realise the primary objective, secondary objectives of the study are as follows:

- To determine the impact job insecurity has on contingent employees in small retail businesses in Roodepoort
- To investigate whether contingent employees have entrepreneurial skills in Roodepoort
- To evaluate causes hindering contingent employees from starting and running their own businesses in Roodepoort

#### 1.5.3 Hypotheses

The following hypotheses are addressed in this study:

Hypothesis 1a: Job insecurity is common among contingent employees in small

retail businesses in Roodepoort.

**Hypothesis 1b:** Job insecurity is not common among contingent employees in small

retail businesses in Roodepoort.

**Hypothesis 2a:** Contingent employees have entrepreneurial skills.

**Hypothesis 2b:** Contingent employees do not have entrepreneurial skills.

**Hypothesis 3a:** Entrepreneurship skills are effective in assisting contingent

employees to start up and run their business.

**Hypothesis 3b:** Entrepreneurship skills are not effective in assisting contingent

employees to start up and run their business.

#### 1.6 LITERATURE REVIEW

# 1.6.1 Entrepreneurial skills as an avenue to avert contingent employees' job insecurity

Various scholars believe that entrepreneurial activities can be improved through entrepreneurship education (Oosterbeek, Van Praag & Ijsselstein, 2010:443; Baptista,

Lima & Preto, 2013:319). The studies confirm that entrepreneurial skills are not inherent but can be attained through education – they are heterogeneous in nature.

According to Hartog, et al (2010:949), entrepreneurial skills can be divided into cognitive and social skills. Cognitive skills refer to technical skills and financial management skills. Social skills refer to the ability to network and organise resources. It has been shown that the effect of general education as measured in years of schooling on entrepreneurial performance is positive (Van der Sluis, Van Praag & Van Witteloostuijn, 2006), and business training is effective for the performance of people who have their own businesses (Karlan and Valdivia, 2006). Thus, Nieman (2001:446) suggests that although entrepreneurial training can be approached from different perspectives, attention should be paid to business skills training, technical skills training, and entrepreneurial skills training.

In a study by Sim (2005:191), 82 entrepreneurial skills were identified, and within the list, grouping and association of entrepreneurial skills according to location, culture, and importance was done. To conduct the study comprehensively, the researcher adapted some entrepreneurial skills from the study of Sim (2005) in order to develop a survey research questionnaire. The researcher has consolidated 14 out of 20 key entrepreneurial skills for investigation. Despite the ongoing debate on whether people are born entrepreneurs or whether entrepreneurship can be taught, it is becoming clearer that entrepreneurship, or certain facets of it, can be taught (Kuratko, 2005:580).

# 1.6.2 The effectiveness of entrepreneurship skills in assisting contingent employees to be entrepreneurial

It is stated that in order for contingent employees to have a passion for entrepreneurship, a distinction is usually drawn between push factors for employees that seek self-employment and pull factors which involve attracting people into starting and running a business (Basu and Goswami, 1999:164; Segal, et al; 2005:44; Fu, 2011:280). Based on studies conducted, push factors include an inability to find salaried employment, underpaid salaried work, discrimination in the labour market, and redundancy (Meyer and Landsberg, 2015:3678; Fu, 2011:280). On the other hand, pull

factors involve factors such as the desire for independence, financial betterment, higher social status, niche market identification, greater personal control, best use of expertise, previous business experience, and market research showing high growth potential.

#### 1.6.3 Job insecurity among contingent employees

According to Barling and Kelloway (1996:253), job insecurity can be associated with staff turnover and increased organisational disloyalty, as well as poor commitment from a contingent employee's perspective. Contingent employees encounter workplace uncertainties and dissatisfaction which result in job insecurity (Roskies and Louis-Guerin, 1990:348; Meltzer, Bebbington, Brugha, Jenkins, McManus & Stansfeld, 2010:1406).

The evolution of job insecurity can be associated with less protection by labour laws for contingent employees compared to full-time employees. The impact of collective agreements, bargaining councils, salary and wage negotiations, and consultation meetings are at the centre of contingent employees' vulnerability; employers in small businesses prefer to hire already trained employees to do the job. The reasons for the importance of a skilled workforce from employers' perspectives are related to costs, time, and efficiency. As a result, employers are reluctant to provide training to contingent employees (Posel and Muller, 2007:2).

Contingent employees have limited mobility towards full-time employment. The prospects of moving from a contingent to a full-time position are restricted. Limited mobility in terms of contingent employment means that employees lack the decision-making independence regarding better earnings, working conditions, or new positions (Posel and Muller, 2007:2; Hoffman, 2009:347). Employers will generally give lower-level responsibility and authority to a contingent employee compared to a full-time employee (Chapman, 1994:16).

The above-mentioned phenomenon is also known as job characterisation, whereby an employer makes choices and judgements about preferred employees, with the choice often prejudicing contingent employees; contingent employees enjoy less protection from unions. The impact of unionism is commendable because it represents and

protects employees against unfair labour practices and unfair dismissal. Because of the nature of prolonged job insecurity, small retail businesses also stand to lose, as it eventually decreases organisational commitment or loyalty of contingent employees. This therefore increases poor customer services, inefficiencies, and thefts within the business (Barling and Kelloway, 1996:254).

## 1.6.4 Determinants of job insecurity to contingent employees

The determinants of job insecurity consist of internal and external environmental factors (Green, Felstead & Burchell, 2000:872). The internal factors influencing job insecurity among contingent employees relate to the fact that they are often less educated, less skilled, and have less work experience. Therefore, they remain concentrated in mundane and unskilled jobs for which they become easily replaceable (Posel and Muller, 2007:3; Human Sciences Research Council [HSRC], 2008:29). According to De Beer, Rogerson and Rogerson (2014:92), the nature and level of responsibility given to contingent employees are considerably lower compared to their counterparts. As cited in Roskies and Louis-Guerin (1990:353), some external factors such as poor pension and medical scheme benefits, job level, redundancy, length of service, merger, and employment rate of the country are sources of job insecurity.

### 1.7 RESEARCH METHODOLOGY

According to Welman, Kruger and Mitchell (2005:8), there are two approaches or paradigms to research, namely, qualitative and quantitative methods. The qualitative approach seeks facts or causes of social phenomena with little regard to the subjective state of the individual (Cooper and Schindler, 2014:144). Welman, *et al* (2005:188) define quantitative approach as a formal, objective, systematic process for obtaining quantifiable information. It is presented in numeric form and makes analyses through the use of statistics.

The quantitative method was used to investigate the use of entrepreneurial skills as an intervention strategy to assist contingent employees overcome job insecurity and start up their own businesses. The important objective of the study was to investigate entrepreneurial skills of contingent employees in small retail businesses as a job

security determinant which could be useful to starting and running own businesses. A quantitative approach offers statistical data used to generalise findings. The researcher opted for this method in order to minimise subjectivity, and the sample represented the population's perception of entrepreneurial skills and job insecurity factors. The quantitative method has four research designs which are discussed next.

## 1.7.1 Research design

According to Cooper and Schindler (2014:82), a research design is a plan for responding to the study problem and objectives. A research plan specifies methods and procedures to be applied in collecting and analysing data. Welman, *et al* (2005:52) argue that a research design must specify the number of groups to be used, whether they will be drawn randomly and the type of experiment to be used.

The research design for this study was a descriptive survey. The descriptive study supported aims and objectives set for the study. The researcher collected data that provided an account of contingent employees in small retail businesses in Roodepoort. Quantitative data was generated by the method. Descriptive studies' instruments for collecting data include questionnaires, interviews, and observations (Polit and Hungler, 1999).

Survey research obtains information by asking questions, tabulating responses, and summarising responses with percentages, frequency counts, and then drawing inferences about a particular population from the sample (Cooper and Schindler, 2014:238). The data collection tools include questionnaires, telephone interviews, and personal interviews. Research design components structured according to Cooper and Schindler (2014:85), which will also be discussed in this study, are as follows:

- data collection methods
- questionnaire design
- sampling
- measuring scales
- data analysis

## 1.7.2 Population and location of the study

A population can be defined as a full set of cases or study objects from a sample that is taken (Welman, *et al*; 2005:53). It consists of individuals, groups, organisations, or human products from which data can be sourced. In this study, the targeted population comprises contingent employees from small retail businesses in Roodepoort, Gauteng. Roodepoort is located in the western part of Johannesburg in the Gauteng province, South Africa. According to the Census of 2011, the population of Roodepoort is projected at approximately 326 416 (Statistics South Africa, 2012).

According to sources, 503 small businesses in Roodepoort were available on one database (Roodepoort Information, 2013; Roodepoort Chamber of Commerce and Industry, 2013). These small businesses were classified in groups such as beauty shops, liquor stores, restaurants and fast food outlets, filling stations, general dealers, and clothing stores. Questionnaires were distributed to 165 contingent employees in 60 small retail businesses within Roodepoort, but only 129 questionnaire were collected. One of the primary problems that affected the study was the absence of comprehensive and reliable data on the number of contingent employees in small retail businesses in Roodepoort or in Gauteng province. The researcher accepted that contingent work is temporary in nature and so is its workforce.

### 1.7.2.1 Eligibility criteria

According to Zikmund, Babin, Carr and Griffin (2010:398), eligibility criteria refer to characteristics the population retains. The population of this study must possess the following eligibility criteria:

- be South African
- be contingent employees
- be employed within the small retail businesses in Roodepoort

## 1.7.3 Sampling

Sampling is the process of obtaining a portion of the population from which data is to be obtained (Welman, *et al*; 2005:56). Welman, *et al* (2005:56) list two types of sampling, namely, probability sampling and non-probability sampling.

## 1.7.3.1 Sampling method

According to Cooper and Schindler (2006:408), probability sampling consists of various sampling techniques such as random, stratified, cluster and systematic sampling. Welman, et al (2005:56) highlight some non-probability sampling techniques such as judgemental or purposive sampling, quota sampling, snowball sampling, and convenience sampling. Nieuwenhuis (2013:73), however, revealed that non-probability sampling techniques are most appropriate for qualitative studies. Probability sampling was selected for the study given that contingent employees required were unknown. This method entailed selecting a representative sample by means of random contingent employees within small retail businesses. This further allowed the researcher to divide the population into different sub-groups and then randomly selected the final subjects proportionally from different strata.

Stratified sampling was applied to the study because the researcher needed to divide the population into groups, also known as strata. According to Nieuwenhuis (2013:79), criterion sampling is used when the researcher requires to be distinct about the unit of analysis eligible for inclusion and exclusion from the study. Criterion sampling principles were thus applied to select a sample of small retail businesses from the small businesses database of Roodepoort. This technique was adopted in order to give preference to the small retail businesses only.

### 1.7.3.2 Sample size

As earlier indicated, 503 small businesses in Roodepoort are available on one database (Roodepoort Information, 2013; Roodepoort Chamber of Commerce and Industry, 2013). Questionnaires were distributed to 60 small retail businesses within Roodepoort. A quota of 10% contingent employees per small retail business was consulted.

According to Zikmund, *et al* (2010:340), it is impractical to collect data from 503 small retail businesses due to costs and time at hand. Stratified sampling was applied to categorise the small retail businesses in Roodepoort: Beauty shops, Liquor stores, Restaurants & Food outlets, Filling stations, General Dealers, and Clothing stores. The approach was applied to offset possible overestimation or underestimation of the population. The researcher distributed questionnaires to 60 small businesses and reached 165 contingent employees, but only 129 responses were received.

## 1.7.3.3 Sample rationale

As per the National Small Business Act No. 26 of 2003, small businesses can employ between 5 to 50 employees. As a result, 60 small retail businesses in Roodepoort provided an opportunity to generalise the findings. This number constitutes a fair representation.

#### 1.7.4 Measurement instruments

For the purpose of this study, a five-point Likert rating scale where one (1) indicates strongly agree and five (5) indicates strongly disagree was used to measure variables. Other related rating scales such as "very certain and very uncertain", "very likely and very unlikely" and "no understanding and full understanding" were used to test variables. As Cooper and Schindler (2006:339) state, a Likert scale provides a volume of data and is easier and quicker to construct. The main advantage of the scale is to add each respondent's score and secure the total score. In this case, the researcher will be able to control the score of the responses from contingent employees when presenting questions to participants.

## 1.7.5 Data collection

Data collection in descriptive surveys is normally conducted through face-to-face interviews, a telephone interview, or email questionnaire (Cooper and Schindler, 2006:140). According to Saunders, Lewis and Thornhill (2005:283), several data collection methods may be considered, such as observation, paper-and-pencil interviewing, experimenting, and self-administered questionnaires.

Self-administered questionnaire (SAQ) approach was applied to collect data. This approach permitted contingent employees to complete questionnaires without the intervention of the researcher. The benefits of using the SAQ method are that it guarantees anonymity and encourages participation. Leedy and Ormrod (2005:185) found that SAQ can have a low response rate. The researcher distributed the questionnaire in person in various suburbs of Roodepoort. Close-ended questions were used to address required objectives in order to make statistical inferences about the characteristics of the contingent employees (Leedy and Ormrod, 2005:184). This database was collected from the Roodepoort Information and the Roodepoort Chamber of Commerce (Roodepoort Information, 2013; Roodepoort Chamber of Commerce and Industry, 2013).

## 1.7.6 Data analysis

Cooper and Schindler (2006:77) state that data analysis involves reducing accumulated data to a manageable size, developing summaries, looking for patterns, and applying statistical techniques. Quantitative data analysis could be analysed in data tabulation, descriptive data, data disaggregation, and advanced analytical methods. The Statistical Package for the Social Sciences (SPSS) software was used in order to describe and analyse sets of quantitative data concerning contingent employees in the Roodepoort district. Descriptive statistics illustrate calculations used to describe the data set. Data was edited and captured for processing, with the provision of descriptive measures aimed at describing data in terms of structure. Data was summarised for each variable in the form of frequency tables.

Cooper and Schindler (2006:707) refer to correlation as a relationship through which two or more variables change together such that systematic changes in one accompany systematic changes in another. In this study, correlation was used to show whether there is a relationship between entrepreneurial skills and job insecurity of contingent employees, which could pull or push them towards self-employment in Roodepoort.

## 1.7.7 Reliability and validity

Reliability and validity are important to ascertain if the study results are applicable to the area of study. It is thus critical to ensure that the data is reliable and valid in order to measure what was predetermined.

Reliability refers to the consistency of the measurement instrument. In other words, reliability is the degree to which an instrument measures the same way each time it is used under the same conditions with the same subjects (Zikmund, *et al*; 2010:304). It is relatively impractical to calculate reliability; thus, four ways of calculating reliability include (1) inter-rater reliability, (2) test-rester reliability, (3) parallel forms of reliability, and (4) internal consistency reliability. To enhance reliability in this study, the instruments were administered consistently to ensure standardisation in the application of the instrument from one respondent to another among contingent employees in small retail businesses in Roodepoort. The consistency of results was measured with Cronbach's alpha.

Validity refers to the extent to which an instrument measures what it is supposed to measure and perform (Leedy and Ormrod, 2005:190). When the measuring instrument is valid, the researcher has confidence that the conclusion drawn from the study is warranted and defensible. It is unusual that instruments can be 100% valid. So, validity is generally measured in degrees. To ensure that validity is measured properly, the researcher ensured that the instrument used measured what it was supposed to measure among the contingent employees in order to avoid biased information. Pilot testing was also used to test validity.

### 1.7.8 Ethical considerations

Cooper and Schindler (2006:709) refer to ethics as "norms or standards of behaviour that guide moral choices about research behaviour". Based on ethical considerations, the researcher ensured that the right to confidentiality and privacy was central to the study. This was maintained in the following ways:

- Contingent employees were asked if they were willing to participate and were offered the option of not completing some or all of the questions on the questionnaire if they were uncomfortable.
- Contingent employees were provided a covering letter as guided by the supervisor and the research committee. The letter explained the nature of the research project, provided the assurance that the privacy of the participants in the small retail businesses in the Roodepoort district would be protected, and that anonymity and confidentiality would be promoted and maintained.
- Contingent employees were also informed that the collection of data was only for purposes of the study.

The study adhered to Unisa research ethics policy and procedures.

#### 1.8 JUSTIFICATION OF THE STUDY

Over time, contingent employees have been faced with job insecurity. Contingent jobs have accelerated because of changing labour market environment, mergers, rate of unemployment, less protection from labour laws, and businesses' human resources policies (Green, *et al*; 2000:867). This phenomenon infers fragility and vulnerability among contingent employees.

The study is inspired by the "push-pull theory" (McAulay, Zeitz & Balau, 2006:573-8). The theory refers to three components of organisational commitment, namely, affective, normative, and continuance. Affective and normative organisational commitments denote emotional attachment to and identification with the company. Continuance commitment suggests that employees feel locked into the company because of lack of employment opportunities (McAulay, *et al*; 2006:574).

Following job insecurity, the rationale for the study is to raise awareness and suggest an alternative career path to promote entrepreneurial activities in Roodepoort. As indicated, contingent employees are characterised by low qualifications and less work experience. Various researchers concur that entrepreneurial skills have positive qualities towards stimulating entrepreneurial activities that fulfil socio-economic roles (Kroon, 1998:29;

Rasmussen and Sorheim, 2006:186; Isaacs, Visser, Friedrich & Brijlal, 2007:616). Studies conducted in respect of entrepreneurial skills that focus on general employees in the agriculture and services sector among civil servants provide positive conclusions (Rivera and Davis, 2008:411; Sundin and Tillmar, 2008:115).

Essentially, this study will focus on contingent employees in small retail businesses in Roodepoort. This is done with the intention of promoting self-development of personal qualities, and technical and business skills that are relevant to entrepreneurship so that contingent employees can start and run businesses.

### 1.9 SIGNIFICANCE OF THE STUDY

Entrepreneurship is the backbone of many economies across the globe. The study's significance is that key success factors for promoting an entrepreneurial mindset, skills and culture will culminate in increased entrepreneurial activities and economic welfare in the Roodepoort district. According to Obschonka, Silbereisen, Schmitt-Rodermund and Stuetzer (2011:124), entrepreneurial benefits consist of financial freedom, job satisfaction, personal growth, networks and job security, and friendly work environment.

Contingent employees could use the information in this study to understand the effectiveness of entrepreneurial skills, and consequently, this could assist them to start up and run their own businesses. The information obtained through this study can also assist managers in small retail businesses to understand job insecurity faced by contingent employees and the potential negative impact of this on customer services, organisational commitment and loyalty, and efficiency and productivity. As a result, small retail businesses will have a better understanding of the importance of job security among contingent employees.

The findings of the study will further assist policymakers and the government to focus their SMME strategy and entrepreneurial programmes on contingent employees. It is widely accepted today that entrepreneurship fuels socio-economic prosperity and job creation.

From existing literature, it is evident that there is a dearth of research on the entrepreneurial skills of contingent employees in the small retail business environment (Belous, 1989:8; Bhandari and Heshmati, 2006:2). Consequently, this study could potentially add to the body of knowledge by building on existing literature.

### 1.10 LIMITATIONS AND DELIMITATIONS OF THE STUDY

Limitations and delimitations of the study are set to limit the scope of the study in order to ensure that the study can be generalised. The conclusions and generalisation reflect the kind of limitation the researcher anticipated.

Limitations are influences which the researcher cannot control. According to Hofstee (2011:87), limitations refer to the extent to which the researcher can generalise the scope of the study. The following limitations were encountered in this study:

- The sample size was 503 small businesses but was composed of other types of small businesses such as manufacturing, services, and others.
- The sample did not indicate which small retail businesses employ contingent employees and which ones do not. Some small retail businesses indicated that they use family members who were described as permanent employees.
- There is no database of contingent employees in Roodepoort. Therefore, the researcher does not know how many contingent employees there are in small retail businesses in Roodepoort.
- It was difficult to reach contingent employees in small retail businesses. The
  researcher appointed three trained fieldworkers in order to cover a wide area
  within Roodepoort.
- One hundred and sixty-five self-administered questionnaires were distributed, but only 129 met the standards.
- The study approach became expensive and time-consuming.

• The research method was inflexible, and approved instruments by the Unisa ethical committee could not be altered without reapplication and approval.

This study on contingent employees is limited to job insecurity rather than other factors associated with contingent jobs. The number of questionnaires to be distributed will be determined in Chapter 2 when sufficient literature and secondary data have been collected to determine the number of variables extracted from the literature.

Delimitations are boundaries set for the study. According to Hofstee (2011:87), delimitations or delineations can be defined as what the researcher will not be responsible for. As a result, the study had the following delimitations:

- The study will only focus on small retail businesses in Roodepoort rather than on all types of small businesses.
- The study will review entrepreneurial skills and job insecurity factors.
- This study is restricted to contingent employees within Roodepoort.
- The study uses the quantitative method.

#### 1.11 CHAPTERS OUTLINE

The study consists of five chapters. The structure of the study follows.

### Chapter 1: Introduction

The chapter provided an overview of the study and concise description of the literature review and methodology that would be used in the study.

### Chapter 2: Literature review

This chapter presents a comprehensive literature review of the concept of job insecurity and entrepreneurial skills. It explains the list of ideal entrepreneurial skills. The chapter facilitated the development of the study questionnaires.

# Chapter 3: Research methodology

The chapter discusses the methodology opted for the study. The quantitative method approach was used for the study. A detailed description of the requirements and instruments used to collect and analyse data is provided.

## Chapter 4: Findings

This chapter is a presentation and interpretation of the results of the study.

## Chapter 5: Discussions, conclusions and recommendations

The chapter discusses the results, drawn conclusions and recommendations made based on the findings in the penultimate chapter.

### 1.12 CONCLUSION

This chapter presented an introduction to the topic, the problem statement, the objectives of the study, and preferable techniques used to collect data and analyse it. A questionnaire method was used to collect data from contingent employees.

Entrepreneurial skills pull potential and nascent entrepreneurs into full entrepreneurship; hence, job insecurity pushes potential entrepreneurs towards entrepreneurship. The study's purpose is to investigate entrepreneurial skills among contingent employees in small retail businesses in Roodepoort and determine if job insecurity exists to drive contingent employees to entrepreneurship. An increase in entrepreneurial activities leads to economic growth, creation of employment, and alleviation of poverty. The chapter also presented the research design used to collect data and analyse data by means of a questionnaire.

The next chapter will be a literature review on job insecurity determinants and ideal entrepreneurial skills for contingent employees.

# **CHAPTER 2: LITERATURE REVIEW**

### 2.1 INTRODUCTION

The previous chapter introduced the study and its purpose and discussed the research problem of the study. It outlined methods used to collect data and established the approach to be followed. This chapter focuses on theoretical and empirical literature relating to entrepreneurial skills and job insecurity faced by contingent employees in small retail businesses in Roodepoort. The chapter presents a literature review of key entrepreneurial skills and justifies why they are important for an entrepreneur.

Several scholars (Michelacci, 2003:207; Akande, 2012:345) support the theory that active entrepreneurship and entrepreneurial skills give rise to economic growth, employment, and social welfare. While entrepreneurship and related skills are important for economic freedom and growth and eradication of unemployment, entrepreneurs and small businesses face challenges and struggle to thrive. The problems associated with small businesses vary but include lack of access to infrastructure, capital, entrepreneurial skills, cash flow, technology, and cost of labour and labour laws & (Sharma, Chrisman Gersick. 2012:12; Scarborough and Zimmerer, 2003:374, Herrington and Kew, 2015; Jones and Tilley, 2003:8).

Small business failure rates are high, standing between 70 and 80% (Brink, Cant & Ligthelm, 2003:1). Small businesses experience slow growth and are unable to reach their potential to create decent employment. The ILO's definition of decent employment entails a conducive working environment which delivers equitable income, security, social protection, and better opportunities for employees' development (ILO, 2009).

SMMEs' survival journey and failure phenomenon culminate in the formation of contingent jobs. The reasons for entering contingent employment differ from one labour market to individuals. These reasons include for income or extra income, re-entering

workforce, test-driving after graduation, or looking for permanent work (Leibbrandt, *et al*; 2008:14). Weaknesses associated with contingent jobs and workforce range from job insecurity, job dissatisfaction, lower wages, unfavourable work conditions, increased work accidents, lack of training opportunities to high job strain (Bhandari and Heshmati, 2006:3; Barchiesi, 2010:68).

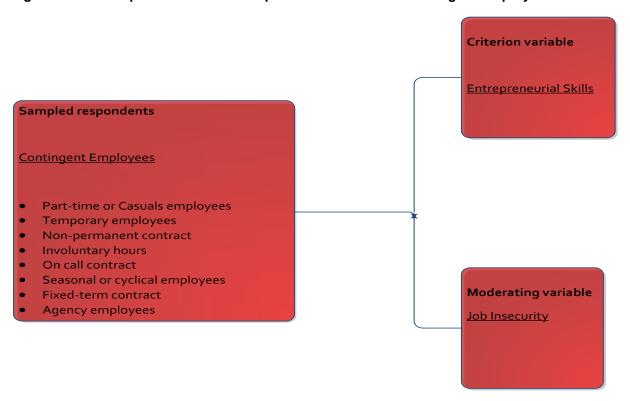
Job insecurity is associated with employed people who feel threatened by their conditions of employment, job protection, redundant possibilities, high unemployment rate, and reduced possibility for re-employment (Dachapalli and Parumasur, 2012:36; De Witte, 2005:2; Berglund, *et al*; 2014:167-168). According to Meltzer, *et al* (2010:1406), contingent employees face workplace uncertainties and dissatisfaction which result in job insecurity (Roskies and Louis-Guerin, 1990:348).

The aim of the chapter is to justify the objectives formulated for the study in Chapter 1. More specifically, this literature review covers the following: entrepreneurial skills, classification of small business, categorisation of contingent employees, and job insecurity factors.

## 2.1.1 Study outline

Figure 2.1 outlines the conceptual model of entrepreneurial skills and contingent employees.

Figure 2.1: Conceptual model of entrepreneurial skills and contingent employees



### 2.2 THEORETICAL CONTEXT OF THE STUDY

Entrepreneurship is perceived as a driver of economic growth, source of employment, and innovation (Chell, 2013:12-13), while performance and leadership appear to be associated with organisational operation, performance, execution, and effectiveness. Entrepreneurship is about individuals undertaking enterprising activities either to generate profits or fulfil certain society demands (Schaper and Volery, 2004:4). There are distinguishing factors between entrepreneurs and non-entrepreneurs. Another layer of entrepreneurship exists within companies, namely, corporate entrepreneurship (or intrapreneurship). According to Strydom, Nieuwenhuizen, Antonites, De Beer, Cant and Jacobs (2007:2), corporate entrepreneurship refers to an establishment of business

units within existing companies. Thus, intrapreneurs are individuals responsible for designing organisations' departments, units, systems, and processes.

Literature suggests several entrepreneurial theories associated with the motive to enter into entrepreneurship. Some of these are discussed below.

- Cromie, Callaghan and Jansen (1992) cited in Apospori, Papalexandris and Galanaki (2005:142) found that an entrepreneur's work experiences, attributes, and the environment can stimulate entrepreneurship. Prospective entrepreneurs enter entrepreneurship when they perceive opportunities or competences. Therefore, individuals with entrepreneurial skills or affected by job insecurity can venture into entrepreneurship with all other factors being equal.
- McClelland (1961) indicates that individuals' socialisation process to entrepreneurship increases the chances for them to enter into entrepreneurship.
   A factor associated with individuals' entrepreneurial attributes entails the need for autonomy, achievement, and social responsibility.
- Alstete (2002) posits that "pull and push" factors are used to measure the
  propensity towards entrepreneurship. Push factors refer to components of
  necessity to individuals. These include job insecurity/dissatisfaction, insufficient
  family income, low education, and other components. On the other hand, pull
  factors relate to entrepreneurial drive, self-fulfilment, independence, and other
  similar factors.
- A theory by McClelland (1987) refers to personality traits of the entrepreneur. It
  reveals that key entrepreneurial measures are specific qualities individuals
  possess. Early association to work for rewards and profits cultivate
  entrepreneurship. Other affective qualities include self-confidence, locus of
  control, risk-taking attitude, and autonomy.

Apospori, et al (2005:158) reaffirm that qualities such as the need for autonomy, independence, personal variance, and risk-taking propensity distinguish entrepreneurs from non-entrepreneurs. Entrepreneurs are motivated by various possible benefits such

as profits, flexibility, job security, chance to make a difference, work on potential, and decision-making. Other entrepreneurs, such as social entrepreneurs, feel the need to solve social problems or effect change within communities.

The highlighted theories carry valuable measures to use to investigate entrepreneurial skills and intentions (Bae, Qian, Miao & Fiet, 2014:219). The study will apply the theoretical background of Alstete (2002) regarding pull and push factors to understand the level of entrepreneurship in Roodepoort.

The study further investigates job insecurity so as to understand its impact on contingent employees. According to Buitendach and De Witte (2005:27), job insecurity affects employees and could culminate in poor health, psychological distress, fear of organisational change, poverty, and job dissatisfaction. It leads to instability and uncertainty of employees' future within an organisation; thus, psychological withdrawal, disloyalty, and distrust rise. It also culminates in low productivity and loss of income for the organisation. Job insecurity is based on the probability of job promotion, permanent job, losing a job, and job features (Berglund, *et al*; 2014:167). It is therefore a subjective perception and work attitudes shown by workers.

The push-pull theory provides an overview of different categories to encourage individuals to go for entrepreneurship. Job insecurity and entrepreneurial skills are compatible factors to investigate if intentions for being entrepreneurial, driven by economic security, exist (Randolph-Seng, Mitchell, Marin & Lee, 2015:3). The impact of job insecurity on contingent employees is severe and includes high absenteeism and continual search for greener pastures. Job insecurity and job dissatisfaction stem from the same perception of poor conditions of employment. When the impact of job insecurity and dissatisfaction are higher, this should push affected people towards new venture creation (Rogerson, 2000:688) or at least a new career. On the same token, employees without employment benefits and with low earnings are expected to seek other economic security options. Push factors refer to attributes that drive employees towards quitting their job. In contrast, pull factors relate to ideals that attract employees towards new adventures (Ali Shah, Fakhr, Ahmad & Zaman, 2010:171). The push

factors are correlated with negative job connotations, according to this study; these include job insecurity and job frustration factors.

Segal, *et al* (2005:44) illustrate that in the pull theory, individuals are attracted to entrepreneurial activities by extenuating circumstances. These circumstances may have to do with independence, personal development, and opportunity identification. Conversely, in the push theory, individuals are driven to entrepreneurship by aggravating circumstances (Verheul, *et al*; 2010:40).

Forced to be entrepreneurial Driven to be entrepreneurial **Push factors Pull factors** To be autonomous Job security To be my own Changing world of Less salary work Poor working High earnings conditions Competences **Entrepreneurial** Less fringe benefits (skills and No job security experience) Saw an opportunity Economic freedom Lack of education Carry family Dissatisfied with tradition previous/current Enjoy social employer recognition Lack of career High education advancement opportunities Lack of recognition More financial Not enough time for

Figure 2.2: Pull and push dichotomies

Source: Adapted from Van der Merwe (2003)

benefits

Promotion

Research

culture

opportunity

Organisation

structure and

Lifework balance

Respect and values

South Africa has recorded an increase in prospective entrepreneurs' optimism for starting businesses in the country (Herrington and Kew, 2015:4). This confidence reasserts the existence of support for entrepreneurship. Despite the optimism in South Africa, the country faces a reduction of 30% entrepreneurial intentions rate (2013 to 2016). Nine percent of America's 18-64 age group starts new businesses in order to improve their standard of living, and 1.7% starts businesses due to lack of alternative employment (Schjoedt and Shaver, 2007:734). Good entrepreneurial support programmes are attributed to America's high entrepreneurial intentions rate. This finding also reveals that pull factors have a huge impact on Americans compared to push

Job Insecurity

family

location

Small size

Get out of

laying off

organisation

unemployment

Redundancy and

Organisation

factors. By contrast, Rogerson (2000:688) found that a higher number of new entrepreneurs entered entrepreneurship as a result of push factors.

Push factors have a higher impact on African entrepreneurs when compared to American entrepreneurs. The discussion advanced show that entrepreneurial entry can indeed be stimulated either by push or push factors. Dawson, Henley and Latreille (2009:2) established that choosing entrepreneurship over employment may be a complex decision and offers heterogeneous factors. The heterogeneity is displayed within demographics, such as gender, ethnicity, age, educational attainment, employment status, and housing tenure status. Mitchell (2004:171) revealed that women are often driven by financial autonomy, economic upliftment, and job satisfaction to entrepreneurship. Career advancement and desire to make money are the impetus for entering entrepreneurship. On the contrary, an Indian study by Vijaya and Kamalanabhan (1998:185) found that women were less likely to state financial gains or peculiar rewards as principal motivating factors rather than social goals and economic pressure. The male entrepreneurial entry is associated with pull factors, such as opportunity for self-determination, autonomy, control, and profit.

An interesting category includes those who are educated and who see entrepreneurial entrance as a space for independence and financial rewards, while those who are less educated feel compelled to start up a business in order to survive. On the other hand, an experienced employee may venture into entrepreneurship to avoid disruptive work conducts, such as poor remuneration, recognition, trust, promotion, and security (Verheul, *et al*; 2010:6).

Entrepreneurial entry is an essential occupational alternative for either experienced or dissatisfied employees (Dawson, *et al*; 2009:4). An American study conducted by Dennis (1996:660) found that American entrepreneurs enter entrepreneurship because they want to, not due to available options. It also appears that entrepreneurial entry can be stimulated by profit or non-profit motives, such as family traditions desires, innovative entrepreneurial acts, new institutional arrangements, or exploiting of new markets or sources of supply (Basu, 1998:314).

According to Dennis (1996:660), the majority of entrepreneurial entries are products of previous jobs. Basu (1998:316) recorded 72% self-employed African Asians in Britain. This high proportion was attributed to several entrepreneurial chains such as previous trading experience, family businesses, community involvement, and part-time employment. In a South African study by Mitchell (2004:174-175), it is reported that at least 87.5% of male and 44.7% female entrepreneur participants left their previous employments, and the majority of male participants left due to bad working conditions, such as low earnings and unconducive working situations. Consistent with this finding, Schjoedt and Shaver (2007:747) reveal that a positive relationship does exist between job dissatisfaction and potential entrepreneurship. It is thus reasonable that entrepreneurial entries could be pulled by possible life satisfaction or pushed by low levels of poor working conditions they are exposed to through contingent jobs (Schjoedt and Shaver, 2007:738). Verheul, *et al* (2010:8) find a close correlation between work experience and entrepreneurial entries.

In essence, the push-pull dynamics provide insight into the drivers towards entrepreneurship. They apply exclusively, though, according to gender differences and other factors.

In this study, a simple theoretical model is investigated. This model demonstrates that both push and pull factors can influence entrepreneurship among contingent employees and alter the attractiveness of paid employment.

### 2.3 CLASSIFICATION OF CONTINGENT EMPLOYEES

Contingent jobs are characterised by uncertainty pertaining to continued employment, conditions of employment, job location, and nature of their line management including permanent staff members to report to (Boyce, Ryan, Imus & Morgeson, 2007:6). Contingent jobs therefore create an inconspicuous category of employment. Reliance on contingent vacancies creates two groups within a business, i.e. a permanent group with relatively secure jobs and contingent groups with insecure jobs and low salaries. Contingent employment was traditionally associated with low-skilled employees, thus created underclass employees due low pay, job insecurity, and less training opportunities (Marler, Barringer & Milkovich, 2002:425).

Davis-Blake and Uzzi (1993:2) unveiled businesses' workforce selection perspectives. Table 2.1 shows a compilation of both individual employees and business decisions on contracts of employment. The first part of the table depicts the business employment contract perspectives of Davis-Blake and Uzzi (1993:2) and the second part of the table illustrates contingent employee job preference perspective by various scholars (Kalleberg, 2000:345-350; Broschak, Davis-Blake & Block, 2008:12-13; Kauhanen and Natti, 2015:785).

Table 2.1: Individual employees and businesses' contracts of employment decision process

Business workforce contracts perspective				
=	Costs perspective	External control	Bureaucratic	Job complexity
Preference or structural		approach	control perspective	approach
	Costs of employment	Employment	Business size and	Skills required
	affect the business'	practices	the extent of red	to do the job
_	choice of employment	influenced by	tape affect	affect the
Description	practices	external groups	employment	business choice
scrip		and by business'	arrangements	of employment
De		environment		
	To reduce wage and	The impact of		The use of
	benefits costs.	labour laws and		contingent
<u>e</u>	Not to convert	collective		employees until
Examples	contingent jobs into	bargaining forums		they are skilled
Ë	permanent			
Contingent employee job preference perspective				
a la	Searching for decent	Looking for extra	Test-driving after	Re-entering
ence	and permanent work	income	graduation	workforce
Preference or structural				
Pr				
	Involuntary part-timer	Voluntary part-	Voluntary part-	Can be both
	takes the job because	timer takes the job	timer takes the job	voluntary and
⊆	they were unable to find	for other reasons	for other reasons	involuntary part-
cription	a permanent job	except for	except for	timer
Descr		permanent	permanent	
<u> </u>		reasons	reasons	
	Tasks require low-	Tasks require	Tasks require	Workers have
	skilled workers, reduced	comparable skills	skilled employees,	comparable
	fringe benefits, low	and some training,	trained, identical	skills and some
	hourly rates, high	identical and	and hourly paid,	training,
bles	turnover	hourly paid,	alternative to	alternative to
Examples		alternative to	turnover	turnover
ш		turnover		

Contingent jobs' scope of work changed from only low-skilled labour force to highly skilled workforce. The tenure of contingent jobs also differs according to the job life cycles and the preferences theory. Table 2.1 shows how contingent employees enter contingent jobs and how businesses choose their workforce. According to Vittee and Makhubele (2014:1), only 4% of the South African workforce currently has more than one job. The study reports at least 33% of South Africans prefer multiple jobs to gain versatile skills and experience, 21% to save extra money, and 19% wants to meet daily financial obligations. It was uncovered in an American report that 4.9% of Americans have multiple jobs (Bureau of Labor Statistics, 2015). The increasing rate of unemployment and shortage of jobs show how desperate the labour market has become.

The Labour Force Survey of Statistics SA (2007) cited in the South African Board for People Practice (SABPP) (2012) report reveals that about half a million contingent employees had been working for the same employer for more than five years. Permanent jobs are scarce. One in four job seekers find full-time jobs (ILO, 2015). The costs associated with permanent employees are high. Such costs include medical schemes, retirement scheme, and costs associated with retrenchments and dismissals.

# 2.3.1 Types of contingent employment contracts

A contingent employee is defined as an individual who enjoys less protection from the Basic Conditions of Employment Act of 1997 (Fourie, 2008:111). Several types of contingent employment contracts exist in South Africa. Several scholars (Polivka, 1996:4; Zeytinoglu, 2005:11; Fullerton and Wallace, 2007:203; Leibbrandt, *et al*; 2008:14; Costa, *et al*; 2016:6) studied contingent workforce employment contracts and reveal the following definitions:

- Open-ended employment (CDI) refers to a normal form of employment contract between an employee and employer without fixed terms.
- Fixed-term employment (CDD) is when an employer recruits an employee for a
  prescribed limited period of time. This type of contract is entered into for specific
  temporary assignments as set out by law.

- On-call employment is when an employer employs an employee only during special events, peak periods, or intermittently when business warrants it.
   Employees remain on standby until called to work. Temporary employment is sometimes referred to as "seasonal", "interim", casual staff, freelance, or "temps" with a short lifespan.
- Temporary work agency is an organisation which finds and places workers in other companies that are in need of short-term workers. Agencies also offer skilled employees to client companies.

Contingent jobs are considered inferior in nature, offer substandard and precarious working conditions, and have an element of job insecurity (ILO, 2016:55). Contingent employees without explicit or implicit contracts for ongoing employment are severely affected. The Congress of South African Trade Unions (COSATU) and other unions rallied against temporary work agencies (also known as labour brokers). According to COSATU, labour brokers culminate in poor work security proliferations.

Figure 2.3 depicts a South African view of unemployment rate, labour force participation rate, permanent employment, contingent employment, and trade industry.

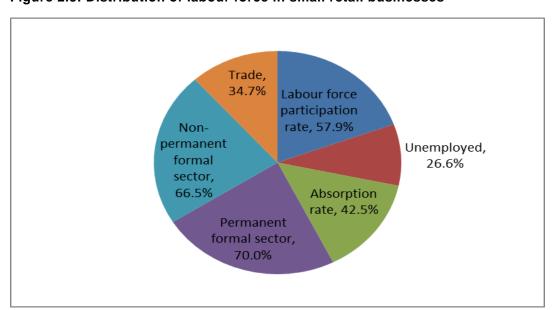


Figure 2.3: Distribution of labour force in small retail businesses

Source: Adapted from Statistics South Africa (2016)

The data depicted in Figure 2.3 is collated from Statistics South Africa (Q2:2016) and aims to illustrate and compare the workforce distribution within small retail businesses. The unemployment rate as of June 2016 stands at 26.6%. South Africa's high unemployment rate has resulted from slow economic growth and loss of national income, which give rise to increased retrenchments, job loss, and low absorption rates. To achieve complete employment means South Africa may experience USD1 000 to GDP *per capita*, which translates into decent jobs and poverty eradication (Barnard, 2009:6).

Figure 2.3 further shows a drop in the number of those employed in permanent contracts to 212 000 quarter-on-quarter (Q1:2016 and Q2:2016) and by 13 000 year-on-year (Q2:2015 and Q2:2016). Most importantly, the figure illustrates a decrease in the number of those employed in contingent contracts to 84 000 quarter-on-quarter (Q1:2016 to Q2:2016) and an annual decrease of 208 000 (Q2:2015 to Q2:2016). The number of employed people in the trade industry dropped by 0.7% compared to the first quarter of 2016 (Statistics South Africa, Q2:2016). Contingent employments continue to dominate total employment in various countries, including South Africa (ILO, 2016). Given the scale of unemployment and non-permanent employees' rates, there are doubts of how the calculations are made and whether the unemployed are really searching for employment. There is no serious misrepresentation uncovered.

Contingent employees have a high probability of facing poverty compared to full-time employees. On the contrary, Bernhard-Oettel, *et al* (2007:304) found no correlation between job insecurity and contingent employees. Contingent jobs have a short lifespan; therefore, employees have no high expectations. The working relationship is guided by contractual agreements.

Several theories found various justifications for individuals preferring contingent jobs, for instance, it can be for extra income, re-entering the workforce, test-driving after graduation, looking for permanent work, and others prefer contingent jobs as opposed to permanent (Kauhanen and Natti, 2015:785; ILO, 2016:55). Therefore, the termination of a job can be associated with the reason of job preference. Other categories of

contingent employees feel that contingent employment can offer good job-related benefits, for instance, high-skilled jobs and longer fixed employment contracts. Boundary-less or voluntary contingent employees are often less likely to be affected by job insecurity and workplace acceptance needs compared to their counterpart contingent employees (Boyce, et al; 2007:17).

The other part of a contingent employment contract is with respect to employment agency work (also known as labour broker). Labour broking is found to be a worse type of employment. Van der Burg, Lindoor, Messina, Baessler and Dyata (2009:45) reveal that agency employees experience high exploitation, non-compliance to labour laws, and no bargaining platforms.

Documented problems faced by the contingent workforce includes job insecurity, job dissatisfaction, lower wages, unfavourable work conditions, increased work accidents, lack of training opportunities, and high job strain (ILO, 2016:55; Bhandari and Heshmati, 2006:3; Barchiesi, 2010:68; Van der Burg, *et al*; 2009:45). Contingent jobs descriptions offered by Gallagher and Parks (2001:185) include temporary work, seasonal work, employment agencies employees, temps, fixed-term work, part-time work, consultants, freelance, casual, and interim. It is widely accepted that no universal definition exists for contingent jobs or employees. Scholars noted some common features related to contingent jobs, namely, they are for the young-aged, females, those with low occupational statutes, those with low levels of education, and those seeking fragmentary work experience (Zeytinoglu, 2005:10).

Abor and Quartey (2010:218) reveal that 91% of formal small businesses contribute 52-57% to GDP and 61% to employment. The small business sector plays a crucial role in the improvement of the South African employment rate. Small businesses have constrained resources such as infrastructure, capital, cash flow problems, financial expertise, technology, customer relations, land, costs of labour, and domain knowledge (Sharma, *et al*; 2012:12; Scarborough and Zimmerer, 2003:375; Jones and Tilley, 2003:8). The failure rate of SMMEs stands at 70-80% (Brink, *et al*; 2003:1). The phenomenon increases the risk of involuntary contingent work, poverty, and substandard conditions of employment, which culminate in job insecurity (ILO, 2016:45).

The study intends to investigate both schools of thought of whether contingent employment can lead to full-time employment and, if not, what are viable options for contingent employees. The next section discusses factors of job insecurity for contingent employees.

#### 2.4 LEVELS OF JOB INSECURITY

Job security leads to job satisfaction and organisational commitment (Buitendach and De Witte, 2005:33). According to Yaslioglu, Karagulle and Baran (2013:332), job security is an emotional gratification state arising from positive job appraisal or positive feelings about the job. Astarlioglua, Kazozcu and Varnalia (2011:426) reveal that job satisfaction may result in a sense of fulfilment and contentment which culminate in low turnover and high performance. Sound labour relations policies and labour market performance may enhance job security (Clark and Postel-Vinay, 2005:8). Evidently, keeping employees satisfied is important for business success but comes at a high price (Fullerton and Wallace, 2007:202). Unhappy employees cascade to poor performance and disloyalty.

Unions often blame employers for poor working conditions, low wages, and employee benefits. In contrast, Mills and Blossfeld (2005:198) reveal that the poor employment rates are caused by unrestricted union power. Permanent employees enjoy union representation better than contingent employees (Bhandari and Heshmati, 2006:3). The findings of Clark and Postel-Vinay (2005:3) re-emphasise that individuals in full-time jobs experience job security much higher compared to contingent employees. Boyce, *et al* (2007:6:) further found that contingent employees take up both hazardous work and low complexity jobs, and others take up professional work. This finding supports the definition associated with job insecurity, which is a subjective feeling.

Job security heightens employees' loyalty, good behaviour, and positive job attitude (Brown and Peterson, 1993; Sora, De Cuyper, Caballer, Peiro & De Wet, 2013:397). Contrary to that, Christen, Iyer and Soberman (2006:138) discovered no correlation between job security and high performance. Instead, they found that employees faced with insecurity tend to work hard to avoid redundancy.

Employees who enjoy protection by labour relations laws and collective bargaining rights tend to subvert and disregard their imminent organisational mandate and deliver substandard performance (Clark and Postel-Vinay, 2005:29). According to the findings of Vangel (2011:2), employees with job security may stay with current employers when they are satisfied, stay with the organisation even when they are dissatisfied, and leave the organisation when they are dissatisfied. There is therefore a high level of unpredictable behaviour among affected employees. Berntson, Näswall and Sverke (2010:3) record that employees without literacy, job skills, and education have diminished chances for employability and greener pastures; they remain loyal regardless of job fairness and contentment.

Scholars (Clark and Postel-Vinay, 2005:9; Gundert and Hohendanner, 2014:136) refer to job security antecedents, namely, permanent jobs, flexible labour market, progressive labour laws, good economic condition, accessible capital, technological savvy, innovation, and entrepreneurial skills. Job security or insecurity analogue entails employees' subjective feelings and perceptions, and such employees tend to be content or discontent and positive or negative about their work conditions as and when job security or insecurity antecedents emerge. In light of this study, employees, particularly contingent employees, facing job insecurity determinants are expected to opt for alternatives to self-sustenance options. According to Verheul, et al (2010:6), entrepreneurship is an obvious option, with all things equal. As long as there is an increase in contingent jobs, union powers, scarcity of resources, and job insecurity will come to be in the spotlight (De Cuyper and De Wette, 2006:395).

The pull and push theory justifies the basis of this investigation. The consequences of job insecurity and the characteristics of contingent employees in small retail businesses are investigated in this context. Job insecurity measurements are discussed next.

### 2.5 JOB INSECURITY MEASUREMENTS

Scholars (De Bustillo and De Pedraza, 2007:9; De Cuyper and De Wette, 2006:398) define job insecurity as the discrepancy between what an employee perceives and prefers as conducive and enabling the work environment to actual unfolding

experiences. It is viewed as a condition between employment and unemployment. Berglund, *et al* (2014:167) maintain that job insecurity has several dimensions, namely, objective and subjective. Objective job insecurity is about real-time hazards and risks, while subjective job insecurity stems from perceived risks about employment conditions.

De Cuyper and De Witte (2006:396) connote idiosyncratic as a valuable concept to describe the genesis of job insecurity. Idiosyncratic refers to the contradictions that could emerge between an employer and an employee over expectations, benefits, entitlements, and obligations. In a case wherein disagreements between an employer and contingent employees surface, then job insecurity is possible. However, such disagreements and contradictions between employer and employees can fall within objective or subjective dimensions. Boyce, et al (2007:7) refer to several stereotypes related to contingent employees, namely, lack of intelligence, low skills, a weak work ethics, and general inferiority. However, cited stereotypes cannot be generalised due to the division and composition of contingent employees. According to Berglund, et al (2014:168), the subjective measurements mean different things to different contingent employees. For instance, an employee who works on a part-time basis as a start-up to their education has different values to a contingent employee who works for a conversion to permanent employment.

Several scholars (Wilkin, 2013:49; De Cuyper and De Witte, 2006:397) disclose that permanent employees are better conditioned to voice disagreements and to renegotiate any possible breach or discomfort to their employment conditions compared to contingent employees. Contingent employees also experience less protection from South Africa's labour laws (Fourie, 2008:111). Mills and Blossfeld (2005:203-204) reemphasise that contingent employees are intimidated by rigid labour markets and high unemployment rates.

Martinez, et al (2010:198) indicate that three types of employment contracts exist, namely, formal contract, implied contract, and psychological contract. Formal contracts are written agreements and are fixed in nature, while implied contracts refer to values, standards, and norms set due to work relationships. A psychological contract entails expectations, obligations, and they are more tuned towards job insecurity. De Cuyper

and De Witte (2006:397) however make a division between relational and transactional psychological contracts placed upon permanent and contingent employees respectively. Permanent employees enter into a relational psychological contract with their employer, and any deviations activate job insecurity. On the other hand, contingent employees by the nature of their employment relationship enter into a transitional psychological contract which has a lesser job insecurity impact. The breach of psychological contract erodes trust and increases job insecurity (Shruthi and Hemanth, 2012:7).

Kauhanen and Natti (2015:785) emphasise the broad composition of contingent employees, which entails involuntary and voluntary contingent employees. Such a composition informs the type of responses by individual contingent employees.

Multidimensional job insecurity measurements developed by Greenhalgh and Rosenblatt (1984) would be used to measure job insecurity among contingent employees. This multidimensional job insecurity uses job insecurity dimensions, namely, threats to various job features, threats to the entire job, and powerlessness to prevent a loss. The other popular multidimensional job insecurity was pioneered by Ashford, Lee and Bobko (1989). Figure 2.4 portrays dimensions of job insecurity.

Job Insecurity Sense of Perceived threat of job features Perceived threats of Job Loss Powerlessness Career progress Indefinite job loss Lack of protection Income stream Contingent job loss Status and self-esteem Unclear expectations Demotion to another job Autonomy Authoritarian environment within the organisation Resources Dismissal High unemployment Community Retrenchment rates Reporting line of No unions representation Loss of salary and benefits No access to collective management Reduced working hours bargaining forum Change of KPAs Sources of threat Contingent employment Decline /Shrinkage Reorganization Technological change Physical danger

Figure 2.4: Job insecurity dimensions

Source: Greenhalgh and Rosenblatt (1984:442)

## 2.5.1 Perceived threat of job features

Greenhalgh and Rosenblatt (1984:440) found that the fear of losing characteristics have negative consequences on employees' wellness and commitment. Konya, Matic and Pavlovic (2016:123) argue that sound job characteristics have skill variety, task significance, task identity, autonomy, and feedback. These job attributes motivate employees and imply job continuity. Van Wyk and Pienaar (2008:53) caution that losing job features is worth more to employees; it is about job stability, positive performance appraisal, and probability for promotion. Martinez, *et al* (2010:195) advise that subjective and objective role transitions are difficult experiences to overcome. According to De Witte (2005:2), a correlation exists between job insecurity and contingent job contracts.

# 2.5.2 Perceived threats of job loss

Van Wyk and Pienaar (2008:84) re-emphasise that job insecurity has cognitive and affective sides. As per the finding of Berglund, *et al* (2014:166-167), subjective and objective measurements determine the nature of job insecurity. De Witte (2005:1) associates perceptions of job loss to the subjective perception of involuntary occurrences. Accordingly, objective perceptions about job loss could be interpreted differently by different contingent employees (De Witte, 2005). Kauhanen and Natti (2015:785) classify contingent employees under voluntary and involuntary groups. The objectives of job insecurity factors include technological change, acquisitions, deregulation of labour, unemployment rates, political landscape, recession, and intense market competition (Van Wyk and Pienaar, 2008:71). Correlations between job insecurity and household stability, union loyalty, quality of life, preferred skills, and organisation culture were discovered (Van Wyk and Pienaar, 2008:74).

## 2.5.3 Sense of powerlessness

Sense of powerlessness is a subjective and affective job insecurity reaction (Van Wyk and Pienaar, 2008:55). A state of powerlessness is being unable to respond to job threats. Such a phenomenon is shown through lack of participation, helplessness, and inability to voice out concerns with the employer. According to Boyce, *et al* (2007:13), contingent employees are subject to stigmatisation, namely, overt and covert. Overt stigmatisation entails devaluing statements, while covert could engender avoidance and non-verbal expressions. Berglund, *et al* (2014:168) suggest that the inability of employees being employed elsewhere could trigger a sense of powerlessness. There is a correlation between a contingent employment contract and sense of powerlessness (Greenhalgh and Rosenblatt, 1984:442). The state of powerlessness to counteract employment situations refer to lack of union protection, inaccessibility to collective bargaining, and unclear expectations. The leadership style practised within the organisation play a significant role towards powerlessness.

This study applied the job insecurity inventory and subscale items of Greenhalgh and Rosenblatt (1984) constructed for losing job features, losing a job, and powerlessness to circumvent job loss (Ashford, *et al*; 1989:811). These characteristics measured both importance and likelihood of job changes, total job loss, and powerlessness. The study

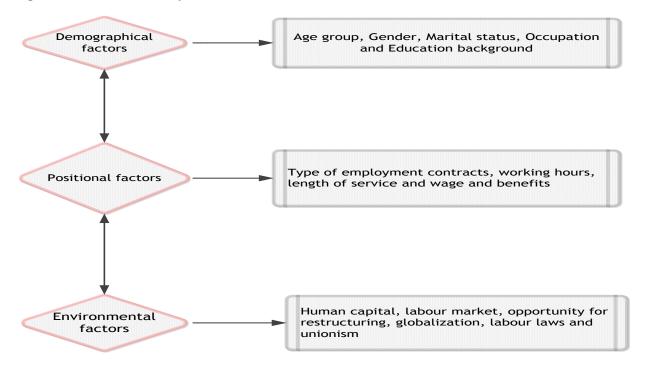
measured various job insecurity variables using five-point rating scales to reflect importance. The section that follows will discuss determinants of job insecurity.

### 2.6 DETERMINANTS FOR JOB INSECURITY

According to Berglund, et al (2014:197), job insecurity subjective determinants could include individual attributes, namely, personal traits, age, gender, education, unemployment levels, or changes of unemployment level. The objective job insecurity factors entail economic conditions, namely, mergers, incorporations, outsourcing, and globalisation (Martinez, et al; 2010:195). The threat of losing a job occupies individual employees' minds. These determinants will guide the study in presenting its hypotheses.

This section discusses job insecurity dimensions and its subcomponents. These comprise (1) demographical factors, (2) positional factors, and (3) environmental or organisational characteristics (Astarlioglua, *et al*; 2011:421; De Bustillo and De Pedraza, 2007:8-11).

Figure 2.5: Job insecurity dimensions



# 2.6.1 Demographical factors

Demographics refer to the study of general and certain dimensions of population factors (Konya, *et al*; 2016:122). Several studies suggest that job insecurity demographical factors contain antecedents of the study (Astarlioglua, *et al*; 2011:422; Buitendach and De Witte, 2005:29; Sempane, Rieger & Roodt, 2002:26; Fullerton and Wallace, 2007:201; Berglund, *et al*; 2014:167). Job insecurity is described as subjective probability of job loss, changed job features, and a sense of powerlessness at the workplace (Bhandari and Heshmati, 2006:3).

It is important to measure the perception of threats against the demographical background in order to understand the impact. A psychological contract attached to the organisation can also be measured with demographical factors (De Cuyper and De Witte, 2006:397). The demographic information helps to investigate job insecurity within age group distribution, gender, temporary contract status, marital status, occupation, and education background of the contingent employees (Astarlioglua, *et al*; 2011:422; Fullerton and Wallace, 2007:201). On the contrary, Martinez, *et al* (2010:194) caution

that job insecurity could be activated by individuals outside organisations. It could be negative attitudes about working which could have a spill-over effect. The demographic factors match the job insecurity definition as a subjective occurrence. The subsection that follows explores them.

# 2.6.1.1 The relationship between job insecurity and age and tenure

Age differences represent the employee composition of an organisation. Pytlovany and Truxillo (2015:2) maintain that chronological age alone does not fully illustrate an organisational age distribution. There are diverse contextual factors to be considered when measuring organisational age groups, namely, subjective age, relative age (age compared to work context), cultural, professional norms, and societal regulations. Motivational differences on the basis of age have attracted researchers. In the study of job insecurity, conceptual factors are important to consider.

Berglund, et al (2014:168) found that job insecurity presents less of an impact on the youth as compared to adults. According to South Africa's National Youth Policy 2009-2014, youth age distribution is between 14-35 years. On the contrary, Sverke, Hellgren and Näswall (2006:9) reveal that the impact of job insecurity may be severe on other age brackets. The severity of job insecurity can be associated with added personal and family responsibilities.

De Bustillo and De Pedraza (2007:6) caution that educational background, work experience, and unemployment rates are important contributors of employee attitude towards a job. An increase in the youth unemployment rate to 37.5% has been recorded in South Africa (Statistics South Africa, Q2:2016). The youth absorption rate is staggering at 55.6%. The scarcity of job opportunities for youth reflects on the absorption rates, which directly links to insecurities for those already in employment.

Job insecurity tends to be less of an issue for older employees because family responsibilities have dropped (Astarlioglua, *et al*; 2011:422). The older generation is also expected to have accumulated adequate life experience, wealth, and intelligence to respond accordingly to job insecurity. Sempane, *et al* (2002:29) suggest that employees with longer years of service have realistic expectations compared to the youth.

It appears that job insecurity may affect each age population equitably and inversely. In the South African context, age population dynamics are complex given the apartheid system which had knock-on effects on the educational attainment and job mobility of African people until the new dispensation in 1994. The emergence of the new dispensation opened opportunities for all.

### 2.6.1.2 The relationship between job insecurity and gender

The OECD (2012:7), the World Bank Group (2012:66) and ILO (2012:34) recorded low participation of women in economic activities compared to their male counterparts. Since 2000, there seems to have been a high number of male entrepreneurs compared to females in 27 EU countries (14). A decline of South Africa's women engaged in entrepreneurship was recorded in a study of Herrington and Kew (2015:5). South Africa's unemployment rate has been recorded at 26.6%, and 29.1% of it accounts for women and 24.6% for men (Statistics South Africa, Q2:2016). The low participation of women in the economy can be ascribed to several factors including stereotypes such as cultural differences, ethnicity, religion, and political ideas. It appears that gender turns to be biased towards men compared to women.

According to Zeytinoglu (2005:11), taking up contingent jobs can be hard but is even harder for a woman, and chances for permanent appointment can easily dissipate. Sverke, et al (2006:11) explain that traditional values dictate that men be breadwinners; thus, they tend to experience high levels of job insecurity. However, the point made is that single mothers can be breadwinners and sole providers for their families too (De Witte, 1999:161), and the same experience highlighted above can be encountered. Feldman and Bolino (2000:54) noticed an increased number of women entering the entrepreneurship arena to avoid job insecurity and discrimination. Job insecurity impacts should also apply to the role theory for better understanding. Societal values and new pieces of legislation affect gender-based analysis in this regard.

Similarly, results have been recorded in the entrepreneurial arena. According to the TEA rate, in South Africa the gender gap has deepened, depicting 61% male involvement in entrepreneurial activities compared to 39% female involvement (Turton

and Herrington, 2012:7). It is reaffirmed that there is approximately 50% of women in developing countries actively searching for employment, and South Africa is included (World Bank Group, 2011). However, the low FLFP rate is ascribed to various restrictions which prohibit women from entering the labour market and actively participating in the economy.

### 2.6.1.3 The relationship between job insecurity and marital status

Contingent jobs are associated with both involuntary and voluntary working schedules (Broschak, *et al*; 2008:12-13). Voluntary contingent employees often work to gain extra income, experience, test-driving, and to avoid being idle. However, involuntary contingent employees search for decent and permanent employment. They view contingent jobs as a stepping stone to greener pastures.

According to Konya, et al (2016:5), married employees display high commitment to their jobs compared to unmarried employees. Married employees are much concerned about the security of their families and are vulnerable to job insecurity. On the contrary, married contingent employees with domestic mandates may find it impossible to work anomaly hours, and threats of being unemployed or losing their jobs worsen. Unmarried employees have minimal family responsibilities; thus, the impact of job insecurity could be less. Astarlioglua, et al (2011:423) confirm that breadwinners are mostly affected by job insecurity. The realities of being laid off or dismissed have high consequences.

It was however established that contingent employees with strong family allegiance and support experienced low job insecurity. Linz and Semykina (2010:371) reveal that married men encounter a high job insecurity impact compared to bachelors. According to Zeytinoglu (2005:48), being divorced, widowed, or separated has no effect on the transition of contingent to permanent employment.

## 2.6.1.4 The relationship between job insecurity and human capital

The analysis entails learning, education and training role towards job security (Silla, De Cuyper, Gracia, Peiro & De Witte, 2009:741). Employees with university degrees stand a better chance of employment, promotion, re-employment, and better salaries compared to employees without degrees. Bhandari and Heshmati (2006:7) suggest that employees with sound education and skills can experience a low level of job dissatisfaction, low mobility issues, and innovative problems compared to poorly educated employees. Zeytinoglu (2005:31) highlights that construction and agricultural sectors value skills and experience more highly than formal qualification.

This signals that education, experience, and skills complement one another. Baptista, *et al* (2013:319) found a positive correlation between education and good wages, tenure, and experience. An individual employee who has neither skills nor education may feel threatened by those who possess them. The threats to job security may also be experienced by individuals with formal education when advertised positions' requirements are set.

Experience is an essential feature of the job. The more experience contingent employees have, the higher the propensity for employability, promotion, and scope of a better salary. Skills are heterogeneous in nature, but as per the scope of this section, reference is made to competencies for performing a specific job (Bhandari and Heshmati, 2006:12) as opposed to an unskilled or semi-skilled employee. The skills for performing work diligently, meeting targets and standard deadlines are important for contingent employees.

According to Smith (2010:280), continuous development of human capital is paramount for employment, mobility, and consequently job security. According to Baptista, *et al* (2013:319), entrepreneurs with good entrepreneurial skills tend to hire employees with good education and skills too. Branson and Leibbrandt (2013:5) reveal challenges facing South Africa that stem from the historical unequal educational system, which culminates in skills shortages. South Africa's historical problem exacerbates the divide between the rich and the poor (Branson and Leibbrandt, 2013:6).

#### 2.6.2 Positional factors

Positional factors largely deal with one's position in the organisation. Status attainment in the company is affected by factors such as experience, educational achievement, and competencies. Boyce, *et al* (2007:6) found that an increased use of services of contingent employees also heightened workplace-related mistreatment problems. An overview of the factors related to the study is provided in the subsections that follow.

## 2.6.2.1 The relationship between job insecurity and contingent employment

With regard to the social comparison theory, Wilkin (2013:49) posits that coexistence between contingent and permanent employees can formulate an automatic social comparison. Contingent employees compare their salaries, fringe benefits, and working conditions to permanent staff members. Berglund, *et al* (2014:167) reveal that precarious jobs tend to frustrate involuntary contingent employees because they are formed to fill gaps of permanent employees or seasonal sales. Contingent employees may experience negative treatment by both permanent employees and employers (Wilkin, 2013:50). Because of the nature of their employment contracts, fear of job loss and feelings of powerlessness to respond to work situations are inherent among contingent employees. Several stereotypes, namely, lack of intelligence and poor work ethics may be linked to contingent employees (Boyce, *et al*; 2007:7). Berglund, *et al* (2014:168) found that employment security tends to reduce the sense of powerlessness. Different contingent employee groups could experience job insecurity differently between temps agencies, fixed-term and full-time employment.

According to Gundert and Hohendanner (2014:137), fixed-term contract employees may experience less job insecurity impact, given that the nature of their contracts is a stepping stone into permanent employment. Contingent employees who choose voluntarily prefer temporary jobs, but those who entered involuntarily may respond differently to similar job insecurity situations.

Belous (1989:8) reveals that contingent jobs have a high job insecurity probability compared to core jobs of the business. According to Zeytinoglu (2005:9), contingent employment is equivalent to bad jobs because they lack job security. Bhandari and Heshmati (2006:7) explicitly reveal that contingent employment offers low earnings, no conditions, redundancy, medical aid, poor working discrimination, representation by trade unions, which culminate in job dissatisfaction, distrust, and job insecurity. The poor earning and work conditions of contingent employees is mainly due to economies of scale and cost reductions as opposed to performance and productivity. The difference between permanent employees and contingent ones is vague in many organisations because they all perform core functions of the organisation (Sora, et al; 2013:387). Thus, Silla, et al (2009:748) infer that contingent employment gives rise to job insecurity.

According to Bhandari and Heshmati (2006:3), there is a correlation between contingent employees and job insecurity. In light of the heterogeneity of contingent employee groups, contingent jobs tend to have a lower probability for one as opposed to the other (Zeytinoglu, 2005:17). It appears that they do not guarantee a transition to permanent employment for both groups.

## 2.6.2.2 The relationship between job insecurity and working

In South Africa, the Basic Conditions of Employment Act of 1997 prescribes appropriate hours worked by employees, including contingent employees, per week/month. Sections 9, 10 and 11 of the Basic Conditions of Employment Act of 1997 stipulates conditions for regulation of working hours. It thus appears that statutory minimum wage requirements are available but differ according to industry, occupation, and location (Bhorat, Kanbur & Mayet, 2012:277). The meta-analysis of Cheng and Chan (2008:273) found that the impact of job insecurity could be experienced differently by different groups of employees. Under reduced working hours, freelancers or retired contingent employees experience less impact compared to fixed-term or on-call contingent employees.

According to Leibbrandt, et al (2008:14), contingent employees' minimum wages and work hours are regulated through the Employment Conditions Commission (ECC). Presently, South Africa's contingent employees must work less than 35 hours per week. This determination is contrary to the view that contingent employment comprises continuous, seasonal, cyclical, and project-based groups. The prescribed hours change as an individual contingent employee gains tenure and experience within the organisation. According to the International Conference of Labour Statisticians in 2003, the nature of contingent employees and contingent jobs is even too complex to be defined. Therefore, this study used a stereotyped definition by Leibbrandt, et al (2008).

Zeytinoglu (2005:48) further makes reference to "usual" and "actual" hours worked per week, which may include involuntary, voluntary, and overtime hours granted to a specific contingent employee. The longer one works, the higher the chance of earning a better salary and lower job insecurity.

Contingent employees' earnings are lower than those of permanent employees (Posel and Muller, 2007:1). Contingent employees' earnings structure is built around hourly rates. Thus, their earnings are largely dependent on the time spent at work. Many hours are preferable by the contingent workforce, and too much bargaining for it happens between managers and contingent employees. Nonetheless, long hours are associated with hazards of overwork, burnout, stress, fatigue, injury, and illnesses (Zeytinoglu, 2005:48).

## 2.6.2.3 The relationship between job insecurity and remuneration

According to De Bustillo and De Pedraza (2007:11), remuneration is one of the important measures for job insecurity among contingent employees. The higher salaries, higher input costs and higher probabilities for shedding jobs and employees' salaries are directly linked to production. The job insecurity theory suggests that the higher the salaries, the higher the cost of job loss and the higher the stress of finding similar jobs (De Bustillo and De Pedraza, 2007:11).

Bhandari and Heshmati (2006:7) suggest that income for a sustainable living culminates in job security. Income comprises severance packages, medical benefits, disability

benefits, and retirement benefits. The earning differences between permanent employees and contingent employees imply that contingent employees are scaled lower than their counterparts, and this may be a significant factor towards job insecurity studies (Bhandari and Heshmati, 2006:15).

The instability of markets may contribute to uneven earnings distribution. Employees with a longer experience earn comparatively higher than new employees. This phenomenon applies to contingent jobs and may result in job insecurity. Educational levels determine the worth of employees; employees with a higher qualification comparatively earn more than employees without qualifications. The feeling of job insecurity may affect employees. The feeling may be engendered by length of experience and skills within the company yet with no qualifications. Remuneration of contingent employees is an important incentive towards measuring job insecurity.

## 2.6.3 Environmental and organisational characteristics

Environmental and organisational characteristics refer to both macro- and microenvironmental factors that affect contingent employment and, as a result, culminate in job insecurity.

# 2.6.3.1 The relationship between job insecurity and trade union membership

Job insecurity results in unionisation. Employees need protection and security against poor working conditions and dismissals (De Cuyper, De Witte, Sverke, Hellgren & Näswall, 2014:597). In the case of contingent employees, unionisation may pose threats for possible job prospects. Many contingent employees see their jobs as an opportunity for career advancement and therefore cannot afford to have fears which allay opportunities for promotion (De Cuyper, *et al*; 2014:586).

On the other note, contingent employees are inherently vulnerable to complain as compared to permanent employees. Unionisation is the best option. However, the affiliation fees and administration thereof may be a limitation for contingent employees. Employers also are involved in unions' subscriptions fee collection, which may increase

chances of job insecurity for contingent employees. Unions' protection for contingent employees is important; yet conditions for joining are difficult and risky.

# 2.6.3.2 The relationship between job insecurity and employability of contingent employees

On-the-job search for greener pastures is common among the workforce. Thus, the question of employability is at the core of success in job searching. Researchers have agreed that employability is an opportunity for finding alternative employment either within the organisation or outside the organisation (Silla, *et al*; 2009:741; Zeytinoglu, 2005:57).

Employability has been greatly associated with individual career trajectories, such as education, training, occupational position, and experience (Smith, 2010:280). Therefore, the context of lifelong and job-related learning forms the basis for employability. According to Smith (2010:281), the new economy expects everyone including permanent employees to think as entrepreneurs who must avoid job insecurity by retraining and adding value to the organisation so that they can respond to new opportunities. The global environment pressurises everyone to constantly improve competencies and prepare for change. Furthermore, a good work relationship between a contingent employee and a supervisor can leverage chances for re-employment or promotion of a part-time employee (Meltzer, et al; 2010:1402).

There is a link between employability and job insecurity (Greenhalgh and Rosenblatt, 1984:31). As much as validity to the latter differs from one industry to another (Silla, *et al*; 2009:741), career trajectory falls within lifelong learning principles.

# 2.6.3.3 The relationship between job insecurity and restructuring and downsizing

The reality of downsizing, two-tiered occupation structures, and outsourcing is set to increase in organisations. As a result, millions of contingent employees lose jobs through no fault of their own (Bhandari and Heshmati, 2006:6). Millions of those who survived this spiral had to cope with feelings of displacement, insecurity, anxiety, stress,

cynicism, and hostility. Job insecurity features include individual employees who survive lay-offs or retrenchment as a result of occupational requirement or recession. Another part of job insecurity involves losing certain aspects of the job such as promotional opportunity, customary salary increases, and control over the work.

During downsizing and restructuring, contingent employees face redundancy and heightened job insecurity (Klehe, Zikic, Van Vianen & De Pater, 2011:217). The triggers for downsizing include technological advancement, globalisation, government deregulations, and turbulent market conditions. Downsizing effects on the contingent workforce are poor performance, disloyalty, and insecurities (Klehe, *et al*; 2011:217). Chances for promotion or transition to permanent employment also drop.

## 2.6.3.4 The relationship between job insecurity and unemployment statistics

Card (2011:9) defines unemployment as a phenomenon where people who are not working are actively and vibrantly searching for employment and counted as unemployed. South Africa's unemployment rate is higher compared to other BRICS countries. Table 2.2 reveals current unemployment rates of BRICS countries.

Table 2.2: Unemployment rates within BRICS

Country	Date of info	Unemployment rate%
Brazil	2016 (June)	11.3
Russia	2016 (August)	5.2
India	2013 (December)	4.9
China	2016 (June)	4.05
South Africa	2016 (June)	26.6

Source: Adapted from South Trading Economics (2016)

As shown in Table 2.2, the unemployment rate in South Africa is high by any standard and certainly an outlier compared to other BRICS countries. The high employment rate implications are costly and devastating for a country. Statistics South Africa (Q2:2016) reported a staggering unemployment rate of 26.6% for the second quarter of 2016. Statistics South Africa (2016) reports that 2 261 490 people are economically active in the City of Johannesburg, and 25% are unemployed. According to Schob (2013:151), high unemployment rates can drop an individual's self-esteem and self-worth. High employment rates suggest that opportunities for employment or re-employment are minimal. Contingent employees hang on to their job despite its insecurity. Various scholars postulate that unemployment is associated with several factors including rising salaries, labour unrest, and labour markets (Gali, Smets & Wouters, 2011:3; Schob, 2013:153; Card, 2011:11).

According to Card (2011:9), the effects of unemployment can contribute to significant health problems. The high unemployment statistics drive vulnerable and powerless employees to miserable circumstances (Green, *et al*; 2000:867). They tend to worry about job prospects.

## 2.6.3.5 The relationship between job insecurity and globalisation circumstances

Globalisation is a complicated concept. It could be attributable to the opening and growth of markets, rapid competition, accelerated knowledge, and technology (Mills and Blossfeld, 2005:189). The concept is premised on growing interconnection and

networks between countries and businesses with the world. Globalisation encircles fields of economics, politics, technology, and culture.

International markets bring uncertainty to business and the workforce (Mills and Blossfeld, 2005:193). The increased uncertainty stems from lack of skills, education, and innovation as competitive advantages. To mitigate globalisation impacts, South Africa became a member of the BRICS countries in 2011 (International Monetary Fund [IMF], 2012). BRICS aims to remove barriers associated with international trade, financial assistance, unemployment, and industrialisation for countries within BRICS. South Africa's economy is smaller than other BRICS countries; therefore, development is minimal (Abor and Quartey, 2010:219). South Africa's workforce remains vulnerable to globalisation. Branson and Leibbrandt (2013:6) assert that South African businesses have not empowered the workforce to meet globalisation demands. The workforce skill levels and entrepreneurial acumens expose South Africa's population to some degree of insecurity. It also gives rise to job insecurity for contingent employees, particularly those with intentions to obtain permanent positions and who are travelling.

## 2.6.4 Job insecurity as a reason for being entrepreneurial

Because of an unstable work environment and unstable jobs, the need for entrepreneurship has increased. Various scholars (Randolph-Seng, *et al*; 2015:3; Dawson, *et al*; 2009:4) had written about job insecurity as a reason for being entrepreneurial. According to Brockhaus (1980:40), dissatisfied employees had been observed venturing into self-employment. The findings of the study indicate that sampled entrepreneurs started their businesses because they were dissatisfied with work conditions, supervision, and with opportunities for promotion. Costa, *et al* (2016:2) concur that entrepreneurship could be an actual alternative to overcoming the precarious work environment faced by contingent employees.

Hisrich and Brush (1986:6) assert that individuals are driven to entrepreneurship by opportunities, societal status, and high earnings. The findings include push factors, such as job insecurity, poor working conditions, and lack of recognition. Another international study focused on 23 countries measured self-employment out of dissatisfaction

(Noorderhaven, Sander, Wennekers, Hofstede, Thurik & Wildeman 1999:15). An employee occupational path is adversely affected by such negative conditions. The findings indicate that people with lower overall life satisfaction have high probabilities of being entrepreneurial. Segal, *et al* (2005:44) revealed that job insecurity, difficulty to get another job, and low salary as negative forces push individuals to entrepreneurship. The study cautioned that the findings do not suggest that people venturing to be entrepreneurial will be satisfied. Schjoedt and Shaver (2007:746) point out that being entrepreneurial does not disable life dissatisfaction, poverty, stress, and inequality. Many factors may be considered.

According to Costa, *et al* (2016:6), entrepreneurship is a conducive option, but the existence of other exegeonous factors, namely, competencies, experiences and environment support is important. Randolph-Seng, *et al* (2015:3) found no correlation between entrepreneurship and job security or satisfaction. In actuality, employees with job security believe entrepreneurship is too risky, too demanding, and entrepreneurs are born. In general, entrepreneurship is hardly considered as a career, but it is performed outside the organisational realms. According to Shepherd, Williams and Patzelt (2015:19), entrepreneurial entry decisions differ from individuals based on beliefs and desires. Costa, *et al* (2016:7) suggest that individuals' response to entrepreneurship is ignited by prior organisational start-up experience, managerial experience, and the zeal to overcome unfavourable conditions. These differences distinguish entrepreneurs from non-entrepreneurs. Therefore, the study aims to investigate if contingent employees have entrepreneurial skills to extenuate job insecurity in Roodepoort small retail businesses.

#### 2.7 ENTREPRENEURIAL PROCESS

This section provides a synopsis of an entrepreneurial process based on personal attributes, sociological aspects, organisational and environmental factors, and the effectiveness of entrepreneurial skills to understand if these factors are expedient or an impediment to entrepreneurial activity. Bygrave (1997:2) brings out that the entrepreneurial process entails functions, activities, and actions of identifying opportunities and creating systems to pursue them.

PERSONAL PERSONAL SOCIOLOGICAL ORGANISATIONAL PERSONAL Risk Taking Job Dissatisfaction Job Loss Education Locus of control
Ambiguity Tolerance
Risk Taking
Personal Values
Education
Experience Networks Teams Entrepreneur Leader Manager Team Strategy Structure Parents Family Role Models Commitment Culture Products Opportunity recognition Resources INNOVATION → TRIGGERING EVENT → IMPLEMENTATION → GROWTH ENVIRONMENT ENVIRONMENT Competitors **ENVIRONMENT** Customers Suppliers Economy Competition Resources Opportunities Role Models Suppliers Investors Bankers Incubators
Government policy Creativity Lawyers Resources Government policy Economy

Figure 2.6: Entrepreneurial process model

Source: Adapted from Hisrich and Peters (2002) and Nassif, Ghobril and Da Silva (2010)

The Moore's entrepreneurial process model (Moore, 1986) was reinvented by Bygrave (1997). It is founded on mixtures of disciplines such as business, economics, psychology, and politics. Entrepreneurship refers to a concerted behaviour and performance intended to gain rewards and profits by an entrepreneur (Ogundele, *et al*; 2012:149). It is also perceived as the pursuit of wealth, market opportunities, and competitive advantage through innovative services and products undertaken by an entrepreneur (Shane and Ventataram, 2000:218). The entrepreneurial process model illustrated in Figure 2.6 reveals a roadmap towards entrepreneurship from personal traits and environment.

#### 2.7.1 Entrepreneur's attributes and behaviours

According to Schumpeter (1934) and Hagedoorn (1996:884) cited in Nassif, Ghobril and Da Silva (2010:216), entrepreneurs are pioneers who introduce new products, new methods, new markets, new sources of supply, new industries, and who are willing to accept risks. Other scholars concur that entrepreneurship leads to new business creation (Gartner, 1988). Schumpeter (1939) underscores more of the entrepreneur's attributes as individuals with creativity, innovation, spontaneity, and vision. Timmons

(1978) concurs that successful entrepreneurs take risks, accept occasional failures, nurture and refine their vision, and learn from their mistakes. Entrepreneurs have divergent traits, but common features include "a positive driving force" to economic growth (Robinson, Davidson & Mescht, 2007:412).

Entrepreneurship success is dependent on a proper diagnosis and analysing personal attributes before venturing into. According to Nassif, *et al* (2010:218), personal attributes such as bona fide leadership skills, risk-taking, network abilities, and working hard resonate with successful entrepreneurship. Sharma and Madan (2013:133) reassert that personality traits are significant and play a vital role in determining entrepreneurial success or failure. An understanding of who entrepreneurs are is key to evaluating success chances. Sharma and Madan (2013:142) affirm that the stronger the personality attributes entrepreneurs have, the higher the probabilities of running a successful business. The personality traits come from upbringing. Bridge, *et al* (2003:63) summed that entrepreneurs' personalities must entail dynamism, perfectionism, tolerance of risks, being able to regard change as an opportunity, and being able to take initiatives. Taking initiatives in situations, a proactive approach to problem-solving, persistence, locus of control, and the need for autonomy are all important attributes (Kumar and Sihag, 2012:68-70). Table 2.3 presents selective studies on entrepreneurial personality traits as suggested by old and news scholars.

Table 2.3: Traits of effective entrepreneurs

Date	Author(s)	Characteristics	Normative	Empirical
1992	Chandler &	Self-assessed ability to recognise opportunity	Х	
	Jansen			
1986	Burch	Driver, achiever, hardworking and nurturing	X	
1994	Krueger &	Self-efficacy, self-reliant, opportunity-focused,		Х
	Brazeal	willing to take risks		
2002	Morris &	Risk-bearing, proactiveness, innovation and		Х
	Kuratko	need for achievement		
2004	Timmons &	Innovation, desire for independence, desire for		Х
	Spinelli	achievements, radicals		
2007	Isaacs, Visser,	Need for power, initiative, internal locus of		Х
	Friedrich &	control, self-knowledge		
	Brijlal			
2007	Timmons &	Commitment, determination, leadership and	Х	
	Spinelli	networking		
2004	Rwigema &	Integrity, consistency, manage customer and	Χ	
	Venter	employee relations		
2003	Morrison, Breen	Ability to implement strategy with programmes,		Х
	& Ali	procedures, budgets, evaluation		
2010	Nassif, Ghobril	Need for achievement, creativity, autonomy,		Х
	& Da Silva	power, recognition, innovation, independence		

Source: Adapted from Sim (2005)

Traits alone are insufficient to evaluate an entrepreneur who purports to enter into entrepreneurship. Robinson, Stimpson, Huefner and Hunt (1991:13) found that personality traits must be combined with exogenous factors such as technical, financial, socio-economic, political, and family circumstances to arrive at reasonable conclusions. Personality attributes are sometimes excessive and hard to implement (Bridge, *et al*; 2003:63); for instance, when the risk-taking tendency is too high, this can be dangerous to an individual. Other scholars suggest that the attribute theory is obsolete and lacks consistency (Delmar, 2000:143; Robinson, *et al*; 1991:14). However, many scholars maintain that the personality traits theory is dynamic and useful for entrepreneurial prediction behaviour (Home, 2011:294). By nature, the entrepreneurial environment is

dynamic and entrepreneurs cannot be an exception. Nassif, *et al* (2010:217) posit that human capital and entrepreneurial journey must coexist to have proper analysis. Human capital entails knowledge, skills, and technical ability such as attitude, reliability, dedication, intelligence, consistency; ability to learn, including aptitude, imagination, and creativity; desire to share information; team player; and goal-orientated (Abeysekera, 2008:16).

#### 2.7.2 Environmental forces

According to Bygrave (1997), with regard to the entrepreneurial process model discussed, environmental factors reside within the market and macro-environments. Early entrepreneurial scholars (McClelland, 1965; Wilken, 1979) affirm the importance of environmental factors for entrepreneurship to thrive. In the same wave, Bridge, *et al* (2003:74) suggest that entrepreneurial choices are heightened by expectations and experiences a person has. Entrepreneurship is carried out in different functions in different industries as well as in less developed societies (Abimbola and Agboola, 2011:167). Its functions within industries include bringing about new jobs, repositioning of dying industries, impetus of technology, and enhancing growth. In less developed societies, entrepreneurship serves as an opportunity for empowerment, reconstruction and development, and a vehicle for employment (Abimbola and Agboola, 2011:168).

Entrepreneurial environment factors entail infrastructure, family background, community, culture, work background, educational background, economic conditions, technology, and legislative factors. These factors build or destroy entrepreneurial rigour. Nassif, et al (2010:217) contend that forces such as positive role models, family background, and work experience heightened the drive towards entrepreneurship. Personal attributes have little influence on this particular stimulation. It is elevated by exogenous forces. Table 2.4 depicts selective studies on the importance of environmental conditions for entrepreneurial development as suggested by old and news scholars.

Table 2.4: Selective studies on environmental condition for entrepreneurial development

Environmental	Date	Author(s)	Findings	Research:
conditions				Normative (N)/
				Empirical (E)
Government	1993	Young &	Key barriers to entrepreneurship	Е
Policies		Welsch	entailed excessive government	
			regulations	
	1990	Dana	Excessive legislated environment	N
			suppressed small business from	
			growing	
	2008	Rogerson	Emerging entrepreneurs in South Africa	N
			perceive pieces of legislation and rules	
			to be time-consuming and expensive to	
			comply with, especially income tax and	
	1000		VAT	
Socio-economic	1992	Swanson &	Negative public attitudes towards	N
		Webster	entrepreneurs dampen the spirit of	
	4000	Distilling a	entrepreneurship	_
	1993	Phillips	The higher number of small businesses	E
			led to a higher labour absorption rate	
	2015	Castaño,	and employment	E
	2013	Méndez &	Countries with a high value for socio- economic variables stimulate	
		Galindo	entrepreneurial activity	
Entrepreneurial	1991	Davidsson	Work experience and entrepreneurial	E
and business	1991	Daviussuii	training correlated with entrepreneurs'	_
skills			propensity to start and run businesses	
GRAIIG	1993	Takyi-	Societal stereotypes and traditional	N
		Asiedu	beliefs were found to be entrepreneurial	
			impediments in sub-Saharan Africa.	
			Potential entrepreneurs lacked	
			commitment to drive their businesses to	
			fruition	
	2008	Rogerson	Entrepreneurs with high success rates	N
			have a high level of education,	
			technical/managerial skills, and training	

Environmental	Date	Author(s)	Findings	Research:
conditions				Normative (N)/
				Empirical (E)
	2015	Castaño,	Education, cultural factors, and	E
		Méndez &	economic freedom affect the early stage	
		Galindo	of entrepreneurship	
	2016	Aparicio,	Countries with a high degree of	E
		Urbano &	confidence in their skill sets have an	
		Audretsch	increased entrepreneurial activity	
Financial	1988	Kleiman &	Government investment in venture	E
support		Bygrave	capital businesses need to go to small	
			business	
	1993	Hawkins	Credit guarantee associations are	E
			created to guarantee loans for small	
			business. Entrepreneurs obtain loans for	
			starting up businesses	
	1993	Phillips	Presence of business development	E
			assistance matched the increased rate	
			of small business start-ups	
	2008	Rogerson	Red tape and bureaucracy of access to	N
			finance were found to be primary	
			concerns for entrepreneurs. These	
			bottlenecks are witnessed within	
			government-led support programmes	
			and financial markets due to institutions	
			such as credit bureaus	
	2016	Aparicio,	Access to finance is a major problem for	E
		Urbano &	South African entrepreneurs. High	
		Audretsch	entrepreneurial activity constitutes a	
			positive outcome on economic growth in	
			highly developed countries but a	
			negative effect in developing countries	

Source: Adapted from Gnyawali and Fogel (1994)

As shown in Table 2.4, some scholars (Gnyawali and Fogel, 1994:49; Aparicio, Urbano & Audretsch, 2016:46) suggest that if entrepreneurial role models such as close

relatives, friends, and experienced entrepreneurs were visible and scattered around society, entrepreneurship could thrive. In other societies, entrepreneurship was haunted by theories such as socialism, communism, and beliefs, and these dampen the spirits of entrepreneurship (Swanson and Webster, 1992).

Organisational forces such as infrastructure, transportation, incubator facility, water and electricity, policies, strategy, financial credit, and education can elevate the degree of entrepreneurship (Fogel, 1994). Educational programmes by the government and business development organisations raise awareness of entrepreneurship. Economic forces such as employment rates, inflation rate, interest rates, and demographic changes stimulate desires for being entrepreneurial in order to afford certain standards of living. Roberts (1977:7) confirms that a career follows patterns made available by the environment. Other scholars (Nassif, *et al*; 2010:218) identify social class, parental occupation, networks, family businesses, and past experiences as strong sociological entrepreneurial factors that influence entrepreneurs' decision-making.

Success over start-up environmental forces does not translate into venture break-even and growth. Olawale and Garwe (2010:731) found that there are other business environmental factors that are classified as of an internal and external nature. Internal environmental forces entail management and finance skills to grow the business, location and networking to access the markets, information technology, and cost of inputs, which all have an impact on emerging entrepreneurs. A number of scholars (Ehlers and Lazenby, 2007; Herrington, Kew & Kew, 2009) affirm that poor management in any form or a combination of the internal environmental factors can bring entrepreneurship to its knees. External environmental forces involve labour, infrastructure and regulations, economic variables, crime, and corruption (Olawale and Garwe, 2010:732). It is important for an emerging and dynamic enterprise to understand environmental factors.

The other question of this study is: What are the factors and issues affecting contingent employees in Roodepoort to prefer contingent jobs rather than entrepreneurship? The 2015 GEM report revealed that entrepreneurship in South Africa contributed to 45% of the GDP in 2014, created employment for an average of 55%, and 42% salaries and

wages to 54 million of the population (Herrington and Kew, 2015:75). According to one report, South Africa was ranked 41 for ease of doing business and 64 for simple processes on starting a business (World Bank Group, 2013). The rate is against 189 economies.

Abor and Quartey (2010:218) concur that 91% of entrepreneurship contributed 52-57% to the GDP and 61% to employment in 2010. Several reports indicate that entrepreneurship contributes approximately 30% and 70-80% to employment respectively (Mkhize, 2014:20). This is lower compared to developed countries. The South African government launched several assistance programmes aimed at boosting entrepreneurship and the small business sector. The subsection that follows provides an overview of some of South African government and private sector entrepreneurial assistance programmes.

## 2.7.3 South African entrepreneurial assistance

It is reported that entrepreneurship contributes to South Africa's commercial environment and creates valuable jobs (Statistics South Africa, Q3:2013). It is essential to explore South Africa's entrepreneurial environmental forces to determine if they are expedient or impediments to entrepreneurship (Olawale and Garwe, 2010:731).

Dockel and Ligthelm (2005:55) reveal that the success of entrepreneurship is premised on a combination of factors. The intention, as part of the determinant, accompanied by exogenous factors such as skills, experience, and presented opportunities enhance entrepreneurial activities. South Africa's rate of entrepreneurial activity is staggering at 7% (Herrington and Kew, 2015). The report recorded established business ownership of only 2%.

According to Morrison, Breen and Ali (2003), the existence of three principles such as intentions, ability, and opportunities lead to successful entrepreneurship. Webster's dictionary defines intentions as a determination to act, while ability is seen as skill sets or capacity, and opportunities as a set of circumstances conducive to acting (Merriam-Webster, 2016). The three principles are important towards successful entrepreneurship. South Africa's rate of entrepreneurial intention is at 10% (Herrington

and Kew, 2015). Figure 2.7 is a schematic representation adapted from the concept of Morrison, *et al* (2003:419).

**Entrepreneurs Effectiveness Prohibiting Factors Success Factors** Lack of ambition, vision, self-Demographic variables (sex, age, family background, role models), control and goal-oriented Intentions personal characteristics, attitude, Lack of role models Model self-efficacy, values and beliefs, Low business interest behavioral control & perceived Mature position in life cycle Quality of lifestyle protectionism feasibility Prohibiting factors Success Factors Limited managerial skills Educational level, business Lack of work relevant Ability management skills, networks, experience quality goods/service, increased model Production limitations sales/market capacity, right Unfitting organizational career path **Prohibiting Factors Success Factors** Unhelpful government policies Access to finance, market and support programmes Opportunities conditions, government policy, High dependency on labour market conditions, model externalities economic climate, access to Adverse financial and markets economic conditions Weak power positions

Figure 2.7: Entrepreneurial effectiveness

Source: Adapted from Burke and Jarrat (2000) and Morrison, et al (2003)

This subsection takes a glance at entrepreneurial opportunities created by South Africa. There is an interrelation between institutional entrepreneurial opportunities and high entrepreneurial activities (Dockel and Ligthelm, 2005:55). This institutional opportunity determinants refer to access to capital, procedure to start businesses, flexible market conditions, and the labour market. The current rate for entrepreneurial perceived opportunities in South Africa is at 37%. According to Yitshaki and Kropp (2016:3), entrepreneurial opportunity can be linked to something feasible and profitable. It offers a chance to pursue entrepreneurial adventure, meet the markets, and provide service, products, or new systems.

To follow up on the institutional entrepreneurial opportunity concept, a study by Gnyawali and Fogel (1994) on entrepreneurial environmental factors must be

considered. Environment factors such as government policies, entrepreneurial training, and financial support should be examined. Entrepreneurs follow their entrepreneurial guts when they perceive positive government and private sector support. Aparicio, *et al* (2016:46) identify a link between identified entrepreneurial opportunities and economic growth activities. Harper (2003:46) suggests that entrepreneurs' decisions to enter entrepreneurship are largely sponsored by tangible government support and competence of an individual. Inability to merge the entrepreneurial skill sets and existing opportunities stifles entrepreneurial potential. South Africa's rate of entrepreneurial perceived capabilities stands at 38%. According to Harper (2003:62), individuals' alertness to government, private sector, political, and economic factors, as well as the feasibility for entrepreneurship is essential. The ability to learn from the environment, systematically searching codified experiences and prior exposures are important to recognise entrepreneurial opportunities (Yitshaki and Kropp, 2016:4).

The South African national strategy for the promotion and development of small enterprises is a government intervention that resulted in the establishment of government institutionalised entrepreneurial support (Government Gazette, 1995:5). Emerging entrepreneurs, new businesses, and old businesses in South Africa can have access to financial and non-financial support. Yitshaki and Kropp (2016) affirm that perhaps competence to identify institutional support is central. The current institutional support varies from training, mentoring, coordination, cost-sharing, grants, infrastructural facility, and financial aid. Several scholars (Meyer and Landsberg, 2015:3677; Phillips, Moos & Nieman, 2014:88) preview the financial and non-financial institutional agencies that follow which provide broad support to small businesses. South Africa's rate of fear of failure is at 25% (Herrington and Kew, 2015).

## 2.7.3.1 Financial services agencies

## Small Enterprise Development Agency (SEDA)

SEDA was formed in 2004 in terms of the National Small Business Amendment Act, No. 26 of 2003 (South Africa, 2004:9). SEDA is an agency of the Department of Small Business Development. It merged with the former small business agencies Ntsika

Promotion Agency, National Co-ordinating Office for Manufacturing Advisory Centres Trust (NAMAC), and the Community Public Private Partnership (CPPP). SEDA's mission entails development, support, and promotes small enterprises to ensure their growth and sustainability in coordination and partnership with other role players. Services offered by the agency range from business-related information, advice, consultancy, training, mentoring business registration, business plan, access to markets, access to technology, training to import and export development (SEDA, 2016).

### Independent Development Corporation (IDC)

The IDC was established in 1940 as a national development finance institution promoting economic growth and industrial development in the country. It offers financial support to a variety of emerging entrepreneurs across industry spectrums.

### Small Enterprise Finance Agency (SEFA)

SEFA established in 2012 to support small enterprises requiring funds of about R3 million. It was merged with the South African Micro-Finance Apex Fund (SAMAF) and Khula Enterprise Limited to cater for small businesses. The agency offers bridging finance, revolving loans, term loans, asset finance and funds for working capital (SEDA, 2016).

## National Youth Development Agency (NYDA)

The NYDA is a product of merged agencies such as Umsobomvu Youth Fund and the National Youth Commission to provide young entrepreneurs an opportunity to access both financial and non-financial business development support (SEDA, 2016).

## Technology and Innovation Agency (TIA)

TIA derives its mandate from the Technology Innovation Act, No. 26 of 2008. It promotes development and exploitation of discoveries, inventions, innovations, and improvements within society (SEDA, 2016).

## National Empowerment Fund (NEF)

NEF aims to enable, develop, and implement innovative investment and transformation solutions to advance sustainable black economic participation in the economy. The mandate is divided into asset management, fund management, and strategic project fund (DTI, 2015).

### Khula Enterprise Finance Ltd

Khula Enterprise Finance's channels consist of South Africa's commercial banks, retail financial institutions, specialist funds, and joint ventures. The services provided involve early stage debt funding, reach out to SMMEs, and improve access to finance and foster entrepreneurship (Khula, 2009).

### 2.7.3.2 Non-financial services agencies

### • Local Economic Development (LED)

LED programmes entail advancement of the quality of lives of the community. The services rendered by LED include entrepreneurship education, skills training, and facilitation of entrepreneurial programmes to stimulate entrepreneurial programmes (Mazwai, 2009:81).

### Business Development Services Centres (BDSCs)

BDSCs mandate includes providing business support and advice to the small business sector. According to Mazwai (2009:77), BDSCs are composed of the private sector, business associations, and public service providers sponsored by the government.

#### 2.7.3.3 Business incubators

Business incubators have proven to be vehicles for entrepreneurship and small business development (Alsheikh, 2009:28). South Africa's unemployment rate stands at 26.6% (Statistics South Africa, Q2:2016), and business incubation is seen as a strategic intervention for economic development. Business incubation is favoured by developing

countries (Scaramuzzi, 2002:9). South Africa's venture into business incubation is seen as an important step towards mitigating high unemployment rates.

South Africa's essential milestone of business incubation formations is the Godisa programme (Ramluckan and Thomas, 2011). The Godisa programme comes from a Setswana word meaning "helping to grow". The programme is composed of the Technology Advisory Centre, Technology for Women in Business, National Technology Transfer Centre, and the Small Business support activities of the South African Quality Institute (Masutha and Rogersons, 2014:145).

The services offered by business incubators entail advice on starting up and running a business, management support, workspace financing, and shared equipment (Ndabeni, 2008:262). In addition, incubators provide access to markets, networks, and legislation guidance. Alsheikh (2009:29) postulates that services offered by business incubators are dependent on the type of business, type of incubator, and the investors' goals. There are at least five categories for consideration: enterprise development, consultancy networks, entrepreneurial synergy, flexible space, and shared services (Alsheikh, 2009:30-35).

Most business incubators are operated by economic development agencies, local governments, universities, and the private sector in order to accelerate entrepreneurial activities. Gibson (2001) provides a detailed analysis of categories and services offered by incubators.

Incubators contribution to small business Needs and Services: Transport Advice Information Providers: **Business** space Equipment Markets Premises Informal Customers Business Needs and Services: Training Equipment Premises Consulting Providers: Banks inancial companies Raw materials For Private Sector Accountants Consultants Designers Other Suppliers Administration transport Laws Linkeages Training Providers: Needs and Services: Markets Training Clubs Associations NGOs Universities/ Not for Private Personnel Law/regulations Advice and Counselling info Sector Colleges Mutual guarantee associations **Needs and Services:** Advice and Counselling Providers: info Training lational government Local government State Infrastructure Parastatals Utilities Police Law/regulations Brokering/linking Market

Figure 2.8: Incubators' contribution

Source: Adapted from Gibson (2001)

Lose and Tengeh (2016:14344) refer to business incubation as a mechanism used to enhance effective entrepreneurship and small business development. The pioneers of business incubators offered entrepreneurs workspace, skill enhancement, counselling, and networking services to access professional services (Alsheikh, 2009:28). Business incubators provide entrepreneurs with a supportive environment for start-up and develop their businesses with hands-on support and management assistance, affordable space, and shared support services. Business incubators can also support small businesses' survival and growth strategies. A good number of incubators are run by private businesses, universities and colleges, private sector economic development agencies, and local governments (Ndabeni, 2008:262). The services rendered by business incubators include nurturing emerging entrepreneurship and matured SMMEs

to succeed with workspace management, labour peace, and effective management principles.

South Africa's business incubation process is fairly a new process and is still evolving. The notion of sustaining and funding the national business incubation is to address gaps and deficiencies within the entrepreneurship arena and small business sector. The failures of entrepreneurship and small business can be attributed to lack of training, affordable workspace, facilities, services, access to finance, information, and other resources (Ladzani and Van Vuuren, 2002:155; Lose and Tengeh, 2016:14350). The success of business incubators is also influenced by space availability to render services, technical and entrepreneurial skills, and funding (Lose and Tengeh, 2016:14351).

### 2.7.4 Entrepreneurial skills as an avenue to job insecurity

Section 2.7-2.8 reviews identified entrepreneurial skills found in literature. The purpose of the sections is to construct a list of all essential entrepreneurial skills to be used to formulate the survey questionnaire for the study.

A number of scholars (Home, 2011:297; Okudan and Rzasa, 2006:197; Haber and Reichel, 2007:120) reveal essential entrepreneurial skill sets for nascent and novice entrepreneurship. As per Figure 2.9, phase 1 to 3 is appropriate identification and transference of entrepreneurial skills to contingent employees.

Figure 2.9 depicts skill sets in three categories which are essential to potential entrepreneurs as entrepreneurship skills, technical skills, and management skills (Cooney, 2012:7).

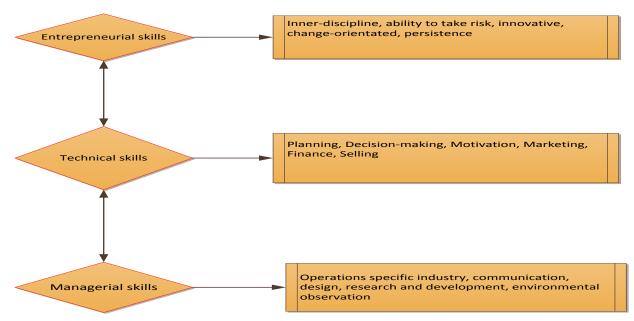


Figure 2.9: Skill sets for effective entrepreneurship

Adapted: Source: Cooney (2012:7)

Source: Adapted from Cooney (2012:7)

Figure 2.9 illustrates entrepreneurial skills according to different scholars (Henry, *et al;* 2005:104; Cooney, 2012:7; Nieman, 2001:446). It consists of the following categories:

- Technical skills are proficiencies necessary for the development of goods and services of the enterprise.
- Managerial skills are operational and strategic competences necessary for the day-to-day operation of the business.
- Entrepreneurial skills refer to the power to envision the future and formulate strategies to achieve set goals from the vision.

Entrepreneurial skills development is relatively new in South Africa (Ladzani and Van Vuuren, 2002:155). Botha (2006:67) further elucidates that these skill sets could be attained through technical training skills – focused skills – which could be attained through formal training in a technical college, university or through work experience.

Personal attributes are inborn abilities which stimulate business start-up and growth. Business skills training entails management development programmes – either general or specialised. Elmuti, Khoury and Omran (2012:84) concur that learning through an educational system can reinforce business skills. Rae (2006:40) views entrepreneurial learning as a journey to identify and "act on opportunities through initiating, organising and managing business in social and behavioural way". Successful integration of these skill sets ignites entrepreneurial activities. Entrepreneurial skills improve an entrepreneur's performance (Nieman, 2001:446). They include interpersonal and personal competencies (Nieuwenhuizen, 2008:1).

According to Afolabi and Macheke (2012:239), entrepreneurial skills consist of competences such as motivation, ability to gather resources, financial management, human resources management, and marketing. A shortage of these leads to an organisational failure.

Technical skills lead to zero performance (Afolabi and Macheke, 2012:238). These skill sets can push or pull potential entrepreneurs towards entrepreneurship. In other instances, people who own factors of productions purchase the skills on the market. Management skills include leadership competences, which are part of starting and running a business. Entrepreneurship can be learned successfully in school.

There are different views about non-cognitive or social abilities which are central to entrepreneurial success (Obschonka, *et al*; 2011:131; Hisrich, Peters & Shepherd, 2005:39; Hartog, *et al*; 2010:986). Social abilities encompass soft skills that potential entrepreneurs have such as interpersonal skills, networking, adaptability, expressiveness, and perception (Hisrich, *et al*; 2005:39). The study of entrepreneurship seems to be puzzling. This study will apply both schools of thought of entrepreneurship in its investigation. The next subsubsection focuses on entrepreneurial skills.

### 2.7.4.1 Entrepreneurial skills

Johnson, Snowden, Muthuty, Fletcher and Williams (2015:10) define an entrepreneurial skill as an ability to identify customer needs, technical or market opportunities, and pursuing the opportunity. Entrepreneurial skills stem from diverse schools of thought. The pertinent question will therefore be where do entrepreneurial skills come from? Stuetzer, Obschonka, Davidsson and Schmitt-Rodermund (2013:1183) maintain that they come from experiences and knowledge base human capital, such as schooling, industry experience, and management experience. Emerging and novice entrepreneurs must be jack of all trades to succeed as entrepreneurs.

Categories of entrepreneurial skill sets which empower nascent and novice entrepreneurs have been discovered (Elmuti, et al; 2012:84; Cooney, 2012:7). The skill sets are classified as technical skills, business management skills, and personal entrepreneurial skills. Accordingly, entrepreneurs with management skills must be able to plan, organise, control, and account for management effectively (Kutzhanova, et al; 2009:64). Entrepreneurs with technical skills need to organise effectively, have business writing skills, have networking skills, have presentation skills, and have technical management skills (Elmuti, et al; 2012:84).

Necessary personal attributes such as risk-taking propensity, perseverance, being change-orientated, persistence, and interpersonal skills distinguish entrepreneurs from managers (Ogundele, et al; 2012:150). It is essential to note that these skill sets must complement one another for nascent entrepreneurs to succeed (Bridge, et al; 2003:63). Nascent entrepreneurs refer to those who have just started enterprising (Herrington and Kew, 2015). Pyysiäinen, Anderson, McElwee and Vesala (2006:24) posit that entrepreneurial skills are appropriate for small businesses. These skill sets entail personal skills, interpersonal skills, and process skills. Application of one skill sets without the others may result in exaggeration of ideas, product or services by nascent and novice entrepreneurs. It is appropriate to suggest that entrepreneurs' knowledge, skills, and abilities can be learned, practised, and improved (Johnson, et al; 2015:11) during an entrepreneurial journey.

Morgan, et al (2010:117) reveal that workforce entrepreneurial skills include commercial, social and leadership skills. Therefore, they are diversified in nature. Entrepreneurial skills may also comprise cognitive and non-cognitive competencies (Hartog, et al; 2010:949; Hisrich, et al; 2005:39). The cognitive abilities range from technical skills, leadership skills, administrative skills, mathematical and financial management skills. Non-cognitive skills refer to socialisation skills, networking skills, and liaison skills (Hartog, et al; 2010:950). Johnson, et al (2015:13) provides a framework useful for identifying entrepreneurial skills as follows:

- ability to identify and define viable market niche
- product or service proliferation relevant to the business market niche
- development of winning ideas
- environmental analysis
- envisioning and grasping opportunities
- strategies to pursue identified opportunities

A proper analysis of the framework factors confirms or rejects the existence of objective-orientated entrepreneurial skills and attributes.

Chell (2013:12) discussed entrepreneurial skills and cautioned that they are not comprehensive but indicative of the broad range of entrepreneurial skills which are quite interrelated. These skill sets are predominantly in cognitive abilities, personality-related, social, business-specific, and learning (Elmuti, *et al*; 2012:84; Cooney, 2012:7; Kutzhanova, *et al*; 2009:64; Chell, 2013:12). The summary in Table 2.5 entails different types of research conducted around entrepreneurial skills.

Table 2.5: Compilation of scholars' entrepreneurial skills

Behaviour/skills	Expert term	Sources
Innovate/creative ability to	Creative/imagination/vision/foresight	Amabile (1983, 1990);
generate novel ideas; ability to		Ardichvili, et al (2003);
envision possibilities		Hills, et al (1997)
Recognising of opportunity and	Alertness; counterfactual thinking	Baron (2000); Kirzner
ability to work out the means-end		(1979); Shane (2000)
framework		
Identification of opportunity; ability	Tacit knowledge; pattern	Amit, et al (1993); Baron
to perceive patterns in information	recognition; prototyping	(2004); Frese (2007);
in a given environment		Marsili (2002)
Awareness of factors conducive	Veridical perception, interpretation,	Gaglio (2004); Kirzner
to opportunity exploitation; prior	and discernment	(1979); Shane (2000);
knowledge pertinent to	Absorptive capacity	Ardichvili, et al (2003)
identification opportunity including	Domain knowledge	
ability to acquire further		
information about potential		
opportunity; domain knowledge		
and associated skills		
Recognition of social need/market	Social/market knowledge	Ardichvili, et al (2003);
need; ability to garner necessary	Prior knowledge	Harper (1996); Timmons
material resources	Resourcefulness	(1989)
Ability to convince others of the	Persuasiveness; social skills;	Jack and Anderson
value of the opportunity;	leadership	(2002); McClelland
self-belief, self-awareness, and	Self-efficacy	(1987); Witt (1998)
ability to exert influence and		
create change		
Trust in own judgement; trusting	Self-confidence; trust	Chandler and Jansen
	Overconfidence	(1992); Chell and Tracey
		(2005)
Ability to manage other people	Interpersonal skills; leadership skills	Baron and Markman
		(2003); Witt (1998)
Ability to differentiate between	Judgement	Casson (1982); Chell
opportunities and information		(2008)
Ability to manage risk and	Risk-propensity; responsibility	Harper (1996); Timmons,
shoulder responsibilities in		et al (1985)

Behaviour/skills	Expert term	Sources
conditions of uncertainty		
Networking and social embedding	Social competence; networking	Aldrich and Whetton
	capability	(1981); Ardichvili, et al
		(2003); Chell and Baines
		(2000)
Ability to overcome institutional	Political astuteness	Baron and Markman
and other constraints		(2003); Harper (1996)
Ability to learn the rules and make	Social learning; adeptness	Argyris and Schoen
the right move at the right time		(1978); Chell (2008)
Ability to endure and cope with	Resilience	Shapero (1975)
difficulties		
Able to apply appropriate skills	Multi-skilled: flexibility; dynamic	McClelland (1987);
associated with different stages of	capabilities	Timmons, et al (1985);
business and drive its		Davidsson and Honig
development forward		(2003)
Ability to develop an idea as a	Business acumen; business	Chandler and Hanks
commercial opportunity; applying	planning	(1994); Stevenson and
the appropriate resources; ability		Jarillo (1990)
to plan and think ahead		
Able to go the distance;	Commitment; stamina; energy;	Timmons, et al (1985);
energetic; motivation and effort	effort; motivation; achievement;	Bird (1989); McClelland
expended	motivation; passion	(1961)
Able to grow and sustain the	Strategic competence	Reynolds (1987);
enterprise		Reynolds and White
		(1997)
Decision-making capability	Decision-making; problem	Casson (1982, 1995);
	formulation and diagnostic skills	Schenkel, et al (2009)

Source: Adapted from Chell (2013:12-13)

Johnson, et al (2015:15) found it possible to identify skills classified under the broad heading of entrepreneurial skills, but differentiated from leadership and management skills. It appears that entrepreneurial skills are complex because they consist of opportunity identification skills, capitalise on identified opportunities, and development and implementation of business plans to enact business ideas. Effective

entrepreneurship can positively and negatively be influenced by entrepreneurs' demographic factors such as gender and ethnic group (Johnson, *et al*; 2015:19). Earlier scholars have also found that high entrepreneurial activities are stimulated by a conglomerate of factors. Recommended entrepreneurial competencies by Kuratko and Hodgetts (1995:39) include ability to solve problems, control, risk-taking, opportunity-seeking, creativity, innovativeness, self-confidence and team-building ability, communication, networking, and delegation. On the other hand, essential skills of successful entrepreneurship involve control skills, risk-taking skills, problem-solving skills, innovation skills, team-building skills, communication skills, networking skills, and delegation skills.

As much as many individuals may have the potential for entrepreneurship, they ultimately do not start successful businesses because they lack entrepreneurial skills and knowledge (Fairlie and Holleran, 2012:367) to assist them to identify markets, navigate through regulations, understand tax laws, conduct effective marketing, and assemble appropriate resources for the business. The development of interpersonal skills, networking, and change management has an indirect impact on effective entrepreneurship.

In the study of Sim (2005:196), key entrepreneurial skills were taken from content analysis of published interviews from literature reviews. According to Sim (2005:196), 86 essential entrepreneurial skills were considered. In applying the framework of Johnson, et al (2015:13), it is possible to prioritise essential entrepreneurial skills according to the entrepreneurial process. McClelland (1987) cited by Nieuwenhuizen (2008:3) grouped entrepreneurial skills into three set of competencies:proactiveness, achievement orientation, and commitment to others. The grouped competencies can be broken further down into entrepreneurial skill subsets. Entrepreneurial skills for small businesses were propounded in one study (Pyysiäinen, et al; 2006:24).

Chell (2013:14) reveals that different researchers suggest different combinations of entrepreneurial skills coherent with respective theories. A meta-analytical study indicates that entrepreneurship is a complicated discipline and requisite skills may vary according to various situations (Chell, 2013:14). The problem is that the link between

on-the-job training and knowledge from education may be relevant for real-time employment, not entrepreneurship (Stuetzer, *et al*; 2013:93). Measurements of the key entrepreneurial skills entail both over- and underestimations of the right skill sets.

The theory of a balanced skill set of Lazear (2005) for entrepreneurs gained popularity. The theory posits that emerging entrepreneurs must be multi-skilled, i.e. be jack of all trades in order to be entrepreneurial. Brandenburg, Roosen and Veenstra (2016:29-30) provide an overview of entrepreneurial skills required to be entrepreneurial, which include openness to use technology, tenacity seeing opportunities, and strategic insight, among others.

Chandler and Jansen (1992) cited by Loué and Baronet (2012:460) state that 134 entrepreneurs were given questionnaires, and 21 entrepreneurial skills were considered in this study. According to Loué and Baronet (2012:460), Baum (1995) interviewed 363 entrepreneurs, and five skill sets were considered. In a quantitative study by Pettersen (2006) cited by Loué and Baronet (2012:460), 142 entrepreneurs and 677 who know them well were interviewed, and 30 desirable skills were considered in the study.

To scope this study, the researcher consolidated entrepreneurial skills selectively (Sim, 2005:196; Brandenburg, et al; 2016:28; Pyysiäinen, et al; 2006:24; Nieuwenhuizen, 2008:31-209) in order to develop a survey research questionnaire. The researcher has consolidated 14 out of 17 important entrepreneurial skills by Brandenburg, et al (2016), 20 key entrepreneurial skills by Sim (2005), and 15 entrepreneurial skills for small businesses by Pyysiäinen, et al (2006) respectively for investigation. Table 2.6 illustrates the researchers' theories (Sim, 2005; Brandenburg, et al; 2016), and this study preferred entrepreneurial skills. The skills are required for small business creation and management.

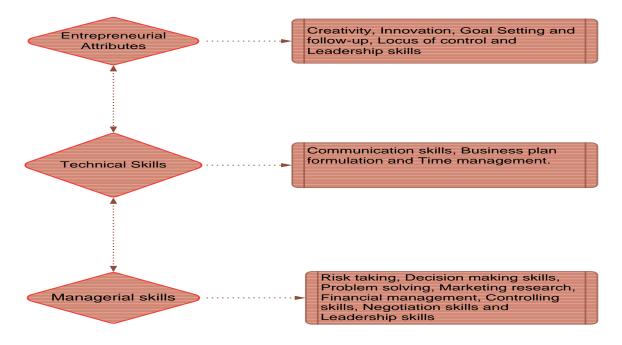
Table 2.6: Key entrepreneurial skills

	Shared Possible	Importance of	Entrepreneurial	Preferred Essential
No.	Entrepreneurial	Entrepreneurial Skills	Skills for SMME	Entrepreneurial
	Skills (Sim, 2005)	(Brandenburg, et al;	(Pyysiäinen, <i>et al</i> ;	Skills for the Study
		2016:28)	2006:24)	
1.	Adapting skills	Perseverance	1. Personal skills	Risk-taking skills
2.	Opportunity	Seeing opportunities	Innovative	Creative & innovation
	recognition skills			skills
3.	People handling	Networking	Initiative	Problem-solving
	(Internal: Staff and			skills
	Shareholders) skills			
4.	Marketing skills	Problem-solving	Risk-taking	Decision-making
		abilities		skills
5.	Technical skills	Collaboration	Ability to deal with	Communication skills
			the unknown with	
			ease	
6.	People handling	Tenacity	Accepting	Negotiation skills
	(External: Clients,		challenges	
	Suppliers, etc.) skills			
7.	Cost control skills	Creative thinking	Taking	Networking
			responsibilities in	
			change	
8.	Selling skills	Openness	Seeking	Skills of drafting
			opportunities in	business skills
			change	
9.	Cash flow	Critical thinking	2. Interpersonal	Marketing skills
	management skills		skills	
10.	Innovation skills	Strategic insight	Interacting with	Financial
			others effectively	management skills
11.	Network skills	Communication	Communicating	Time management
			effectively	skills
12.	Planning skills	Dealing with	Negotiating	Goal-setting and
		uncertainty		commitment skills
13.	Risk management	Negotiation skills	Influencing	Leadership skills
	skills			
14.	Team building skills	Openness to	Demonstrating	Control skills

	Shared Possible	Importance of	Entrepreneurial	Preferred Essential
No.	Entrepreneurial	Entrepreneurial Skills	Skills for SMME	Entrepreneurial
	Skills (Sim, 2005)	(Brandenburg, et al;	(Pyysiäinen, <i>et al</i> ;	Skills for the Study
		2016:28)	2006:24)	
		technology	leadership	
15.	Problem-solving skills	Persuasiveness	3. Process skills	
16.	Negotiation skills	Time management	Ability to plan and	
			organise	
17.	Communication skills	Delegating	Ability to analyse,	
			synthesise, and	
			evaluate	
18.	Computer skills		Ability to execute the	
			plan	
19.	Project management			
	skills			
20.	Leadership skills			

This study concurs with several scholars (Timmons, 1999; Chandler and Jansen, 1992; Sim, 2005; Brandenburg, *et al*; 2016; Pyysiäinen, *et al*; 2006; Nieuwenhuizen, 2008) respecting contributions on important entrepreneurial skills. A few authors (Sim, 2005; Brandenburg, *et al*; 2016:28; Pyysiäinen, *et al*; 2006) provided a useful reference for the researcher to compile a comprehensive list relevant for this study. The list was used to develop the survey questionnaire, and it is believed that these entrepreneurial skills are relevant for successful entrepreneurship.

Figure 2.10: Investigated entrepreneurial skills



Source: (Own Compilation)

The list of skills in Figure 2.10 is not intended to be definitive. The purpose of this study is to investigate the entrepreneurial skills of contingent employees within small retail businesses in Roodepoort. The figure illustrates the nature of the entrepreneurial skills to be investigated. According to Botha (2006:67), entrepreneurial skills could be associated with the birth and growth of the business venture. These skills reinforce entrepreneurs' creativity, innovation, goal-setting, control, and leadership traits. The technical skills in the figure entail knowledge of a particular discipline to guarantee success. This equips prospective entrepreneurs with knowledge to draw up a sound business plan, communicate effectively, and manage to meet preset deadlines. The managerial skills in Figure 2.10 comprise business management skills training. Given the constant managerial development discipline, the list of skills is long, and the study is focused on risk-taking, decision-making, marketing, financial management, negotiation, and controlling.

Hisrich, Peters and Shepherd (2008:10) and Botha (2006:53) integrate business, technical and entrepreneurial skills within various stages of the entrepreneurial process. This is depicted in Table 2.7.

Table 2.7: Aspects of the entrepreneurial process and the required skills

Identify and evaluate	Develop business plan	Manage resources	Manage the
the opportunity	(Entrepreneurial skills and	(Technical skills)	enterprise (Business
(Entrepreneurial	business skills)		skills)
skills)			
- Opportunity	- Title page	- Determine	- Develop
assessment	- Table of contents	resources needed	management style
- Create and length of	- Executive summary	- Determine existing	- Understand variables
opportunity	- Major sections	resources	for success
- Real and perceived	Description of	- Identify resource	- Identify problems and
value of opportunity	industry	gaps and available	potential problems
- Risk and returns of	Technology plan	suppliers	- Implement control
opportunity	Marketing plan	- Develop access to	systems
- Opportunity versus	Financial plan	needed resources	- Develop growth
personal skills and	Production plan		strategy
goals	Organisational plan		- Planning, organising,
- Competitive	Operational plan		and leading
environment	Summary		
	- Appendices		

Source: Adapted from Hisrich, et al (2008) and Botha (2006)

It appears that for entrepreneurs to succeed, a combination of skills as a jack of all trades is important (Lazear, 2005). Table 2.7 demonstrates how integration of the skill sets can help entrepreneurs to thrive.

The purpose of this study is to investigate entrepreneurial skills of contingent employees in Roodepoort using job insecurity factors. More specifically, the study will attempt to isolate the most important entrepreneurial skills that can stimulate start-up, nascent and novel entrepreneurship. The objectives of this study can be summarised as follows:

- To determine the impact job insecurity has on contingent employees in small retail businesses in Roodepoort
- To investigate whether contingent employees have entrepreneurial skills in Roodepoort
- To evaluate causes hindering contingent employees from starting and running their own businesses in Roodepoort

Based on the literature compilation of entrepreneurial skill sets, the study's entrepreneurial skill sets will be discussed in the next section.

## 2.8 THE EFFECTIVENESS OF ENTREPRENEURIAL SKILLS

# 2.8.1 Risk-taking ability

According to the classic economic theory, entrepreneurs are risk-takers (Kirby, 2004:511). The nature of entrepreneurs' work compels them to operate with uncertainties and risks. Sim (2005:257) found that risk-taking competences distinguish entrepreneurs from managers. Entrepreneurs comprise individuals who are willing and able to accept risks and responsibilities while integrating factors of production in order to make a profit (Sim, 2005:260). While others avoid risks, entrepreneurs devise a contingency and mitigation plan to circumvent risks. Kirby (2004:511) further suggests that entrepreneurs cope with ambiguity and are confident compared to small business managers. Successful entrepreneurs take calculated risks, minimise risks, and share risks (Timmons, 1999). An entrepreneur without intuitions to try new and uncertain services, goods, and markets cannot grow his/her business.

Sim (2005:260) cautions that risk-taking alone is unimportant; entrepreneurs need to supplement it rather with management competences. According to Josien (2012:23), effective entrepreneurs must also be risk-averse. In correlation with this notion, Costa, et al (2016:8) indicate that entrepreneurial career is stimulated by stable external factors. For contingent employees, Costa, et al (2016:8) highlighted three categories, namely, entrepreneurial intentions, willingness to consider entrepreneurship as a career

option, and entrepreneurial skills. In this study context, effective entrepreneurship strives for poverty eradication, self-employment, and growth.

# 2.8.2 Creativity skills

Effective entrepreneurs are those who merge creativity with calculated actions (Sim, 2005:26). Creativity is historically associated with genetic attributes, but research reveals that creativity can be learned and improved constantly (Nieuwenhuizen, 2008:10). Positive correlations have been found between creativity and enterprise creation and effective management thereon (Low and MacMillan, 1988:147). Entrepreneurs tend to think in a non-conventional way, challenge the status quo, and are flexible in their approach (Kirby, 2004:512).

Nieuwenhuizen (2008:164) defines creativity as the generation of new ideas, creation during challenges and crisis, and spearheading the growth process. Lack of creativity skills leads to poor entrepreneurial inventions and mindsets. Creativity involves "coming up with new and better ways of doing things" and development of goods and services or systems (Fuller and Marler, 2009:331). It stimulates entrepreneurship; without it, entrepreneurship cannot advance.

It is postulated that proactive and positive individuals tend to be creative (Fuller and Marler, 2009:331). Proactive individuals are generally inspired, motivated, and opportunistic. Successful entrepreneurs ought to be open-minded, have the ability to adapt, and are discontent with the status quo (Sim, 2005:40). Contingent employees affected by job insecurity fit the description of restlessness and vulnerability. Creativity implies that entrepreneurs ought to invest time finding new or improved ways of doing things. Entrepreneurs should search for new and better ways of doing things. The linkage between creativity and being entrepreneurial has been found in several studies (Fuller and Marler, 2009:341). The creative process suggested by Nieuwenhuizen (2008:167) entails the following:

- definition of the problem
- compiling the correct information
- generation of new ideas

- evaluating and reprioritisation of new ideas
- application and execution of the solution

The strength of this process is that new ideas are documented, analysed, and improved if necessary. Nieuwenhuizen (2008:9) further reveals that in order to achieve success, entrepreneurs often combine creative abilities with innovation abilities. Identifying an opportunity is associated with creativity, and usage of the opportunity is part of innovation (Nieuwenhuizen, 2008:163).

#### 2.8.3 Innovative skills

Innovation is defined as a process of commercialising new ideas into quality products, services or systems (Nieuwenhuizen, 2008:188). Innovation instruments are applied to exploit transformation opportunities to achieve profits. A positive relationship between innovation and creativity principles has been uncovered (Sim, 2005:27; Nieuwenhuizen, 2008:188). Innovation generally refers to making something out of nothing, better or improved product, service, process, procedure, or policy. It enables a business to create value (Sim, 2005:27).

According to Nehete, Narkhede and Mahajen (2011:5515), innovativeness implies a willingness to experiment and investigate better ways. Innovation is ongoing in business. The success of business innovation is guided by an entrepreneur's personality. The failure of business innovation can be influenced by the dearth of financial resources and technology. Business innovation categories include product innovation, market innovation, people innovation, and managerial innovation (Palacios, Gil & Garrigos, 2009:293). The ultimate goal of the aforementioned innovation categories is to bring quality service to customers and competitive advantages. A successful entrepreneur must possess innovative skills for various reasons. The benefits of innovative abilities (Nieuwenhuizen, 2008:196) include:

- Introduction of products or services may be cheaper.
- There are lessons learned from creators/originators.
- There is already a known market for the products or services.

• There is an opportunity to build from a reputation and created networks.

# 2.8.4 Problem-solving and decision-making skills

Shepherd, et al (2015:14) emphasise that opportunity identification and exploitation are important in the entrepreneurial process. Entrepreneurs need to be skilled decision-makers. Traits that distinguish entrepreneurs from non-entrepreneurs entail (Shepherd, et al; 2015:14) that entrepreneurs apply

- · opportunity assessment;
- entrepreneurial entry decisions;
- decisions about exploitation business opportunities; and
- entrepreneurial exit decisions.

The decision to be entrepreneurial can be influenced by various factors, for instance, personal wealth and unemployment (Dawson, *et al*; 2009:2). Evidently, individuals have heterogeneous aspirations and attitudes. As eluded by Shepherd, *et al* (2015:14), prospective entrepreneurs act differently when an opportunity presents itself. Since starting a business is not easy, the push-pull theory discussed helps to stimulate an entrepreneurial spirit within a prospective entrepreneur.

Gazzaniga, Heatherton and Halpern (2010:342) reveal that problem-solving is a process or involves concerted efforts directed to solving problems. An effective entrepreneur evaluates information and beliefs and draws valid conclusions. Entrepreneurs should react positively to problems faced by the business, customers, suppliers, products, or services. Unresolved problems harm business products, customer relationships, and lower competitiveness. Problem-solving skills can effectively be interlinked to sound decision-making.

A positive relationship exists between problem-solving, decision-making, and effective entrepreneurship. Contingent employees affected by job insecurity could see entrepreneurial entry as an occupational alternative if they have an entrepreneurial spirit (Dawson, *et al*; 2009:4).

#### 2.8.5 Communication skills

The absence of communication skills may lead to poor performance (Afolabi and Macheke, 2012:239). Communication refers to the transfer of a message (information, idea, emotion, intent, feeling, or something else) that is both received and understood (Steenkamp, 2011:119). It also refers to an entrepreneur's ability to exchange information that leads to effective entrepreneurship (Nieuwenhuizen, 2008:155). Effective communication is essential to entrepreneurship effectiveness and competitiveness.

An effective emerging entrepreneur can also use communication technologies for the success of a business. Communication technologies consist of web, advanced web, and telephone usage (Richards and Jones, 2008:126). Web communication tools include emails, live chat, self-services, and knowledge-base. Advance web communication channels comprise social networks, chatbot, collaborative browsing, and virtual assistance. Further, telephone communication channels include cellular applications and telephone.

Further, nascent and novice entrepreneurs must be able to make a good presentation, sustain discussions, and market their products, services, programme, or policies well. Communication skills include competencies to communicate effectively at various levels: one-on-one level, team level, organisational level, and community level (Steenkamp, 2011:120). These levels of entrepreneurial communication skills give rise to interpersonal skills. Steenkamp (2011:136) defines interpersonal skills as people skills or ability to work together with people in a positive manner that is conducive for personal and corporate success. Entrepreneurs must be able to communicate effectively in writing, electronic writing, reading, presentation, and body factors. Baum and Locke (2004:589) postulate that an entrepreneur has a vision of the business which must be communicated effectively to a team. The communication of the vision could be through behaviour to inspire and align entrepreneur-employee goals.

# 2.8.6 Negotiation skills

According to Kirby (2004:516), negotiation skills support nascent entrepreneurs when persuading funders, banks, friends, family, and customers to support the new venture. The negotiation process entails handling differences amicably with the purpose of reaching convergence either to raise funds or obtain credit for the business. The differences range from capital, investment, sale, purchase, merger to contract. The process of negotiation for a potential entrepreneur involves preparation, discussion, clarification of goals, and negotiation towards a win-win outcome, agreement, and implementation of a course of action.

There is an informal and formal negotiation. The elements of effective negotiation are attitude, knowledge, and interpersonal skills. Strong negotiators possess written, verbal and non-verbal communication skills.

# 2.8.7 Networking skills

Nieuwenhuizen (2008:116) defines networking as an "active process of setting up and maintaining mutually rewarding and co-ordinating relationships with other persons or businesses which can offer critical support for the growth of the business". An entrepreneur without networking skills will find it difficult to succeed in a small business start-up and succeed. Networking is described as a connection and association a business enjoys with other businesses to improve efficiency. Social networking and business networking differ substantially. Social networking consists of friends and family that share similar characteristics. Business networking comprises people who could provide advice, guidance, and sponsorship to one another. Networking has a number of determinants which measure its success, mutual trust, beliefs, common interests, and mutual benefits. According to Nieuwenhuizen (2008:117), nascent entrepreneurs design successful networks by

- formulating one's business requirements;
- compiling a list of existing networks;
- compiling a list of forecasted networks and set standards;

- filling gaps identified with networks; and
- plotting a network improvement plan.

An effective entrepreneur must be able to establish networks, nurture networks, and improve on competitiveness. Networks comprise people who have travelled the entrepreneurial journey and succeeded. Business start-up networks are investors, advisors, and even key executives. There are various ways in which new entrepreneurs may obtain networks; these include posting their profile on social media, participation in business forums, attending investment conferences, and getting an introduction from other business contacts (Zwilling, 2010:1).

# 2.8.8 Business writing skills

Entrepreneurship starts with an idea that is converted into a business plan and real-time action (Ray, 1993:353). Entrepreneurs must pursue possible funders, friends, and even families to invest in their entrepreneurship journey, and this involves a high level of writing. According to Ray (1993:353), the activity involves writing different business proposals to banks for credit, to suppliers for extending credit, and to customers for buying products or using services.

An entrepreneur's business writing skills can also translate into the ability to write business reports and financial reports to shareholders. Plumly, Marshall, Eastman, Iyer, Stanley and Boatwright (2008:21) bring out that the writing of a quality marketing plan requires potential entrepreneurs to write effectively. Communication continues right from the business plan and marketing plan to presentation skills, persuasive skills, and interpersonal skills in order to sustain a new venture. The long-run goal of efficient business writing is to deliver an unambiguous, concise, accurate and professional business document to shareholders and stakeholders. It must also be easily readable and understandable. Poor business writing skills tend to reduce chances for communicating a point clearly and persuasively. It tends to increase input costs. The effectiveness of an entrepreneur is induced by business writing set skills and the chances for entrepreneurial success increases.

# 2.8.9 Time management skills

Putting first things first and doing so with integrity is an ingredient for successful time management (Nieuwenhuizen, 2008:102). A dictionary defines time as the period at which things occur (Marshall, 1998). Useful time management phases are presented in Figure 2.11.

1. Need determination

Entrepreneur' time management process

3. Information collection

Figure 2.11: Entrepreneur's time management process

Source: Adapted from Nieuwenhuizen (2008:86)

The presented phases in Figure 2.11 help emerging entrepreneurs to prioritise, organise, and be positive and disciplined with respect to starting and running their small businesses (Nieuwenhuizen, 2008:108). An entrepreneur's time management skills can also refer to ordering, delivering, and selling goods and services efficiently and effectively. Thus, the right materials must be ordered from suppliers in the correct quantity and quality and at the right time so as to reach customers as required. Failure to have these goods available can lead to customers' dissatisfaction.

An entrepreneur's capability to manage time leads to organised work and high revenue. Entrepreneurs often face interruptions and timewasters, which can derail their progress. A possible solution is the allocation of time for interruptions and timewasters. Most time must be invested in high-priority thoughts, activities, and conversation. The

effectiveness of an entrepreneur would be determined by his/her ability respecting time management.

# 2.8.10 Marketing skills

An entrepreneur must understand the market for goods or services. According to Strydom, Jooste and Cant (2003:30), marketing refers to a managerial process aimed at satisfying the needs and wants of customers. This is accomplished by creating a market for products or services. Successful entrepreneurship identifies products or services opportunities in the market and acts promptly to maximise the profit and wealth of a business venture. Marketing functions are diverse but may include market research, analysis, selling, pricing, new product planning, distribution, and meeting customers' demands (Sim, 2005:41). Poor marketing competency can lead to poor sales and less revenue. Loué and Baronet (2012:465) argue that marketing skills are necessary for entrepreneurship. Figure 2.12 depicts some of the effective marketing skills.

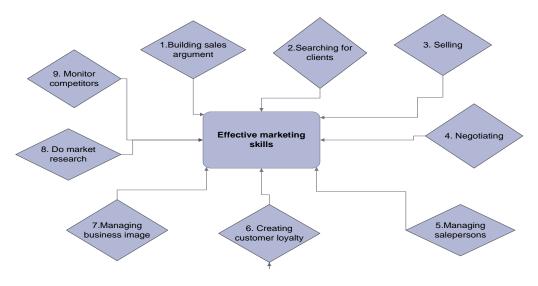


Figure 2.12: Effective marketing skills

Source: Adapted from Loué and Baronet (2012:465)

An effective entrepreneur should also identify opportunities and threats in the market and decide on an efficient plan of action for circumvention (Strydom, et al; 2003:25).

This culminates in controlling the marketing process. A positive relation exists between marketing skills and successful entrepreneurship.

# 2.8.11 Financial management skills

Nieman, Hough & Nieuwenhuizen (2006:95) cited in Phenya (2011:28) define effective financial management skills as an ability to secure necessary financial resources to ensure business venture success in both the short-term and long-term basis. For effective entrepreneurship, the potential entrepreneur must possess the following financial competencies: bookkeeping, preparation of income statement, balance sheet and cash flow analysis, short-term financing options, raising capital, and managing cash flow (Sim, 2005:41). Loué and Baronet (2012:465) profile essential financial management skills as vital for nascent and novice entrepreneurs as indicated in Figure 2.13.

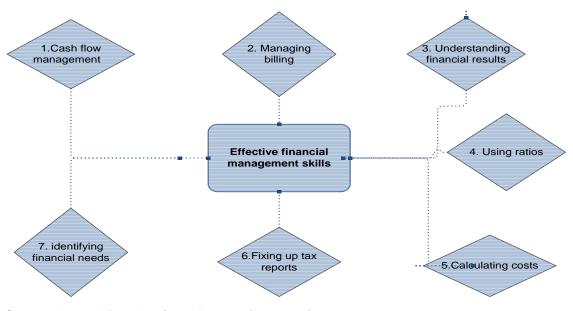


Figure 2.13: Effective financial management skills

Source: Adapted from Loué and Baronet (2012:465)

Figure 2.13 highlights some financial management skills that can make an entrepreneur effective. It is suggested that entrepreneurship cannot take off without capital. Therefore, raising capital and managing it is a key function to successful

entrepreneurship (Loué and Baronet, 2012:468). In addition to the role of successful entrepreneurship, financing and investment decision-making are important for an entrepreneur. These skill sets can be attributable to education and training. For purposes of this study, potential entrepreneurs must have basic financial management skills because learning is a process than a result.

# 2.8.12 Goal-setting and commitment

Setting goals enhances an entrepreneur's execution (Nieuwenhuizen, 2008:37). Entrepreneurs who organise their goals around planned tasks display a greater degree of tenacity in their performance compared to those who do not. Baum and Locke (2004:590) emphasise that goals development is vital for entrepreneurship growth. Goal-setting relates to a planning process where a vision, mission, and values statements are developed (Baum and Locke, 2004:590). Goal statements refer to broad statements about what an individual or group hopes to accomplish. Nascent entrepreneurs may need to classify their goals as long term and short term. Nieuwenhuizen (2008:39) indicates useful guidelines for goals-setting as shown in Figure 2.14.

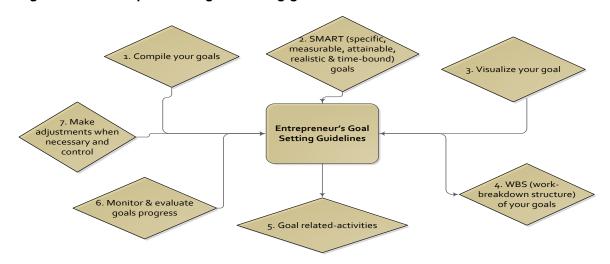


Figure 2.14: Entrepreneurs' goal-setting guidelines

Source: Adapted from Nieuwenhuizen (2008:39)

Entrepreneurs' goal-setting guidelines are set out in Figure 2.14. Baum and Locke (2004:590) encourage nascent entrepreneurs to draft long-term goals when starting up new businesses. The short-term goals will then entail activities to be completed within one year. An entrepreneur who realises a shortage of staff and technology may use the long-term goals to decide on the way forward. The entrepreneur is expected to plan and set goals for the business venture. The study focus is supported by setting goals and commitment to translate into devotion, discipline, decisiveness, persistence, personal sacrifice, and full participation.

# 2.8.13 Leadership skills

Leadership is the ability to inspire and motivate people to make a voluntary commitment to accomplish business goals (Steenkamp, 2011:361). The key components of leadership consist of authority, power, delegation, responsibility, and accountability. Nieuwenhuizen (2008:139) defines leadership as activities that connect business plan formulation with the achievement of business preset goals. Leadership is responsible for successful delivery of the business mandate. An entrepreneur's leadership skills involve the ability to develop a vision, mission, goals, and strategies. Loué and Baronet (2012:472) associate leadership skills with specific entrepreneurial competences such as the ability to inspire, motivate, arouse support, delegate, and instil team spirit in employees. Nieuwenhuizen (2008:153) suggests several factors for effective leadership as brought out in Figure 2.15.

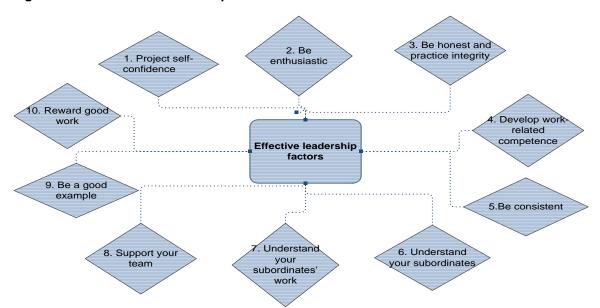


Figure 2.15: Effective leadership factors

Source: Adapted from Nieuwenhuizen (2008:86)

Some leadership factors that can make an entrepreneur effective are revealed in Figure 2.15. The leadership theory suggests that several leadership styles exist. An autocratic style is associated with dictatorial leadership, while a democratic style is associated with consultative or consensus leadership (Steenkamp, 2011:366). The other styles include participative leadership style, goal-orientated leadership, and situational leadership style, which are the combination and adaptations from the latter. An entrepreneur's leadership skills should give rise to customer focus, teamwork, and emphasis on best practices, unity of purpose, peak performance, and freedom through control (Steenkamp, 2011:380).

#### 2.8.14 Control skills

Entrepreneurs possess a high level of internal locus of control (Kirby, 2004:512). They do not abdicate responsibilities; they are accountable for the delivery of set goals. Control comes after planning, organising, and leading. The leader's function includes control. An effective entrepreneur must monitor and control the business. With ineffective monitoring, an entrepreneur cannot control. An entrepreneur must also have self-control. It means entrepreneurs do not allow someone to have control over them. They often believe they can perform activities better than their counterparts and will strive for maximum responsibility and accountability. They enjoy creating business strategies. They need freedom to choose and act according to their perceptions. Control skills result in successful starting up and running of a business.

# 2.9 RELATIONSHIP BETWEEN EDUCATION AND TRAINING, AND ENTREPRENEURSHIP

Entrepreneurship is an interdisciplinary and multidisciplinary concept. Different scholars arrive at different conclusions about who the entrepreneur is. Guth and Ginsberg (1990:6) reveal that an intrapreneur can be a manager or an employee within an organisation who provides a business solution or technical knowledge to a business problem. Schumpeter (1934) compared entrepreneurs to managers as far as level of education is concerned. It is therefore debatable whether entrepreneurship can be taught. Bae, et al (2014:218) refer to entrepreneurship education as a journey of learning entrepreneurial attitudes and skills. Volery (2004:2) concurs that entrepreneurship could be learned and then practised. Entrepreneurship education and training happen at different stages of individuals' development and situations. Entrepreneurs learned from teachers, lecturers, family, friends, mentors, and role models.

Henry, et al (2005:100) found that with globalisation and rapid changes in technology, an effective entrepreneur must adapt. Advancement in telecommunication and transportation introduce a new way of entrepreneurial survival strategies. Nassif, et al (2010:217) maintain that there is a correlation between human capital and

entrepreneurship. Human capital entails technical know-how, managerial skills, personal attributes, and a lifelong learning attitude. Henry, *et al* (2005:100) suggest that good entrepreneurs see opportunity in adverse times such as during downsizing, reengineering, mergers, reduced working hours, and retrenchment. Figure 2.16 illustrates the push-pull theory of Gibb and Cotton (1998:8) towards entrepreneurship. Several circumstances could stimulate adaptation responses, of which entrepreneurship is the most prominent one.

Figure 2.16: Entrepreneurship education and training

# Global pressures Greater uncertainty and complexity – the need for entrepreneurial response Individual repositioning

Entrepreneurship education and training

Source: Adapted from Gibb and Cotton (1998:8)

Figure 2.16 indicates all the stages that require entrepreneurial skills and competencies for an employee to adapt (Henry, et al; 2005:100). The skills do not have to be restricted to entrepreneurship, but learning is essential. Entrepreneurial skills should be diverse in nature in order to succeed. Entrepreneurs are responsible for crafting an idea, converting it into action, raising capital, assembling competent teamworkers, and redoing activities until the business reaches high heights (Stuetzer, et al; 2013:1184). Several researchers discovered that entrepreneurial skills come from education,

working experience, and role modelling (Stuetzer, et al; 2013:1184; Wagner, 2006:2419; Ogundele, et al; 2012:150).

Entrepreneurship education and training can be the transmission of competencies necessary for starting and running a successful business (Alberti, Sciascia & Poli, 2004:2). Entrepreneurship education and training have gained prominence in science as opposed to business education. Learning entrepreneurial skills differ according to stages of business, for instance, pre-start, nascent, novel, and maturity, but they are also not restricted to emerging entrepreneurs (Johnson, et al; 2015:19).

According to Bolton and Thompson (2004), three categories of entrepreneurship education and training exist, namely, (1) translating a business idea into action, (2) growing a business solution, and (3) business mentoring. Entrepreneurship education and training involve a practical approach of attaining entrepreneurial skills. Lack of entrepreneurship education culminates in high small business failures (Ladzani and Van Vuuren, 2002:156). Entrepreneurial learning has to be goal-orientated because emerging entrepreneurs' personality attributes are task-focused.

Isaacs, et al (2007:615) suggest a lifelong entrepreneurial learning process known as Consortium for Entrepreneurship Education, with five stages: basics, competency awareness, creative application, start-up, and growth. Other scholars concur with the theory for lifelong entrepreneurial learning (Kent, 1990:214; Kroon, De Klerk & Dippenaar, 2003:319). A model for lifelong entrepreneurial learning is illustrated in Figure 2.17.

Figure 2.17: A lifelong entrepreneurial learning model

Phase 5: Growth

\*Solve business problems

Phase 4: Start a business

\*Become self-employed

# JOB EXPERIENCE, JOB TRAINING AND EDUCATION

#### Phase 3: Creative application

\*Learn entrepreneurship competencies

\*Apply educational training

#### Phase 2: Competency awareness

\*Discover entrepreneurship competencies

#### Phase 1: Basics

\*Acquire basics skills

Source: Adapted from Kroon, et al (2003:320)

Figure 2.17 shows that the Consortium for Entrepreneurship Education model consists of five phases. The view is that if contingent employees were introduced at any level of the model, contingent employees could be driven towards entrepreneurship. It is clear that education and training are important for successful entrepreneurship. The study will apply both schools of thought of entrepreneurship in its investigation.

#### 2.10 CONCLUSION

This chapter discussed the empirical literature relating to the small retail business' contingent employees' job insecurity and entrepreneurial skills. Entrepreneurship through the creation of a business is seen as a key factor towards achieving economic goals. Restrictive factors that apply are the availability of competent individuals to start and run a business. Despite this limiting factor, literature reviewed highlights that individuals can learn entrepreneurial skills and become entrepreneurs. However, there is always a gut feeling towards starting up a business, and this resembles a successful entrepreneurship venture. In this chapter, the study covered small retail businesses' contingent employees' entrepreneurial skills and factors of job insecurity. The chapter concludes with the effectiveness of entrepreneurial skills. The focus of the study was to determine the importance of entrepreneurial skills and the influence of job insecurity towards entrepreneurship in Roodepoort.

The chapter that follows will discuss the research design and methodology used in this study.

# **CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY**

### 3.1 INTRODUCTION

The preceding chapter reviewed literature on small retail businesses' contingent employees' entrepreneurial skills. The focus was on theoretical and empirical literature relating to job insecurity facing contingent employees in small retail businesses and the impact of entrepreneurial skills. This chapter is a description of the research design and methodology employed in the study.

The section that follows outlines research paradigms. It is followed by a discussion of research designs, linking them to the problem statement and study objectives. Then the research methodology is discussed. The sample design followed by data collection will then be looked into. Finally, the study instruments, pilot study, and a snapshot into data analysis will be described.

#### 3.2 RESEARCH PARADIGM

According to Weaver and Olson (2006:460), a paradigm refers to beliefs and practices that guide the route to be followed within a field of study. It clarifies a researcher's design and methodological choices. Welman, *et al* (2005:6) make a distinction between two research methods, namely, quantitative and qualitative methodologies. The quantitative method belongs to the positivist theory. Its main focus is enumeration. On the other hand, the qualitative method is based on an anti-positivist approach (Cooper and Schindler, 2014:146). Scholars accepted that all qualitative studies are anti-positivist.

Zikmund, et al (2010:134) suggest that quantitative research measures concepts with scales that provide numeric values. Numeric values are used in statistical computations and hypothesis testing. Statistical and mathematical procedures were utilised to analyse data and maintain a clear distinction between facts and judgements. In contrast,

qualitative researchers observe, listen, and interpret data. Human analysis following computer coding is used to analyse data with the aim of getting results (Cooper and Schindler, 2014:146). Hussey and Hussey (1997) point out that the quantitative and qualitative approaches can be applied to one study. The choice of either or both methods is determined by the nature of the study.

Zikmund, et al (2010:134) offer some distinctions between qualitative and quantitative methods. They postulate that when a sample is large and in numeric values, the study is quantitative, but if the sample is small and collected verbally, it is qualitative. A quantitative study could provide information relevant to the scope, for instance, ratios of entrepreneurial skills and job insecurity, while a qualitative study may probe the underlying reasons for those have and have-nots, or affected and not affected.

This study used a quantitative method which merges well with the study objectives of investigating entrepreneurial skills of contingent employees by collecting numeric data-structured questionnaires and analysed results statistically. The use of the quantitative method was necessary to obtain logical positivism, measurements, and predictions. In quantitative studies, the relationship between an independent variable and a dependent variable in a population is described. Quantitative research designs are descriptive or experimental. A descriptive study determines the association between variables. Questionnaires were distributed to 165 contingent employees in 60 small retail businesses in Roodepoort, but only 129 respondents returned completed questionnaires. This was to offset possible underestimation and overestimation of the population.

#### 3.3 RESEARCH DESIGN

Research design is a master plan that refers to the methods and procedures for collecting and analysing data needed (Zikmund, *et al*; 2013:64). According to Cooper and Schindler (1998:130), research design systematically merges the study proposal with the variables and results in a theory. A theory is a set of interrelated definitions, constructs, and propositions that present systematic phenomena (Kerlinger and Lee, 2000:11).

Research design, therefore, provides a route to follow in order to resolve a problem. Various design techniques exist, and they include descriptive and causal research. According to Zikmund, *et al* (2013:65), the costs, data source availability, timeframes, and objectives of the study reveal which design technique was appropriate between surveys, experiments, secondary data, and observation.

This study used a descriptive survey. A descriptive study creates relationships between variables. According to Zikmund, *et al* (2013:53), descriptive surveys characterise objects, people, groups, organisations, or the environment studied. Quantitative data offered by this technique yielded appropriate data for the analyses. Survey research acquires information by asking questions, tabulating responses and summarising responses with percentages and frequency counts, and drawing inferences about that unit of analysis (Cooper and Schindler, 2014:238). Advantages of the descriptive survey consist of the following, among others, cheap; time for respondents to reflect and apply their minds; fast data gathering; guaranteed anonymity; and high response rates (Cooper and Schindler, 2014:240; Zikmund, *et al*; 2013:65).

The researcher considers some weaknesses associated with this type of survey. There is no researcher or fieldwork's intervention for probing or explanation; questionnaires must be short and a quiet environment is required for concentration. One hundred and twenty-nine contingent employees from small retail businesses in Roodepoort were contacted. According to Leibbrandt, *et al* (2008:14), contingent employees are a transitional group of employees who work on a non-permanent basis, such as temps, part-timers, fixed-term workers, and casual and employment agency employees. The foregoing was the study's population.

A descriptive survey also fits and complemented the study's problem statement, objectives, and hypotheses. This type of survey was thus deemed appropriate.

# 3.3.1 Problem statement and study objectives

The aim of the study was to empirically investigate entrepreneurial skills of contingent employees in Roodepoort, applying job insecurity as a determinant to understand why they have not opted for entrepreneurship as a way of overcoming job insecurity. The study investigates that relationship. Abor and Quartey (2010:218) reveal that 91% of formal small businesses contribute 52-57% to GDP and 61% to employment. The small business sector is crucial towards the advancement of the South African employment rate. The reality is that small business resources are largely constrained due to the scarcity problem of things such as capital, land, materials, and technology, which makes them unsustainable enterprises and often prefer using contingent employees.

A decline of 54 184 in permanent employment and increase of 27 250 contingent employment was reported in the Adcorp Employment Index (2014). The cited report is collaborated by the Statistics South Africa (Q2:2016) report employment levels which show 212 000 per quarter decrease in employment, 84 000 of which are contingent jobs.

Contingent employees can be dismissed without encountering statutory redundancy payments or restrictions imposed by labour laws in South Africa. Contingent jobs offer poor working conditions, such as low earnings, poor benefits, no bargaining power, and poor prospects. Unsatisfactory employment opportunities in their own right come under investigation. Job insecurity is prevalent. The theoretical framework of the study is the push-pull theory towards entrepreneurship. The study seeks to understand why contingent employees do not assume risks and start up small businesses, and whether entrepreneurial skills are a drawback.

#### 3.4 RESEARCH METHODOLOGY

#### 3.4.1 Sample design

Sampling is generally conducted to permit a detailed study of a part rather than the whole of a population. According to Zikmund, et al (2013:385), sampling is a process of selecting a subset or only part of inhabitants or population. Hussey and Hussey (1997:64) emphasise that it is important to first identify the sample and ensure that it is unbiased and representative. Selection of a population has advantages such as reduction of costs associated with gathering and analysing data, reduced needs for training fieldworkers, improved speed for data summarisation and reporting, and greater accuracy. The population of the study is small businesses in the retail sector in

Roodepoort. It is composed of contingent employees from small retail businesses within small businesses in Roodepoort.

According to Storey (2016:18), statistics of small businesses are speculative because some small businesses do not register with the authorities, and most of their lifespan tend to be short. Similarly, Dockel and Ligthelm (2005:56) revealed that the demographics within the small business sector fluctuates and is hard to accurately confirm in South Africa. A 2007 study conducted by Ligthelm (2010:140) related the shortcomings to high short survival periods and attrition rates of small businesses.

The researcher used Roodepoort Information (2013) and Roodepoort Chamber of Commerce and Industry (2013) as the most trustworthy sources to determine the number of small retail businesses in Roodepoort. The sources are known to keep a register of small businesses within Roodepoort. The population size by Roodepoort Information and Roodepoort Chamber of Commerce and Industry in 2013 was 503. The study was therefore based on 503 small retail businesses in Roodepoort. The small businesses categories consisted of the businesses highlighted in Table 3.1.

Table 3.1: Roodepoort small businesses categories

Category	Descriptions
Beauty shops	Beauty parlour, Beauty shop, Hair salon, Spa services shop
Liquor stores	Bottle stores, liquor shop, bar, pubs
Restaurants and	Pizza hut, fish n chips, Test chicken, Pecado da Gula, The Steak
fast food outlets	
Filling stations	BP, Caltex, Engen
General dealers	Car general dealers, Cash and Carry, Essack's Agencies, Georgina
	stores, City stores
Clothing stores	Clothing City, PQ Clothing, JAM Clothing, Sportscene, The Hub,
	Forever New

The sample frame of the study included contingent employees within small retail businesses in Roodepoort.

# 3.4.1.1 Non-probability sampling

In non-probability sampling, the probability of members of the population being selected is unknown (Zikmund, *et al*; 2013:392). The researcher used his/her judgement to select members of the sample from the sample frame. Several scholars suggest methods which could be applied on non-probability sampling (Cooper and Schindler, 2014:396-358; Zikmund, *et al*; 2013:392; Welman and Kruger, 1999:47). These include convenience sampling, purposive (judgement and quota) sampling, and snowball sampling. In convenience sampling, researchers target members of the strata that are easy and conveniently accessible. In purposeful sampling, there is judgement sampling; a researcher would select members according to some criterion. The researcher would then select the unit of analysis that he thinks is appropriate for the study. Quota sampling would then be used to ascertain representativeness.

# 3.4.1.2 Probability sampling

Cooper and Schindler (2008:408) define probability sampling as a random sampling based on the concept of controlled random selection procedure. Probability sampling requires that each member of the targeted population be known and have a non-zero chance of being selected into the sample (Zikmund, *et al*; 2013:392). The procedure applied is systematic, and favouritism among units of analysis is reduced.

Probability methods comprise systematic sampling, stratified sampling, simple random sampling, and proportional versus disproportional sampling, cluster sampling, and multistage sampling (Cooper and Schindler, 2014:396-398). Probability sampling expects the researcher to specify in advance each segment of the population to be represented in the sample (Leedy and Ormrod, 2005:198-199). The aim is to ensure each member of the population is represented.

For this study, probability sampling was used. Probability sampling enabled the researcher to randomly select units from the population using probabilistic methods as

listed in Table 3.2. This method enabled the researcher to minimise possibilities of sampling bias, sampling errors, and enhanced representativeness. It also permitted the researcher to select a representative sample by means of random contingent employees. Moreover, results were analysed statistically.

Stratified sampling was applied to the categories of small retail businesses in Roodepoort: Beauty shops, Liquor stores, Restaurants & Food outlets, Filling stations, General dealers, and Clothing stores. As indicated, the sample frame has unknown characteristics and made it difficult to determine the degree to which the sample would represent the population as a whole. According to Nieuwenhuis (2013:79), criterion sampling is effective if the researcher wants to be distinctive about the unit of analysis eligible for inclusion and exclusion in the study. Judgemental or purposive sampling principles were suitable for selecting a sample of small retail businesses only from a database made up of small businesses within Roodepoort.

The employees' composition in the small retail business sector is heterogeneous in nature, for instance, owners, managers, permanent employees, and contingent employees. The unavailability of contemporary demographic information of employees employed within the small business sector indicate the vastness of the sector (Gibson and Van der Vaart, 2008:5) and the instability, vulnerability, and unprotected work within the sector (Storey, 2016:18; Dockel and Ligthelm, 2005:25). Roodepoort Information (2013) and Roodepoort Chamber of Commerce and Industry (2013) provided a trusted database to work with.

# 3.4.2 Sample size

Sample size refers to the number of the sample elements that will be included in the final sample. The study was based on 503 small businesses in Roodepoort, and small retail businesses were selected. The basic rule for sampling size is the higher the size, the lower the probability for errors in generalising the unit of analysis (Welman, *et al* 2005:70). As much as is true, attaining a larger pool of respondents may be time-consuming and expensive for an academic study. Therefore, studying and enumeration of the total population lie with a census (Tustin, Ligthelm, Martins & Van Wyk,

2005:338). The decision regarding the size of the sample is important. Several scholars (Zikmund, *et al*; 2013:430; Welman, *et al*; 2005:71) suggested some guidelines to consider when formulating a sample size. The guidelines entail population size; variance of variables; if a stratum is relatively homogeneous, then a smaller stratified sample is needed; and tracing respondents in case they refuse to participate (Welman, *et al*; 2005:70-72).

Factors such as population size, confidence level, and estimation of proportion must also be considered in determining a sample size. Cooper and Schindler (2008:409) postulate that a sample size of 5% of the total population is acceptable. Given this study's population of 503 small retail businesses, the targeted number was 50 respondents (503 small retail businesses x 5% = 26). With the 503 small retail businesses database on hand, the researcher felt that 26 small retail businesses might not provide a representative picture of the study population. This was also aimed at offsetting possible underestimation of the population. Therefore, this study targeted 10% of the small retail businesses with contingent employees in Roodepoort.

To investigate the relationship between entrepreneurial skills of contingent employees and job insecurity factors within the small retail business in Roodepoort, the sample size of the study consist of the population in Table 3.2. Table 3.2 depicts strata, population, sample, and proportionate rates.

Table 3.2: Strata, population, sample, and proportionate rates

Strata	Population	Proportionate	Sample
Beauty stores	68	13.5%	18
Liquor stores	102	20.3%	26
Restaurants & Food outlets	98	19.5%	25
Filling stations	80	10.9%	20
General dealers	90	17.9%	23
Clothing stores	65	12.9%	17
Total	503	100.00	129

Table 3.2 illustrates a typical small retail businesses composition in Roodepoort. To meet the threshold of the targeted 10%, 60 small retail businesses participated in the study. The population sample for contingent employees from the small retail businesses totalling contingent employees' population is 129.

#### 3.5 DATA COLLECTION

Data collection may occur within a broader life cycle of a study. Data collection is a process of gathering information for analysis purposes (Zikmund, *et al*; 2010:65). Research instruments could be utilised to collect data. Leedy and Ormrod (2005:187) suggest that four quantitative research designs could be utilised to gather numerical data, namely, survey research, correlation research, direct observations, and developmental designs. After considering these research designs, the researcher selected survey research to address the objectives.

A questionnaire research instrument was preferable because it promotes confidentiality, integrity, and anonymity of respondents. There are common problems with using the questionnaire technique, namely, misinterpretation of questions and poor response rates (Leedy and Ormrod, 2005:185). Data collection process commenced with

questionnaire compilation, choosing appropriate rating scales, questionnaire trial to measure validity and reliability, and lastly administration of the questionnaire (Cooper and Schindler, 2014:86).

Close-ended questions were used to address the study objectives in order to make statistical inferences about the characteristics of contingent employees (Leedy and Ormrod, 2005:184). Primary data was gathered through Roodepoort Information (2013) and Roodepoort Chamber of Commerce and Industry (2013).

For this study, a survey questionnaire was used to collect data from contingent employees in small retail businesses around Roodepoort. Questionnaires were hand-delivered by fieldworkers appointed by the researcher. Participation was voluntary, and the right to privacy was maintained.

The data collection process occurred during November and December 2014. The questionnaires included a covering letter that emphasised the importance of maintaining confidentiality, anonymity, integrity, and that participation is voluntary. Three appointed fieldworkers hand-delivered questionnaires to all selected small retail businesses in Roodepoort suburbs as per the proportionate stratified sampling method used. Several telephonic follow-up reminders were made by the researcher and fieldworkers to ensure contingent employees' participation and to improve the response rate. From the questionnaire distributed, an average of 78.18% questionnaires were returned. It means the findings could be generalised as applicable to small retail businesses in Roodepoort.

#### 3.6 STUDY INSTRUMENTS

A researcher must be mindful of the advantages and disadvantages questionnaires have. Disadvantages of a survey questionnaire are as follows: it limits explanations and standardisation, open-ended questions may lead to illogical data, and respondents may answer superficially if questions are too long (Zikmund, et al; 2013:334-345). In contrast, the advantages of questionnaire are that they are quick, proficient, and objective, and they cover a large population and return rates can be enhanced. The researcher considered the questionnaire as the most suitable method for collecting data.

The research instrument of this study investigated the entrepreneurial skills of the contingent employees in order to determine the propensity towards entrepreneurship applying job insecurity determinant in Roodepoort. To ensure validity and reliability, variables were described in simple, clearer and in controlled format.

The questionnaire consists of four sections. Section A entails demographic questions pertaining to respondents' gender, ethnicity, age category, employment tenure in current job, educational background, sector classification of small business, number of contingent employees, and total number of employees within the particular small retail business. Demographic variables are important to determine whether participants are evenly representative for generalisation purposes (Zikmund, *et al*; 2013:337). Demographic variables cannot be manipulated; thus, they are independent variables.

# 3.6.1 Measurement of job insecurity factors

The job insecurity inventory of Greenhalgh and Rosenblatt (1984) and subscale items constructed to measure probabilities of losing job features (job changes), losing an entire job and sense of powerlessness was carried to the questionnaire (Ashford, *et al*; 1989:811). The study measured 18 job insecurity variables using five-point rating scales. Greenhalgh and Rosenblatt (1984) submitted that job insecurity is a complex phenomenon and existing scales tend to be limited. Measurement of simple global constructs than the multifaceted reality of job insecurity can be influenced by several

factors, namely, organisational change, role ambiguity, role conflict, personal factors, and individual incapacity and performance.

Five-point Likert scales were developed on the basis of the recommendations by Greenhalgh and Rosenblatt (1984). According to Cooper and Schindler (2006:339), a Likert-type scale is a close-ended scale appropriate for measuring attitudes or opinions. It provides a numerical scale for which numbers are matched with responses. The five-point Likert rating scale include one (1) being very uncertain and five (5) very certain; also, one (1) being very unlikely and five (5) very likely; and one (1) depicting strongly agree and five (5) depicting strongly disagree. A Likert scale is multifaceted (Zikmund, et al; 2013:315) and can take different formats. The 18 job insecurity determinants questionnaire enabled the researcher to draw the extent to which job insecurity affects contingent employees in small retail businesses in Roodepoort.

# 3.6.2 Measurement of entrepreneurial skills

The construct of entrepreneurial skills questionnaire was based on the theory of Lazear (2005). The theory of Lazear (2005:652-655) of a balanced skill sets for nascent and novel entrepreneurs gained some ground in literature. The theory suggests that entrepreneurs should be multi-skilled, be jack of all trades in order to succeed in entrepreneurship. The necessary entrepreneurial skills variables ranged from the categories of interpersonal to technical and managerial skills necessary to be an effective entrepreneur (Cooney, 2012:7). The questionnaire required respondents to express their views on what type of entrepreneurial skills they have and how to acquire entrepreneurial skills if one has none.

The five-point Likert rating scale included one (1) being strongly agree and five (5) depicting strongly disagree. A three-point Likert scale and "full understanding and no understanding" were applied respectively to the study. Twenty-three proficiency questions were used to investigate availability or non-availability of contingent employees' entrepreneurship skills. The last four questions were designed to investigate whether push or pull factors have any impact on participants (Ali Shah, et al; 2010:171).

The benefits of using rating scales are that they added to each respondent's score and secured scores according to the variables. In this case, the researcher was able to control the score of the responses from contingent employees.

#### 3.6.3 Ethical considerations

Marshall and Rossman (2011:140) suggest that adherence to research ethics helps researchers understand their roles and prevent any possible violations. In the pursuit of a research study, ethical consideration is essential. Welman, *et al* (2005:182) added that ethical behaviour is important in research. Figure 3.1 illustrates ethical considerations as per Welman, *et al* (2005:182).

**Ethical Considerations** A researcher should not embark on research involving the use of skills in which they have not been adequately trained. Competence To do so may risk causing to subjects' goodwill, damaging, the reputation of the research company, and may involve wasting time and other resources Any research should be preceded by thorough literature Literature review eview to ensure, as far as possible, that the proposed study hasn't been done elsewhere The use of other people's data or ideas without due Plagiarism acknowledhement and permission where appropriate is unethical Falsification of The falsification od research results or the misleading results reporting of results is clearly unethical

Figure 3.1: Ethical considerations

Source: Adapted from Welman, et al (2005:182)

An ethical clearance certificate granted by the University Ethical Clearance Committee subjected the study to full ethical protocols, and the following protocols were adhered to:

• Privacy clause was included in the covering letter accompanying the questionnaires (Welman, et al; 2005:201).

- Confidentiality clause was included in the covering letter to ensure and promote respondents' trust in the study.
- Informed consent was administered. According to Zikmund, et al (2013:89), respondents' consent is given by implication when they complete the questionnaire. Berg (2004) refers to such consent as passive consent.
- Anonymity was maintained and questionnaires were hand-delivered to respondents at their place of work and were collected immediately or a few days after completion.
- Respondents were also offered the option to stop answering if they felt uncomfortable with any of the questions.
- Respondents were also implored not to disclose their personal details on the forms.
- Respondents were assured that the data they provided was to be used for purposes of research. Security of the data was guaranteed.
- Respondents were selected evenly and randomly. This ensured representativeness of the population.

Key ethical principles such as respect, beneficence, and justice for all respondents were also adhered to and promoted.

#### 3.7 FIELDWORK

Three fieldworkers were recruited to gather data from respondents. The fieldworkers had obtained their grade 12 qualification and were studying towards their degrees with Unisa. They were also familiar with the language and culture of the respondents because they worked as seasonal contingent employees at some point.

The fieldworkers were then briefed to provide the information they need for the study. The briefing session focused on the study's questionnaire and research ethics to be followed. Marshall and Rossman (2011:140) suggest that adherence to research ethics helps researchers understand their roles and prevent any possible violations.

Several challenges were recorded during data gathering. The researcher's database had a name list of small businesses. Since small businesses have heterogeneous employees, some small retail businesses had no contingent employees and fieldworkers, whereas some small businesses had closed down or relocated.

The feedback sessions held frequently helped the researcher devise other strategies, such as phoning small retail businesses prior to visitations. This approach helped the researcher; to identify relevant small retail business; to establish if they employ contingent employees; and to confirm if the small retail business exists, and if relocated, where? This approach significantly reduced the impact of problems encountered.

One hundred and sixty-five questionnaires were handed out, and 129 met the preset requirements and standards. Thirty-six questionnaires were incomplete and were ticked incorrectly.

Table 3.3: Number of questionnaires distributed to contingent employees

	Actual number	Percentage (%)
Number of distributed questionnaires	165	100
Number of completed questionnaires	129	78.18
Number of uncompleted questionnaires	36	21.75

It is accepted that self-administered questionnaires offer a higher rate of return compared to other techniques such as mails and online tools. According to Table 3.3, the researcher obtained a high rate of 78.18%, and this can be justified by the type of data collection used despite all cited limitations.

## 3.8 PILOT STUDY

According to Cooper and Schindler (2014:18), a pilot study refers to a pre-study test set to evaluate research designs and instrument weaknesses and strengths. A pilot study is an important avenue through which the reliability of survey questions can be improved. It also aims to avert any misinterpretation and misunderstanding of the questionnaires by respondents.

Fifteen questionnaires were piloted in September 2014. The population for the pilot study was first defined, and questionnaires were administered to ensure validity and time spent on one questionnaire. The participants completed the questionnaire during their lunch breaks. It took a minimum of 15 minutes to a maximum of 20 minutes for contingent employees to complete the questionnaire. The researcher also wanted to check vagueness and avoid long constructed sentences. The feedback was considered and was used in Excel 2010 Data Analysis package as a method to analyse data.

#### 3.9 DATA ANALYSIS

Quantitative data analysis provides quantifiable and easy-to-interpret findings. It is defined as a process of examining, transforming, and modelling data with the preset objectives of the study to formulate systematic conclusions and recommendations. According to Zikmund, et al (2010:68), data analysis is an application of impartial reasoning to understand gathered data. It involves transforming accumulated data into useful and meaningful information to form a scientific opinion. The basic process entailed in analysis includes identifying issues, determining availability of suitable data, deciding what methods are suitable for addressing questions of interest, applying methods, and evaluating, summarising and reporting results.

This study used SPSS and Excel 2010 Data Analysis package to analyse quantitative data collected from contingent employees in Roodepoort. Technical support was provided by Dial a Statistician Private Consulting.

The quantitative study data is not identical in nature. Descriptive tools and inferential statistical levels were thus used. Descriptive levels consisted of calculations of frequencies of responses received from contingent employees and were displayed through counting done by means of frequency tables. According to Tustin, *et al* (2005:103), descriptive analysis is applied to provide a narrative data set of the sample or entire population in terms of variables of interest. It ensures a sound understanding of the results, including pilot study results, by showing data gaps, assisting to redesign the study, and formulating quality objectives.

Data such as demographics, job insecurity determinants, and entrepreneurial skills was summarised for each variable in the form of frequency tables. The information was presented using graphs, charts, and tables to discuss findings. At the inferential level, the researcher was concerned with statistical computations such as chi-squared tests. These were conducted for making comparisons and making generalisations.

#### 3.10 RELIABILITY AND VALIDITY

According to Welman, et al (2005:145), reliability refers to integrity and credibility of the study being pursued. It is a necessary instrument for the study's validity. It explains the study's reliability and consistency. Therefore, it is essential to apply reliability and validity measures to test hypotheses.

To enhance reliability in this study, the instrument was administered consistently to ensure standardisation was maintained. Various methods for testing reliability were considered for data analysis (Zikmund, *et al*; 2010:302). For instance, internal consistency was most relevant because it permitted the researcher to group variables and correlate scores to improve reliability.

Cronbach's alpha instrument was used to compute value correlation. Cronbach's alpha separated all the study's variables and computed correlations for them (see Table 4.1). The output from Cronbach's alpha revealed the values correlation coefficient.

Validity is the generic term used in research for measurement of the truth or falsity of the inferences, propositions, or conclusions made in the study. It indicates if the study has measured what it intended to measure. Validity can be classified into internal and external validity. Welman, *et al* (2005:107) posit that internal validity can be applied when observed effects of the independent variable on the dependent variable are real and not extenuated by extraneous factors. External validity, on the other hand, manifests when the results of a study can be generalised to groups.

Saunders, et al (2005:32) reveal that validity is measured using the following steps: (1) what is the study question? (2) does the research design match the study question? (3) how was the study conducted? and (4) explanation of the findings.

Cooper and Schindler (2014:258-60) concur that several reliability and validity criteria exist, which are as follows:

 The criterion of relevancy – for instance, is the study topic important and relevant to warrant research?

- Is the study impartial and fair towards respondents' point of views?
- The findings must represent the truth accurately and correctly which is internal validity.
- The findings must be consistent and standardised in order to be generalised,
   referring to external validity.

The researcher followed the steps as suggested by Saunders, *et al* (2005:32) and Cooper and Schindler (2014:258-260). This was to ensure that correct descriptive questions of the study were asked; the study key question was matched to the study design; and respondents and inferential statistics were described.

#### 3.11 CONCLUSION

The purpose of this chapter was to explain the research design and methodology used in the study. The study paradigm was elucidated between quantitative and qualitative methods. A quantitative method was justified to be relevant for this study. The research procedures proposed for the study were explained. This began with referring to the problem statement and study objectives highlighted in Chapter 1. It was followed by matching popular research methods with theories and frameworks established in Chapter 2. Data collection instruments, pilot study done, and fieldworkers appointed were discussed.

The next chapter goes deeper into the data analysis and interpretation of the findings.

# CHAPTER 4: ANALYSIS AND INTERPRETATION OF THE RESULTS

## 4.1 INTRODUCTION

The foregoing chapter elaborated on the research methodology employed for this quantitative study. This chapter presents results of the empirical study conducted by means of quantitative instruments. The study's topic entails an investigation of entrepreneurial skills of contingent employees in small retail businesses as job security determinant in Roodepoort.

Questions were designed to investigate perceived job insecurity determinants among contingent employees in order to attain an overall severity rating. The chi-square test of independence was carried out. Prior to this, factor analysis was carried out to reduce the number of variables in the job insecurity section. Factor analysis is a method for investigating whether a number of variables of interest are linearly related to a smaller number of unobservable factors. Reliability analysis was performed to measure the overall consistency of the items (questions) that were used to define a scale. Using reliability analysis, the extent to which the questions in the questionnaire were related to one another was determined. Using statistical techniques presented in Chapter 3, the study sought to provide answers to the following questions:

- What are the current competencies contingent employees have relating to entrepreneurship?
- What level of importance do contingent employees assign to job insecurity in small retail businesses in Roodepoort?
- What are the reasons hindering contingent employees from opting for entrepreneurship in Roodepoort?

The analyses of the questions in the questionnaires are divided into four sections with several variables:

# • Section A: Statistics relating to demographic profile

Demographic information is essential for a research study, to examine the collected data and compare the responses according to respondents. The description of demographic aspects of respondents is presented in pie charts, from Figure 4.1-4.6.

# Section B: Reliability and validity of job insecurity

The aim of using reliability in this study was to ensure that this tool measured the same subject, which is contingent employees, using the same instrument, the same way, and under the same conditions. On the other hand, with validity, the study measured what it was supposed to measure among the contingent employees so as to avoid biased information.

# Section C: Entrepreneurial skill sets

The questions were designed to investigate the type of entrepreneurial skill sets that potentially exist. The chi-square test of independence was carried out. Before this, factor analysis was carried out to reduce the number of variables in the entrepreneurial skills section. Factor analysis is a method for investigating whether a number of variables of interest are linearly related to a smaller number of unobservable factors.

## Section D: Effectiveness of entrepreneurial skills

Questions were designed to investigate factors influencing entrepreneurship. To determine the impact job insecurity has among contingent employees in small retail businesses in Roodepoort, all the analyses were carried out using SPSS version 13. Cronbach's alpha instrument was used to assess the reliability of the variable of the questionnaire. Data was prepared in the form of a summary for variables indicated in the results using frequency tables and graphs. This study was descriptive in nature as specified by the objectives.

#### 4.2 DEMOGRAPHIC INFORMATION

In Section A of the questionnaire, the following issues were investigated: gender, ethnicity, age, work experience, level of education, type of organisations, and total number of contingent employees employed by small retail businesses. A total number of 129 respondents participated in this study. Figure 4.1-4.6 presents the demographical variables results. The purpose of the section was to determine and compare perceptions and views of the different groups of respondents concerning entrepreneurial skills as determinants of job security in small retail business.

#### 4.2.1 Gender

Figure 4.1 shows the distribution of respondents by gender.

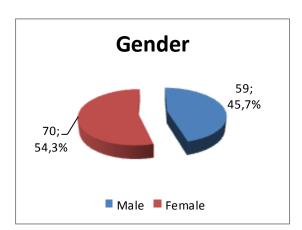


Figure 4.1: Distribution of respondents by gender

Significant differences between respondents were observed. Figure 4.1 illustrates that out of 129 respondents from six strata, 70 (54.3%) of them were females, and 59 (45.7%) of them were males. Dworkin, Colvin, Hatcher and Peacock (2012:104) suggest an upward increase of female employment and job searching in labour market but also caution about the types of jobs that had been taken. The results are consistent with the findings of Dworkin, *et al* (2012). One report reveals that 39% of women compared to 61% of men take part in entrepreneurial activities in South Africa (Turton and Herrington, 2012:7). A Malaysian study conducted by Alam, Jani and Omar (2011:166) also confirms a small fragment of women participation in entrepreneurial

activities. Figure 4.1 depicts encouraging findings regarding female economic participation.

# 4.2.2 Ethnicity

The distribution of respondents by ethnicity is indicated in Figure 4.2.

Figure 4.2: Distribution of respondents by ethnicity

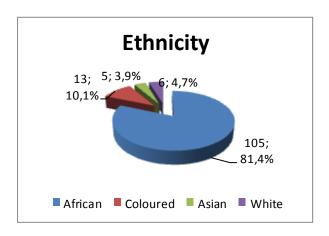


Figure 4.2 shows an interesting picture about race distribution. The results show a higher rate of contingent jobs held by Africans – 81.4%, followed by coloureds – 10.1%, then Asians – 3.9%, and then whites – 4.7%. Several factors explain this phenomenon, such as South Africa's 2011 Census which recorded that 41 million of the South African population is made up of 79.2% of Africans. In most developed countries, entrepreneurship is determined by individual factors, for example, age, status, education, financial conditions, and attitude towards business, but in South Africa, the apartheid legacy still determines access to factors of production according to racial lines. Therefore, more than 80% of contingent employees are Africans in small retail businesses in Roodepoort. Figure 4.2 can also attribute levels of scarcity and inequality along racial lines.

# 4.2.3 Age category

Figure 4.3 is a portrayal of the distribution of respondents by age.

Figure 4.3: Distribution of respondents by age

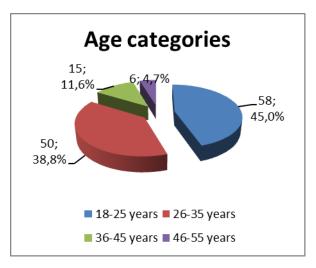
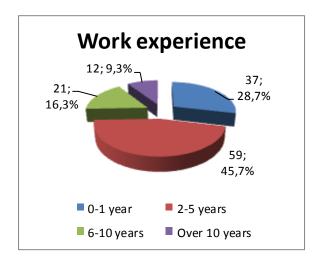


Figure 4.3 illustrates that the majority of contingent employees who participated in this study are within the age category of 18-25 years. The respondents of age group 18-25 years scored 45.0% compared to the age group 26-35 years, which scored 38.8%. These findings are consistent with several studies that indicate that youth unemployment in South Africa increased from 3 million in 2009 to the highest level of 3.4 million in 2013 (Statistics South Africa, Q3:2013). The figure also indicates that the 36-45 years age group scored 11.6% and age group 46-55 years scored 4.7%. Zeytinoglu (2005:9) suggests that job insecurity is prevalent among the youth compared to the older generations. Several factors can be attributed to this phenomenon.

# 4.2.4 Number of years with current company

The number of years with the current company is revealed in Figure 4.4.

Figure 4.4: Number of years with current company

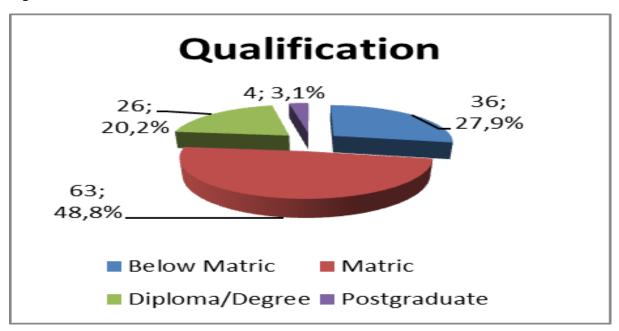


The respondents appeared to have significant work experience. Figure 4.4 shows that respondents with 2-5 years' work experiences in current organisations make up 45.7% of the respondents, while respondents with 0-1 year stand at 28.7%. The majority of respondents were fairly new contingent employees as opposed to 16.3% with 6-10 years' work experiences and 9.3% with over 10 years in current organisations. Kauhanen and Natti (2015:785) reveal different categories of contingent employees, namely, voluntary and involuntary contingent employees. According to Collins and Moore (1964) cited in Mitchell (2004:169), negative accumulated work experience is a good influencer in entrepreneurial activity.

#### 4.2.5 Qualification levels

The qualification levels of all the respondents are reflected in Figure 4.5.

Figure 4.5: Level of education



The biographical profile of small retail business respondents indicates that respondents had varying levels of education. Level of education plays a key role in the labour market and entrepreneurship. Figure 4.5 shows that 48.8% of the respondents had a grade 12 level of education, 20.2% of them obtained diplomas or degrees, and 3.1% of them are in possession of postgraduate degrees. The results illustrate that a low number of respondents obtained some qualifications to get decent jobs, which is 3.1%. Only 27.9% of the respondents had no grade 12. Bhandari and Heshmati (2006:7) reveal that employees with a better level of education are employable and able to avert impacts of job insecurity. Millán, Congregado, Román, Van Praag and Van Stel (2013:9) disclose that high academic achievements tend to be one of the drivers of entrepreneurship.

# 4.2.6 Types of organisations

A database for this study was composed of 503 small retail businesses. Figure 4.6 presents the results of the small retail business categories in Roodepoort. These findings are consistent with the Statistics South Africa (Q1:2014) report pertaining to increases of employment within the retailing sector.

# 4.2.7 Total number of contingent employees

The portion of contingent employees employed in small retail businesses in Roodepoort is brought out in Figure 4.6.

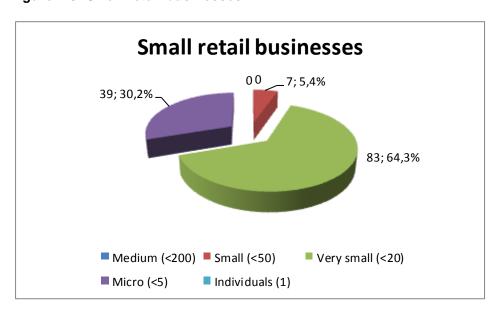


Figure 4.6: Small retail businesses

The definition of the South African National Small Business Act of 1996 measures small businesses according to number of employees, annual turnover, and assets. Figure 4.6 shows the small retail businesses distribution in the medium, small, very small, micro, and individual business. It can be noticed that 30.23% of the respondents belong to medium retail business followed by 64.34% of those employed within the very small retail businesses. Out of the total number of employees reporting to small retail businesses, 5.43% of contingent employees are reporting as contingent employees.

There are no contingent employees reporting to micro and individual small retail businesses.

#### 4.3 ANALYSIS OF THE RESULTS

Descriptive statistics calculations were used to answer the following empirical study questions:

- What level of importance do contingent employees assign to job insecurity in small retail businesses in Roodepoort?
- What are the current competencies contingent employees have relating to entrepreneurship?
- What are the reasons hindering contingent employees from opting for entrepreneurship in Roodepoort?

# 4.3.1 Reliability analysis

It is important to know that the instrument used to assess a concept always elicits consistent and reliable responses even if questions are replaced with other similar questions. When one has a variable generated from such a set of questions that return a stable response, then the variable is said to be reliable. Cronbach's alpha is an index of reliability associated with the variation accounted for by the true score of the "underlying construct". A construct is the hypothetical variable that is being measured (Hatcher, 1994). Nunnally (1978) has indicated 0.7 to be an acceptable reliability coefficient, but lower thresholds are sometimes used in literature.

A commonly accepted rule of thumb for describing internal consistency using Cronbach's alpha is as follows:

Cronbach's alpha (α) internal consistency

 $\alpha \ge 0.9$  = Excellent

 $0.7 \le \alpha < 0.9$  = Good

 $0.6 \le \alpha < 0.7$  = Acceptable

 $0.5 \le \alpha < 0.6$  = Poor

 $\alpha$  < 0.5 = Unacceptable

Section B comprises 18 variables. A reliability analysis was carried out for the five-point Likert scale questions, that is, questions on a scale of "very uncertain to very certain", "strongly disagree to strongly agree", and "very unlikely to very likely".

The tables that follow indicate the reliability analyses of the questions in the three sections, that is, Sections B, C and D of the questionnaire. It can be seen that reliabilities range from excellent to poor, except for the last two in job insecurity with unacceptable Cronbach's alpha coefficients of 0.164 and 0.356 respectively. The Cronbach's alpha coefficient that yielded weak scores was removed after checking that it was not due to forgetting to reverse score, and the Cronbach's alpha coefficient was recalculated.

# 4.4 SECTION B: JOB INSECURITY

# 4.4.1 Hypothesis 1

**Hypothesis 1a:** Job insecurity is common among contingent employees in

the small retail businesses in Roodepoort.

**Hypothesis 1b:** Job insecurity is not common among contingent employees

in the small retail businesses in Roodepoort.

Section B has three subsections. Subsection A, as illustrated in Table 4.1, measured the perceived threats for job loss dimension, which reported a higher Cronbach's alpha coefficient of 0.79.

Job insecurity faced by contingent employees in small retail businesses in Roodepoort was investigated by utilising 18 questions. Several Likert scales were used to measure factors of job insecurity. All variables measured (1) perceived threats for job loss; (2)

perceived threats for job features; and (3) powerlessness to prevent job loss were analysed using a five-point scale ranging from "very uncertain" to "very certain", "very unlikely" to "very likely" and "strongly disagree" to "strongly agree" (Ashford, *et al*; 1989:809). According to Gambill Motley (2003), the reliability of this scale is high.

The aim of this section is to determine perceived job threats of job loss among respondents.

# 4.4.2 Job insecurity reliability analysis

Table 4.1 presents the job insecurity reliability analysis, which shows the results of the Cronbach's alpha coefficient.

Table 4.1: Job insecurity reliability analysis

Variables	Cronbach's
Turidolog	I
How certain are you about your future career in the current company?	0.607
How certain are you about the opportunity for a permanent job in the current company?	0.755
How certain are you that your skills will be of use in a few years from now?	0.765
Cronbach's alpha coefficient: 0.79	
Lose your job and be retrenched	
Lose your job and be dismissed	
Be promoted or appointed permanently	0.515
Number of hours the company offers you to work be reduced from 35 hours per work	
The number of hours the company offers you to work be increased from 35 hours	0.176
Cronbach's alpha coefficient: 0.161	ı
My work conditions improved since I started working here	0.286
I am a member of a medical aid scheme, and my employer subsidises it	0.364
My salary has increased annually from previous year	0.263
Would not mind if I become a member of a trade union	0.374
My manager's interest and mine are the same	0.273
I am willing to work harder than I have in order to help the company succeed	0.296
I am generally satisfied with the kind of work I do in this job	0.337
Most contingent employees feel very satisfied with their jobs	0.304
Most contingent employees in this job feel that the work is useless or trivial	0.368
I frequently think of quitting	0.432
Cronbach's alpha coefficient: 0.356	

# Summary of the results

An attempt was made to determine individual job insecurity items in Table 4.1. According to the responses of contingent employees, the results show career advancement, permanent job, and entrepreneurial skill play essential roles in contingent employees being entrepreneurial and starting their own business.

The Cronbach's alpha coefficients results on variables such as career advancement, performance employment, and entrepreneurial skills depict more than 0.70 score combined. Therefore, the reliability of career, permanent job, and entrepreneurial skill for contingent employees is 0.607, 0.755, and 0.765 respectively, which is acceptable. It is however noted that the Cronbach alpha for future career item scored 0.607, which is below the acceptable standard but acceptable for further analysis. According to Hair, Anderson, Tatham and Black (1998:118), an acceptable Cronbach alpha must score 0.70 or above; otherwise, 0.60 score is accepted in the exploratory studies.

The reliability of the rest of the variables indicated in Section B is not acceptable, since the Cronbach's alpha coefficients are less than 0.70.

## 4.4.3 Job insecurity frequency distributions

# 4.4.3.1 Certainty with future career at current company

The responses of participants with reference to their certainty with regard to their future career at their current company are indicated in Figure 4.7.

Figure 4.7: Certainty with future career at current company

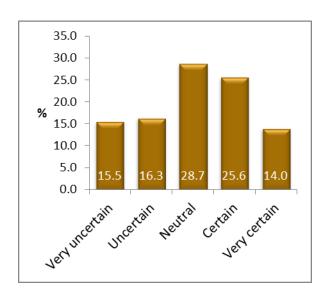


Figure 4.7 shows that 28.7% of the respondents remained neutral regarding certainty with future career at current company. At least 25.6% of the respondents were certain about their future career. In contrast, 16.3% of the respondents were uncertain about their future career. Ali Shah, *et al* (2010:179-182) reveal that job insecurity tends to push or pull individuals towards entrepreneurship if certain factors are triggered. The findings indicate a weak relationship between job insecurity and respondents.

# 4.4.3.2 Certainty with opportunities for a permanent job at current company

How the respondents responded respecting their certainty with opportunities for a permanent job at their current company is recorded in Figure 4.8.

Figure 4.8: Certainty with opportunities for a permanent job at current company

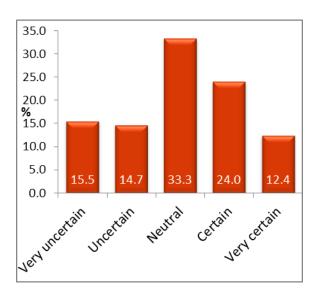


Figure 4.8 brings out that 33.3% of the respondents remained neutral. At least 24.0% of the contingent employees were certain about permanent jobs, while 15.5% of the respondents were very certain about their positions being converted into permanent positions. A higher score indicates that respondents preferred to remain neutral. Literature shows that employees with high chances for promotion to permanent positions have lesser worries and enjoy job satisfaction (Zeytinoglu, 2005:17).

# 4.4.3.3 Certainty about own skills use in future

With respect to certainly about own skills use in the future, Figure 4.9 captures the feedback from the respondents.

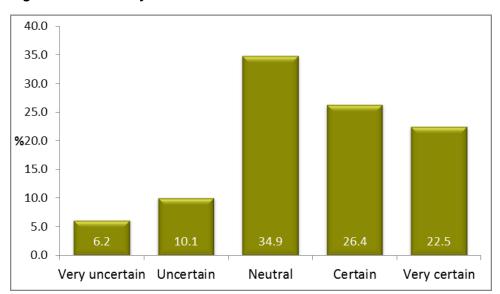


Figure 4.9: Certainty about own skills use in future

Figure 4.9 reveal that 34.9% of the respondents were neutral. A higher percentage of the respondents chose to remain neutral. Further, 26.4% of the respondents were certain that their skills could be used by the company in the future. The figure depicts 10.1% of the respondents who were uncertain of their skills being utilised.

As indicated earlier, the job insecurity literature provides evidence regarding employees' perceptions of not having a chance to use their skills and talents, and such employees tend to feel powerless and unrecognised. Respondents opted to remain neutral either as a safer option not to divulge information of a sensitive nature or really did not know what the future will bring.

# 4.4.3.4 Likelihood of losing a job or being retrenched

As regards the likelihood of losing a job or being retrenched, Figure 4.10 shows the results reflecting the respondents' feelings.

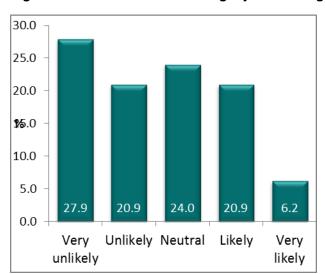


Figure 4.10: Likelihood of losing a job or being retrenched

Regarding job loss perceptions, it is depicted in Figure 4.10 that 27.9% of the respondents feel very unlikely that they may face retrenchment. A significant number (24.0%) of the respondents chose to be neutral. The figure further reveals that 20.9% of the respondents feel likely to face retrenchment. Retrenchment antecedents consist of economic uncertainty, globalisation, mergers, and acquisitions, which often are outside the company's control. It is interesting to see the equilibrium between unlikely and unlikely from Figure 4.10.

# 4.4.3.5 Likelihood of losing a job or being dismissed

The prospects of the respondents losing their job or being dismissed are illustrated in Figure 4.11.

Figure 4.11: Likelihood of losing a job or being dismissed

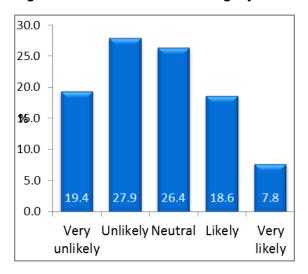
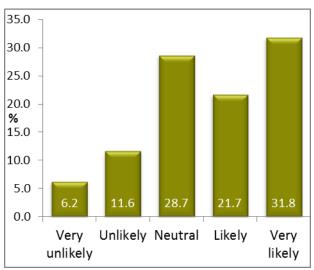


Figure 4.11 highlights that 27.9% of the contingent employees feel unlikely that they may face dismissal from their current jobs. At least 26.4% of the contingent employees were neutral. The figure illustrates that 18.6% of the respondents felt they are likely to be dismissed from their current employment. Dismissals arise from misconduct, occupational requirement, and incapacity as per Labour Relations Act. It is interesting to weight up the scale against job security and insecurity prevalence as per the findings.

# 4.4.3.6 Likelihood of being promoted or getting permanent appointment

Figure 4.12 shows the likelihood of the respondents being promoted or getting permanent employment.





Figures 4.9 and 4.12 have a number of things in common, but Figure 4.12 shows the response when contingent employees were asked to rate their likelihood for greener pastures. At least 31.8% of the respondents felt it very unlikely that they may be promoted to permanent jobs, while 21.7% felt it was unlikely that they would be promoted to permanent jobs. The figure further illustrates that 28.7% of the contingent employees were neutral. It is interesting to see a higher proportion of contingent employees believe that they do not see opportunities for promotion or full-time jobs. The group represents contingent employees affected by job insecurity.

#### 4.4.3.7 Likelihood of reduction in the number of hours

Figure 4.13 looks at the possibility of the number of working hours of the respondents being reduced.

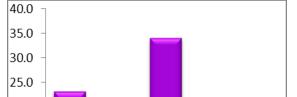


Figure 4.13: Likelihood of reduction in the number of hours

**2/0**.0 15.0 10.0 5.0 20.9 34.1 17.1 23.3 0.0 Very Unlikely Neutral Likely Very unlikely likely

According to Figure 4.13, loss of job features indicates that 34.1% of the respondents were neutral. In contrast, 23.3% of the contingent employees believe that it is very unlikely that their working hours may be halved. Furthermore, 17.1% of the respondents believe that it is very likely that their working hours may be halved. Lesser working hours reduce earnings and may have an impact on the job security of affected contingent employees.

## 4.4.3.8 Likelihood of increase in number of hours

The chances of the number of working hours of the respondents being increased are reflected in Figure 4.14.

40.0 35.0 30.0 25.0 **2/0**.0 15.0 10.0 5.0 34.1 30.2 0.0 Very Unlikely Neutral Likely Very unlikely likely

Figure 4.14: Likelihood of increase in number of hours

An observation of Figure 4.14 illustrates that 34.1% of the respondents remained neutral. In contrast, 30.2% of the respondents feel their working hours are likely to be improved. The figure shows that 16.3% of the respondents feel very unlikely that their working hours would be increased. Schedule factors such as long hours and shifts visà-vis hourly rates trigger feelings of stress and job insecurity or job security.

# 4.4.3.9 Improved working conditions

The feelings of the respondents regarding improved working conditions are captured in Figure 4.15.

Figure 4.15: Improved working conditions

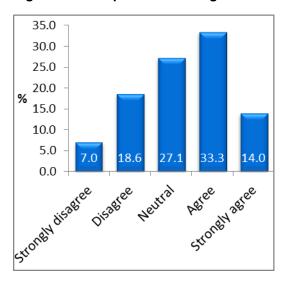


Figure 4.15 brings out that 33.3% of the respondents feel their work environment has improved. A higher number (27.1%) of the respondents opted to be neutral. At least 18.6% of the respondents disagree, thus suggesting no improvement in their work conditions. Determinants for poor work conditions involve unfair treatments, unfair decision-making procedures, and workplace incivility. The positive work conditions result in job security. Poor work conditions have the propensity to push individuals towards entrepreneurship.

# 4.4.3.10 Medical aid membership

Figure 4.16 looks at whether the respondents belong to a medical aid.

Figure 4.16: A member of a medical aid

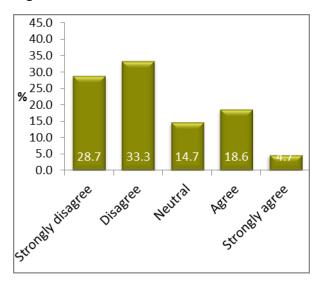


Figure 4.16 illustrates that 33.3% of the respondents do not belong to medical schemes. The study reports that 18.6% of the contingent employees belong to medical schemes. At least 14.7% of the respondents were neutral. Literature suggests that organisations that register their contingent employees on medical aid insurance raise their satisfaction, loyalty, and retention. No medical aid insurance support falls within pull factors, which tend to point contingent employees towards entrepreneurship.

# 4.4.3.11 Salary increased

Whether the salaries of the contingent employees were increased or not is covered in Figure 4.17.

Figure 4.17: Salary increased

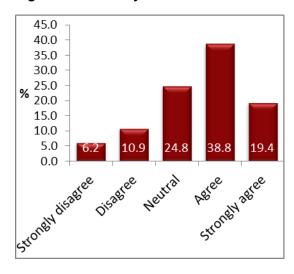


Figure 4.17 depicts that 38.8% of the respondents got a salary increase. The figure shows that 10.9% of the respondents had not received salary increases, while 6.2% strongly disagree to having received salary increases. The 24.8% of the respondents who remained neutral might be new contingent employees. Bhandari and Heshmati (2006:7) suggest that an uneven distribution of wages and salaries contribute to job insecurity. Ali Shah, *et al* (2010:172) describe less wage and salary as a push factor towards entrepreneurship.

# 4.4.3.12 Trade union representation

The trade union representation of the respondents is reflected in Figure 4.18.

Figure 4.18: Trade union membership

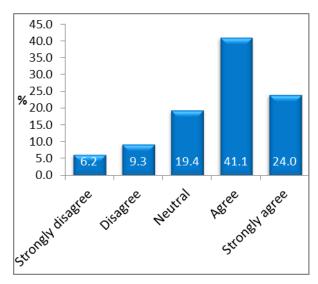


Figure 4.18 indicates that 41.1% of the respondents may belong to unions if they so wish. At least 9.3% of the respondents feel their employers would not permit them to join unions. A high rate of 19.4% of the respondents remained neutral. According to De Cuyper, *et al* (2014:586), unionisation poses as both a risk and an opportunity to contingent employees.

# 4.4.3.13 Shared interests between contingent employees and managers

Figure 4.19 shows the shared interests between contingent employees and their managers.



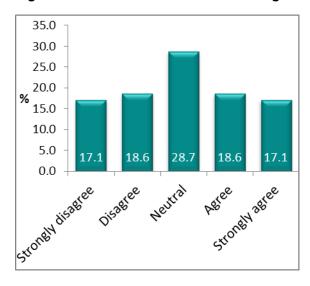
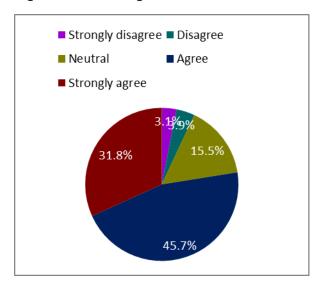


Figure 4.19 illustrates that 18.6% of the respondents share the same interests with managers. At least 17.1% of the respondents strongly agree that they share the same interests with their managers. The figure further shows that 28.7% of the contingent employees were neutral. Shared interests contribute to a positive work environment, while opportunity refers more to a negative work environment.

# 4.4.3.14 Willingness to work harder

The willingness of the respondents to work harder is indicated in Figure 4.20.

Figure 4.20: Willing to work harder

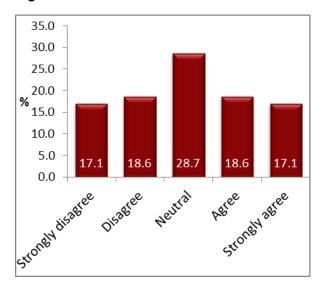


According to Figure 4.20, 45.7% of the respondents were willing to work harder for the organisation. In contrast, 31.8% of the respondents displayed an unwillingness to harder. At least 15.5% of the respondents were neutral or undecided. The propensity to work harder is stimulated by job satisfaction, trust, and loyalty to the employers.

#### 4.4.3.15 Satisfied with work

With regard to whether the contingent employees are satisfied with their work is revealed in Figure 4.21.

Figure 4.21: Satisfied with work

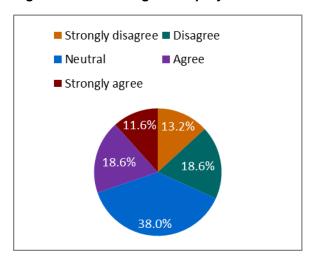


Contingent employees were requested to express their level of satisfaction with respect to their current employment. Figure 4.21 shows that 28.7% of the contingent employees were neutral. The figure further highlights that 17.1% strongly disagree, while 18.6% of the contingent employees disagree. The report suggests that these groups were dissatisfied with their current employment. The figure also depicts that 18.6% of the contingent employees agree, while 17.1% of them strongly agree. This result suggests that contingent employees have a balanced viewpoint about work satisfaction and dissatisfaction.

# 4.4.3.16 Satisfied with their current jobs

In Figure 4.22, the results of whether the respondents are satisfied with their jobs are presented.

Figure 4.22: Contingent employees satisfied in their jobs



Respondents were asked to indicate if they were satisfied with their current jobs. It is interesting to note that 38.0% of the contingent employees were neutral. These results are consistent with Figure 4.21. Figure 4.22 indicates that 18.6% of the contingent employees disagree with the statement, while 13.2% of them strongly disagree. The figure further reports that 18.6% of the contingent employees agree with the statement, while 11.6% of them strongly agree. These results depict a balanced view pertaining to job satisfaction and dissatisfaction.

#### 4.4.3.17 The work is useless or trivial

To determine if the respondents feel that their job is useless or not, Figure 4.23 provides the outcome.

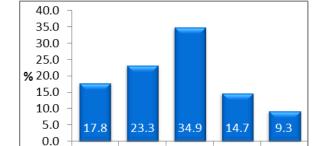


Figure 4.23: Contingent employees feel the job is useless

Figure 4.23 brings out that 34.9% of the contingent employees were neutral. It is indicated that 23.3% of the respondents do not think their job is trivial. In contrast, 14.7% of the respondents strongly agree, whereas 9.3% of them feel their jobs are useless. There are several factors which may support positive responses by respondents, which include respect and balance, job security, and financial benefits.

## 4.4.3.18 Turnover intentions

Figure 4.24 illustrates whether the respondents had any intentions of quitting their jobs.

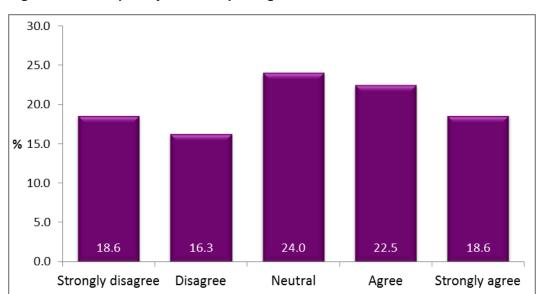


Figure 4.24: Frequently think of quitting

The purpose of the statement was to assess turnover intentions. Figure 4.24 brings to light that 24.0% of the respondents opted to remain neutral. The figure depicts that 18.6% of the respondents display no intentions of quitting their jobs. At least 22.5% of the respondents have intentions to quit their current employment. Ali Shah, *et al* (2010:176) reveal that the intention to quit is a sentiment that stimulated various facets, such as difficult job, changing jobs, and do not like the boss.

# 4.5 SECTION C: ENTREPRENEURIAL SKILLS

# 4.5.1 Hypothesis 2

**Hypothesis 2a:** Contingent employees have entrepreneurial skills.

**Hypothesis 2b:** Contingent employees do not have entrepreneurial skills.

Section C comprises 23 variables. It is divided into two subsections. Section A (the first subsection) refers to the importance of entrepreneurship education and training variables reported a higher Cronbach's alpha coefficient of 0.791. Quantitative entrepreneurial skills instruments reported a higher Cronbach's alpha coefficient of 0.914 across all entrepreneurial skills. Several Likert scales were used to measure entrepreneurial skills which contingent employees were expected to indicate to what extent they agree or disagree with the statement. Part of the section required respondents to indicate their level of proficiencies on a three-point scale regarding understanding of the key entrepreneurial skill sets.

# 4.5.2 Entrepreneurial skills reliability analysis

The entrepreneurial skills reliability analysis is presented in Table 4.2.

Table 4.2: Entrepreneurial skills reliability analysis

An entrepreneur is someone who has skills to start their own business.  An entrepreneur is someone who has the knowledge to start their own business.  Anybody who wants can be an entrepreneur.  Training and education programmes can improve leadership skills.  Training and education programmes can improve creative and innovative thinking.  Training and education programmes can improve the ability of the entrepreneur to compile an effective business plan.  Training and education programmes can improve the ability to identify sources of funds used to finance the business.  Entrepreneurship cannot be taught.  Entrepreneurship is for people who cannot find work in the formal sector of the economy.  Cronbach's alpha coefficient: 0.791  Risk-taking skills  Creative & innovation skills  Decision-making skills  O.906  Problem-solving skills  O.907  Negotiation skills  O.908  Skills for business plan compilation  Marketing skills  O.907  Marketing skills  O.907  Time management skills  O.907  Time management skills  O.907  Cronbach's alpha coefficient: 0.914	Variables	Cronbach's alpha if Item Deleted	
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Table 4.2 shows contingent employees that have acquired entrepreneurial skills necessary to be entrepreneurial and start their own business. Thus, the results, based on Cronbach's alpha coefficients of all variables indicated in Table 4.2 are more than 0.70. Therefore, the reliability of all variables indicated in Section C is acceptable, since the Cronbach's alpha coefficient is more than 0.70.

#### 4.5.3 Descriptive analysis

In a quantitative study, the data analysis process refers to the summarised collected data from large number to few small statistics in order to get answers to the study questions (Zikmund, *et al*; 2013:484). The descriptive statistics is then applied to describe characteristics of the study sample. The findings that follow provide a perception of the problem statement, which was to investigate the entrepreneurial skills of contingent employees and to evaluate causes hindering contingent employees from starting and running their own businesses in Roodepoort (H3a and H3b). The respondents were asked to rate statements by using a five-point rating scale of "strongly agree", "agree", "neither agree nor disagree", and "strongly disagree". Table 4.3 presents the results of the proffered entrepreneurial skills.

Table 4.3: Entrepreneurial experience, education and training

		Count	Column N%
	Strongly Disagree	8	6.2%
	Disagree	7	5.4%
An entrepreneur is someone who has skills to start their own business.	Neither Agree nor Disagree	20	15.5%
	Agree	35	27.1%
	Strongly Agree	59	45.7%
	Total	129	100.0%
	Strongly Disagree	3	2.3%
	Disagree	6	4.7%
An entrepreneur is someone who has the knowledge to start their own business.	Neither Agree nor Disagree	19	14.7%
start their own business.	Agree	40	31.0%
	Strongly Agree	61	47.3%
	Total	129	100.0%
	Strongly Disagree	13	10.1%
	Disagree	15	11.6%
Anybody who wants can be an entrepreneur.	Neither Agree nor Disagree	27	20.9%
	Agree	25	19.4%
	Strongly Agree	49	38.0%

		Count	Column N%
	Total	129	100.0%
	Strongly Disagree	4	3.1%
	Disagree	5	3.9%
Education and training programmes can improve	Neither Agree nor Disagree	9	7.0%
leadership skills.	Agree	31	24.0%
	Strongly Agree	80	62.0%
	Total	129	100.0%
	Strongly Disagree	5	3.9%
	Disagree	3	2.3%
Education and training programmes can improve creative	Neither Agree nor Disagree	14	10.9%
and innovative thinking.	Agree	33	25.6%
	Strongly Agree	74	57.4%
	Total	129	100.0%
	Strongly Disagree	6	4.7%
	Disagree	4	3.1%
Training and education programmes can improve the ability of the entrepreneur to compile an effective business	Neither Agree nor Disagree	18	14.0%
plan.	Agree	34	26.4%
	Strongly Agree	67	51.9%
	Total	129	100.0%
	Strongly Disagree	9	7.0%
	Disagree	10	7.8%
Education and training programmes can improve the ability to identify sources of funds used to finance the	Neither Agree nor Disagree	20	15.5%
business.	Agree	28	21.7%
	Strongly Agree	62	48.1%
	Total	129	100.0%
	Strongly Disagree	21	16.3%
	Disagree	34	26.4%
Entrepreneurship cannot be taught.	Neither Agree nor Disagree	48	37.2%
	Agree	10	7.8%
	Strongly Agree	16	12.4%
	Total	129	100.0%
Entrepreneurship is for people who cannot find work in the	Strongly Disagree	32	24.8%

		Count	Column N%
formal sector of the economy.	Disagree	35	27.1%
	Neither Agree nor Disagree	34	26.4%
	Agree	8	6.2%
	Strongly Agree	20	15.5%
	Total	129	100.0%

Section C is designed to investigate contingent employees' perception around entrepreneurial experience, education and training. The results in Table 4.3 are discussed next.

# 4.5.3.1 An entrepreneur is someone who has skills to start their own business

Table 4.3 shows that respondents believe skills are essential for entrepreneurship. Over 72.8% of the contingent employees affirmed that skills were essential to being entrepreneurial. The findings correlate to the GEM (2016:4) report, which shows that an increased number of South Africans believe they possess the necessary skills, knowledge, and experience to start up businesses in 2015. This is despite a significantly low entrepreneurial intention rate in South Africa when compared to other African countries (Herrington and Kew, 2016:4).

# 4.5.3.2 An entrepreneur is someone who has the knowledge to start their own business

According to Table 4.3, over 78.3% of the respondents believe that knowledge is essential to starting and running a business. The response is consistent with the educational background of the respondents. Over 70% of the respondents have grade 12 to postgraduate qualifications. The results are consistent with Silla, *et al* (2009:741), who enunciated that learning, education and training is the cornerstone towards job insecurity.

## 4.5.3.3 Anybody who wants can be an entrepreneur

The results in Table 4.3 indicate that 57.4% of the respondents were on the affirmative side regarding the statement. Chan, Ho, Chernyshenko, Bedford, Uy, Gomulya, Sam and Phan (2012:74) describe being entrepreneurial as a career space and self-perceptions pertaining to motives and needs, talents and skills, and personal values. The results are consistent with the perception that being entrepreneurial involves self-reflection, although other supports and assistances must be in place.

#### 4.5.3.4 Education and training programmes can improve leadership skills

The results in Table 4.3 bring out that 86% of the respondents agree that education and training programmes can enhance leadership skills. Sim (2005:196) engenders leadership skills as an important entrepreneurial competency. The link between education and training and leadership skills is forged.

# 4.5.3.5 Education and training programmes can improve creative and innovative thinking

The results in Table 4.3 further reveal that 83% of the respondents concur that creativity and innovation can be stimulated through education and training programmes. Fuller and Marler (2009:341) posit that creativity and innovation enhance entrepreneurial activities. Entrepreneurial training programmes emphasise the importance of entrepreneurs' creativity and innovation.

# 4.5.3.6 Training and education programmes can improve the ability of the entrepreneur to compile an effective business plan

According to Table 4.3, 78.3% of the respondents believe capabilities to compile business plans can be learned. There is a strong correlation between entrepreneurial training programmes and compilation of business plan. Zwilling (2010:3) discloses that sound business plans can be achieved through training programmes. The South African government launched entrepreneurial assistance programmes which provide, among others, training, mentoring, and financial aid. The results are significant in this regard.

# 4.5.3.7 Education and training programmes can improve the ability to identify sources of funds used to finance the business

In Table 4.3, it is highlighted that 69.8% of the respondents agree that sources for entrepreneurial funding can be taught and learned. The South African government and the private sector have various entrepreneurship grants, financial aid, and loans which are offered to potential entrepreneurs. Thus, the link between education and training and sources of finance for respondents is significant.

### 4.5.3.8 Entrepreneurship cannot be taught

It is reflected in Table 4.3 that 42.7% of the respondents disagree with the perception that entrepreneurship cannot be taught. At least 37.2% of the respondents remained neutral. The results are consistent with the previous links between education and training and entrepreneurial skills and traits.

# 4.5.3.9 Entrepreneurship is for people who cannot find work in the formal sector of the economy

The results show that 51.9% of the respondents disagree with the statement. It appears that 26.4% of the respondents remained neutral. Segal, *et al* (2005:44) postulate that an individual is drawn to entrepreneurship by extenuating circumstances. According to Verheul, *et al* (2010:40), individuals are driven to entrepreneurship by aggravating circumstances. The study's outcomes are inconsistent with the push-pull theory.

### 4.5.4 Descriptive analysis of entrepreneurial skills

The responses that follow provide insight into the problem statement, which was to investigate entrepreneurial skills of contingent employees in small retail businesses in Roodepoort. The respondents were asked to rate their entrepreneurial skills by using a three-point rating scale of "no understanding", "little understanding" and "full understanding".

Table 4.4: Level of entrepreneurial skills (n=129)

Variables (Entrepreneurial Skills)	No Understanding	Little Understanding	Full understanding	
Risk-taking skills	23%	42%	35%	
Creativity & innovation skills	12%	35%	53%	
Problem-solving skills	9%	30%	61%	
Decision-making skills	9%	24.%	67%	
Communication skills	8%	26%	66%	
Negotiation skills	17%	25%	58%	
Networking skills	20%	33%	47%	
Skills of drafting business plan	31%	36%	33%	
Marketing skills	22%	43%	35%	
Financial management skills	19%	36%	45%	
Time management skills	15%	38%	47%	
Goal-setting and commitment skills	11%	36%	53%	
Leadership skills	14%	39%	47%	
Control skills	14.%	38%	48%	

The section reports on the entrepreneurial skills that were identified in the literature review among contingent employees in small retail businesses in Roodepoort. Table 4.4 presents the respondents' levels of exposure to entrepreneurial skills (H2a and H2b). The respondents were urged to indicate their proficiency on the skill sets highlighted on a three-point Likert scale ranging from "1 = no understanding to 3 = full understanding".

Table 4.4 depicts that 35% of the respondents have full understanding, while 42% of them little understanding of risk-taking skills. Nascent and matured entrepreneurs are risk-takers by nature (Kirby, 2004:511). Nevertheless, only 23% of the respondents report little understanding of risk-taking skills. Creative and innovative skills drive potential entrepreneurs towards entrepreneurship (Nieuwenhuizen, 2008:164). The table shows that 53% of the respondents display full understanding, whereas 35% of them exhibit little understanding. Moreover, only 12% of the respondents associate with no creative and innovative skills.

Problem-solving skills play a vital in effective entrepreneurship (Sherpherd, *et al*; 2015:14). Hence, 61% of the respondents have full understanding of problem-solving skills, 30% of them have little understanding, and only 9% has no understanding of problem-solving skills. Shepherd, *et al* (2015:14) find that the ability to make effective

decisions improves an entrepreneur's opportunity to succeed. The foregoing results illustrate that 67% of the respondents show full understanding, while 24% of them display little understanding of decision-making skills. Only 9% of the respondents indicate no understanding of decision-making skills.

According to Nieuwenhuizen (2008:155), effective communication increases chances for entering entrepreneurship. Table 4.4 demonstrates that 66% of the respondents have full understanding of communication skills, 24% of them appear to have little understanding, and only 8% has no understanding of what communication skills entail. The respondents' feedback on negotiation skills highlight that 58% of the respondents have full understanding, 25% of them possess little understanding, while only 17% has no understanding of negotiation skills.

Nieuwenhuizen (2008:177) finds that networking skills have high entrepreneurial probabilities. It is apparent that 47% of the respondents have full understanding of networking skills, while 33% exhibits little understanding. Only 20% of the respondents have no understanding of networking skills. According to Table 4.4, 33% of the respondents have full understanding of drafting a business plan, whereas 36% exhibits little understanding. Ray (1993:353) suggests that a journey starts with an idea and business plan, yet 31% of the respondents show no understanding of how to compile a business plan.

Table 4.4 reveals that 35% of the respondents have full understanding of marketing skills, while 43% of the respondents have little understanding of marketing skills. Loué and Baronet (2012:465) reaffirm that marketing skills play an essential role towards successful entrepreneurship, yet 22% of the respondents have no understanding of marketing skills.

Management of income statements is important for an entrepreneur. Forty-five per cent of the respondents show full understanding of financial management, while 36% of them depict little understanding. Only 19% of the respondents have no understanding of financial management skills.

Table 4.4 brings out that 47% of the respondents have full understanding of what time management skills entail, and 38% of the respondents show little understanding. Meeting deadlines and deliverables covertly has a bearing on time management skills, yet 15% of the respondents have no understanding of time management.

Setting goals and committing towards them correlate with successful entrepreneurship. Fifty-three per cent of the respondents have full understanding of goal setting and commitment skills, whereas 36% shows little understanding. Baum and Locke (2004:590) re-emphasise that goal setting and committing give rise to small business growth, yet 11% of the respondents show no understanding of setting business goals and commitment skills.

According to Steenkamp (2011:361), leadership skills ensure effective leadership. Nonetheless, 53% of the respondents show full understanding of leadership skills, while 39% of the respondents have little understanding of leadership skills. The ability to formulate and implement entrepreneurial strategy is crucial; however, only 14% of the respondents show no understanding of leadership skills.

Control skills are inherent to both emerging and matured entrepreneurs. Forty-eight per cent of the respondents display full understanding and 38% shows little understanding of control skills. The control skills entail both internal and external control; only 14% of the respondents show no understanding of control skills.

Table 4.5 provides a summary of the descriptive statistics for entrepreneurial skills. The mean observed entrepreneurial skills studied is divided by the number of observations. The mean of the data is indicated with the highest score, being 2.60, and the lowest at 2.07 on the rating scale (1) to (3).

The standard error depicts how far the observed variables of the statistics are from the mean. It shows the degree of uncertainty in the summary number representing the whole sample. On the other hand, the standard deviation refers to the amount of variability between respondents and how far each contingent employee is from the average.

The mode illustrates that the high appearing variable in the rating of entrepreneurial skills is 3:00. The range depicts the largest data value minus the smallest data value.

Table 4.5: Summary of descriptive statistics for the entrepreneurial skills

Entrepreneu rial skills set	Mean	Stan- dard	Med- ian	Mode	Stan- dard devia-	Range	Mini- mum	Maxim- um	Sum	Count
		error			tion					
Risk taking	2.13	0.06	2:00	2:00	0.72	2:00	1:00	3:00	275:	129:
Creative & innovation	2.40	0.06	3:00	3:00	0.73	2:00	1:00	3:00	310	129
Problem- solving	2.54	0.06	3:00	3:00	0.64	2:00	1:00	3:00	328	129
Decision- making	2.60	0.05	3:00	3:00	0.63	2:00	1:00	3:00	336	129
Communi- cation	2.60	0.05	3:00	3:00	0.62	2:00	1:00	3:00	336	129
Negotiation	2.42	0.07	3:00	3:00	0.76	2:00	1:00	3:00	313	129
Networking	2.29	0.07	2:00	3:00	0.76	2:00	1:00	3:00	295	129
Business plan	2.07	0.07	2:00	2:00	0.78	2:00	1:00	3:00	267	129
Marketing	2.15	0.06	2:00	2:00	0.73	2:00	1:00	3:00	277	129
Financial manage- ment	2.31	0.06	2:00	3:00	0.74	2:00	1:00	3:00	299	129
Time manage- ment	2.37	0.06	2:00	3:00	0.68	2:00	1:00	3:00	306	129
Goal setting	2.45	0.06	3:00	3:00	0.66	2:00	1:00	3:00	317	129

Entrepreneu	Mean	Stan-	Med-	Mode	Stan-	Range	Mini-	Maxim-	Sum	Count
rial skills set		dard	ian		dard		mum	um		
		error			devia-					
					tion					
&										
commitment										
Leadership	2.35	0.06	2:00	3:00	0.70	2:00	1:00	3:00	303	129
Control	2.37	0.06	2:00	3:00	0.70	2:00	1:00	3:00	306	129

#### 4.6 SECTION D: THE EFFECTIVENESS OF ENTREPRENEURIAL SKILLS

### 4.6.1 Hypothesis 3

**Hypothesis 3a:** Entrepreneurship skills are effective in assisting contingent

employees to start up and run their business.

**Hypothesis 3b:** Entrepreneurship skills are not effective in assisting contingent

employees to start up and run their business.

Section D is composed of four variables. The four variables were statements which respondents were required to answer on a five-point rating scale regarding the extent to which they agree or disagree with the statement. As is evident in Table 4.5, the quantitative effectiveness of entrepreneurial skills instruments reported a higher Cronbach's alpha coefficient of 0.558.

Table 4.6: Effectiveness of entrepreneurial skills reliability analysis

	Cronbach's alpha if Item
Variables	Deleted
I am forced by job insecurity to be entrepreneurial.	0.489
I am pulled by entrepreneurial skills to be entrepreneurial.	0.446
I have a passion for entrepreneurship.	0.511
I am motivated by other entrepreneurs to open a business.	0.496
Cronbach's alpha coefficient: 0.558	

From Table 4.6, the judgement of the results is that in Section D, entrepreneurial skills do not play an important role for contingent employees being entrepreneurial and starting their own businesses. Thus, the results, based on Cronbach's alpha coefficients, are less than 0.70 for the following stated variables: push factor and pull factor. Therefore, the reliability of push factor and pull factor for contingent employees to be entrepreneurial is 0.489 and 0.446 respectively, which is unacceptable, since the Cronbach's alpha coefficients are less than 0.70.

### 4.6.2 Effectiveness of entrepreneurial skills frequency distributions

Figure 4.25 reveals the responses of the respondents with regard to being forced by job insecurity to be entrepreneurial as a push factor.

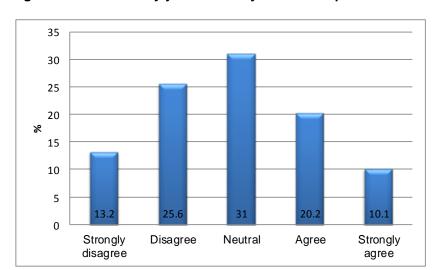


Figure 4.25: Forced by job insecurity to be entrepreneurial

Figure 4.25 depicts that 31% of the respondents opted to be neutral. At least 25.6% of the respondents denied being forced into entrepreneurship by job insecurity. The figure illustrates that 20.2% of the respondents were pushed into entrepreneurship by job insecurity. As indicated earlier, job insecurity is one of the push factors to entrepreneurship in order to counterbalance the impact.

The results respecting the evaluation of whether the contingent employees were pulled by entrepreneurial skills to be entrepreneurial are provided in Figure 4.26.

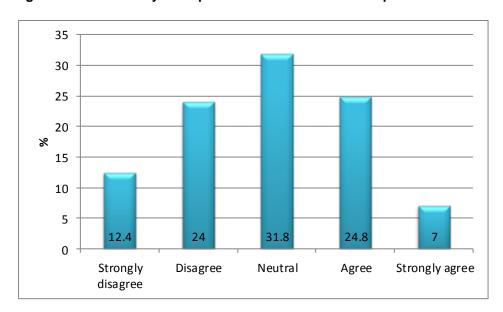


Figure 4.26: Pulled by entrepreneurial skills to be entrepreneurial

According to Figure 4.26, 24.8% of the respondents were pulled into entrepreneurship by entrepreneurial skills. However, there are 20% of the respondents who rejected the view of being pulled by entrepreneurial skills into entrepreneurship. At least 31.8% of the respondents remained neutral. There is a high number of contingent employees agreeing to the proposition. This is consistent with the study by Ali Shah, *et al* (2010:179-182), which put entrepreneurial skills and relevant competencies as a strong motivator into entrepreneurship.

A determination of whether the respondents have a passion for entrepreneurship is made in Figure 4.27.

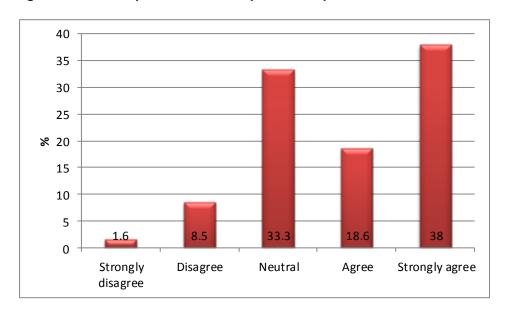


Figure 4.27: Have passion for entrepreneurship

Figure 4.27 highlights that 38% of the respondents strongly agree to having being pulled into entrepreneurship because they have a passion for it. In contrast, 8.5% of the respondents disagree that they were not motivated into entrepreneurship. Neutral respondents were 33.3%, which indicates a positive relationship between passion for entrepreneurship and entering into entrepreneurship. A significant number seems to prefer to enter into entrepreneurship because of passion.

In Figure 4.28, it is revealed whether the respondents were motivated by other entrepreneurs to open a business.

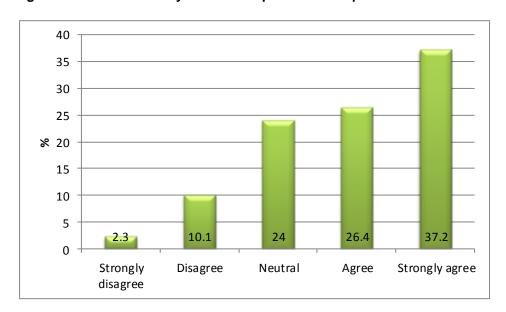


Figure 4.28: Motivated by other entrepreneurs to open a business

Figure 4.28 illustrates that 37.2% of the respondents strongly agree to having been motivated by other entrepreneurs to start their businesses. In contrast, 24% of the respondents were neutral. At least 10.1% of the respondents disagree with the statement. Entrepreneurship literature reveals that family or friends can be a strong motivator towards entrepreneurship.

#### 4.7 FACTOR ANALYSIS

Factor analysis indicates what measures belong together. Prior to the relationship with performance, factor analysis is carried out to reduce the number of variables into small factors (new variables).

Factor analysis was further employed to test validity and reliability when investigating whether a number of variables of interest (Y1, Y2..., YI) are linearly related to a smaller number of unobservable factors (F1, F2 ..., Fk). It is carried out on variables of Section B only, and the results are presented in Appendix A and Table 4.6.

Reliability analysis of factors is performed to investigate the internal consistency of factors, that is, how a closely related set of items (variables in each factor) are as a group.

Tables 4.7 and 4.8 illustrate factors and several labels which were subsequently allocated. The Cronbach's alpha coefficient scores generated in Table 4.1 will from this point onwards be labelled as presented in Tables 4.7 and 4.8 for all the statistical techniques that follow.

Table 4.7: Creation and labels of new variables (factors)

Section	Factor	Labels	Number of variables loaded
B1	1	Job prosperity in the company	3
B2	1	Threats of job loss	3
DZ	2	Job satisfaction about promotion	2
	1	Job satisfaction about working conditions	4
B3	2	Perceived threats of losing job features	3
	3	Powerlessness	3

Reliability of factors is highlighted in Table 4.8.

There are scholarly debates of what constitute acceptable alpha score (Athayde, 2003:10). Several scholars suggest that 0.600 to 0.900 Cronbach alpha is acceptable. However Nunnally (1978) posits that 0.500 is an acceptable threshold. In this study, 0.500 was used as the benchmark. A decision to rerun the factor analysis, resulting in one acceptable factor to increase the validity and reliability of the measuring instrument.

Table 4.8: Reliability of the factors

Section	Factor	Labels	Cronbach's alpha coefficient
B1	1	Job prosperity in the company	0.79
B2	1	Threats of job loss	0.62
DZ	2	Job satisfaction about promotion	0.67
	1	Job satisfaction about working conditions	0.64
B3	B3 2 Perceived threats of losing job feature		0.58
	3	Powerlessness	0.63

The relationship between job insecurity and qualification is brought out in Table 4.8.

Table 4.9: Relationship between job insecurity and qualification

			Qualification			
		Without University Degree	With University Degree	Total		
		1	1			
Job prosperity	Uncertain	54	15	69		
in the company	Certain	45	15	60		
То	tal	99	30	129		
Chi-squar	e; p-value		0.191; 0.66	2		
		1				
Job	Unlikely	78	20	98		
redundancy	Likely	21	10	31		
То	tal	99	30	129		
Chi-squar	e; p-value		1.853; 0.17	3		
Job satisfaction	Unlikely	49	15	64		
about promotion	Likely	50	15	65		
То	tal	99	30	129		
Chi-squar	e; p-value	0.002; 0.961				
		1				
Job satisfaction	Disagree	35	8	43		
about working conditions	Agree	64 (65%)	22 (73%)	86		

To	otal	99	30	129		
Chi-squar	re; p-value		0.782; 0.377			
Job	Disagree	65	18	83		
dissatisfaction	Agree	34	12	46		
Total		99	30	129		
Chi-squar	re; p-value		0.321; 0.57	71		
Affiliation	Disagree	70	16	86		
Agree		29	14	43		
To	otal	99	30	129		
Chi-squar	re; p-value	3.127; 0.077				

Table 4.8 indicates the results of cross-tabulation between qualification and job insecurity. The cross-tabulation tests the hypothesis qualification that is associated with job insecurity.

It can be seen from the figure that of all the 99 without a university degree, 54 (54.5%) are uncertain about their prosperity in the company. Out of all those who have a university degree, uncertainty and certainty about prosperity are both 50%. When it comes to job redundancy, almost 79% of those without a university degree point out that it is unlikely to happen. The majority of those with a university degree, which is 67%, agree that it is unlikely to happen.

There is a 50/50% trend on job satisfaction about promotion for those who are positive (likely) and those who are negative (unlikely), be it among the university degree and non-university degree holders. The majority of the respondents are in agreement with job satisfaction about working conditions between non-university degree holders (65%) and university degree holders (73%).

More participants are in disagreement on job dissatisfaction in both groups of qualification. A similar trend is observed for affiliation.

The chi-square test of independence is used to test the hypothesis that job insecurity is associated with the qualification. The null hypothesis is

H0: Job insecurity is not associated with qualification.

The alternative hypothesis is

H1: Job insecurity is associated with qualification.

The p-values are all less than 5%, that is, 0.05. This suggests that H0 is not rejected at 5% significant level. Therefore, there is no significant association between job insecurity and the qualification of participants. That is to say, there is no significant difference in the way a university degree and a non-university degree holder assesses job prosperity in the company, job redundancy, job satisfaction about promotion, job satisfaction about working conditions, job dissatisfaction, and affiliation.

#### 4.8 CONCLUSION

This chapter presented the findings of the study carried out in small retail businesses in Roodepoort. The profile of the sample was 129 contingent employees. The researcher discussed the findings from data collected from contingent employees regarding entrepreneurial skills and job insecurity. In terms of data collected, the study observes that a high level of female employees work in small retail businesses in Roodepoort. These female contingent employees are mostly Africans. They are young and between 18 and 35 years old, and they have a few years of working experience. The study records that there is a higher level of educational qualifications. This illustrates that the majority of the respondents are fairly new entrants in the world of employment.

The findings reveal that the relationship between contingent employees and job insecurity is not strong. Contingent employees seem not affected by job insecurity. The relationship between contingent employees and level of proficiency of entrepreneurial skills is good. The contingent employees seem to reject the suggestion that they could

be pushed into entrepreneurship by job insecurity. Contingent employees appear to have the consensus that they can be driven into entrepreneurship by entrepreneurial skills, passion, and other entrepreneurs (such as family and friends).

These empirical findings were also correlated with the literature review and methodology. Chi-square was used to test the reliability. However, only the alternative was tested. The positive hypotheses were reported. The negative statement known as null hypothesis was not tested, as it would have required much time and statistical analysis. The researcher was comfortable to accept the results from a positive statement.

The empirical findings illustrate the following:

- Hypothesis 1a is rejected.
- Hypothesis 1b is accepted.
- Hypothesis 2a is accepted.
- Hypothesis 2b is rejected.
- Hypothesis 3a is accepted.
- Hypothesis 3b is rejected.

The next chapter will deal with the conclusions and recommendations of the study.

#### 4.9 SUMMARY

The objective of the chapter was to present the findings of the study and to test research objectives and hypotheses against the results. The study findings suggest that there is disequilibrium between the perception of job insecurity, entrepreneurial skills, and intentions to start, run, and own businesses among contingent employees.

The study further suggests that job insecurity exists, but the respondents do not see it as a serious threat. It appears that these respondents have become used to their current working conditions (Costa, *et al*; 2016:19).

Based on the results, it appears that the contingent employees have some degree of interests and exposures to the entrepreneurial skills chosen for the study. Surprisingly, respondents showed poor entrepreneurial intentions to consider entrepreneurship as an alternative. This finding also illustrates the importance of other exogenous factors which stimulate entrepreneurship.

## **CHAPTER 5: FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

#### 5.1 INTRODUCTION

The objectives, hypotheses, and research methodology that was followed in this study were explained in Chapter 1. The literature review focused on the study's variables such as contingent employees, job insecurity factors, entrepreneurial skills, and the link between entrepreneurship and education and training. Chapter 3 dealt with the research methodology which entailed research design, sampling, data collection, and data analysis. The penultimate chapter had to do with data collection and the results thereof. The purpose of this chapter is to present a synthesis of the empirical results as presented in the preceding chapter. It draws conclusions from empirical findings and the research as a whole in light of the theoretical framework that guided this study. The chapter includes study conclusion, limitations, and recommendations drawn from empirical results.

### 5.2 Demographic information of the respondents

The respondents consisted of 129 contingent employees from 503 small retail businesses in Roodepoort. The respondents were taken from small retail businesses in Roodepoort: Beauty shops, Liquor stores, Restaurants & Food outlets, Filling stations, General dealers, and Clothing stores using stratified sampling (discussed in Section 3.4.1). Other types of small businesses and permanent employees were not included in this sample, and this explains why only 129 questionnaires were considered. This unit of analysis was appropriate for the study to investigate entrepreneurial skills and job insecurity factors affecting contingent employees. A summary of the demographic information of the respondents follows.

#### 5.2.1 Distribution of respondents by gender

The majority (54.3%) of the respondents were females, while 45.7% of the respondents were males (Figure 4.1). Several scholars (Polivka, 1996:11; Zeytinoglu, 2005:10) assert that a high number of contingent employees are females. The divides can further be observed per industry and occupation.

#### 5.2.2 Distribution of respondents by ethnicity

Of the 129 respondents, 81.4% were African, 10.1% were coloured, 3.9% were Asians, and 4.7% were white (Figure 4.2). The finding correlates with the study of Polivka (1996:11) which recorded that the African group constitutes a high number of contingent employees.

## 5.2.3 Age categories

The majority of the respondents were between 18 and 25 years old (45.0%), followed by 28 to 35 years (38.8%), 36 to 45 years (11.6%), and the lowest percentage was in the age group 46 to 55 years (4.7%).

### 5.2.4 Distribution of respondents by level of education

When referring to Figure 4.5, it was clear that the majority (48.8%) of the respondents had a grade 12 level of education, followed by 20.2% of the respondents who obtained diplomas or degrees, and 3.1% of the respondents who are in possession of postgraduate degrees. The lowest percentage (3.1%) of the respondents had no grade 12 qualification.

## 5.3 Research objectives revisited

The primary and secondary objectives of this study as well as hypotheses that were drawn from the objectives are revisited to establish if objectives were achieved or not.

#### 5.3.1 Primary objective

The primary objective of the study was to investigate entrepreneurial skills of contingent employees in small retail businesses with specific focus on Roodepoort as job security determinant in order to document important entrepreneurial skills for starting and running an effective small business. Measured on the 14 entrepreneurial skills (Tables 4.2 and 4.4), findings showed that the majority of the contingent employees have entrepreneurial skills.

From the results (Table 4.4), a combination of little and full understanding listed entrepreneurial skills that respondents were exposed to. The results showed that respondents have some exposure to entrepreneurial skills, which is positive towards starting a business in the future.

According to Ali Shah, et al (2010:179-182), individual entrepreneurial skills and experience can induce entrepreneurship. Entrepreneurial skills can pull prospective entrepreneurs towards entrepreneurship (Segal, et al; 2005:44). Herrington and Kew (2015:4) recorded an increase of optimism among prospective entrepreneurs in South Africa.

It is obvious that respondents depict some interests and exposures to entrepreneurial skills for this study. However, whether the degree of exposure is enough to ignite entrepreneurship is not clear. The interpretation of the results speaks directly to the following hypotheses which were derived from the objectives:

- Hypothesis 2a: Contingent employees have entrepreneurial skills.
- Hypothesis 2b: Contingent employees do not have entrepreneurial skills

#### 5.3.2 Secondary objectives

# 5.3.2.1 To determine the impact job insecurity has on contingent employees in small retail businesses in Roodepoort

To realise the primary objective, secondary objectives of the study were formulated. Section B of the questionnaire had three subsections. The perceived job threats for job loss faced by respondents were measured (Table 4.1). It appeared that contingent employees were less worried. From Figure 4.7 to 4.25, the five-point Likert scale results were combined from "very uncertain and uncertain" and "very certain and certain", and "strongly disagree and disagree" and "strongly agree and agree".

Based on results, respondents were less worried about future career opportunity within the company (40.6% as opposed to 31.8%). Respondents were satisfied with the opportunity for getting permanent jobs within the organisation (36.4% as opposed to 30.2%). Furthermore, respondents felt their skills could be used (48.9% as opposed to 16.3%) in future by the current organisation.

Greenhalgh and Rosenblatt (1984:438) argue that job insecurity could be a severe threat to job continuity, sense of powerlessness to maintain desired continuity, and the inability of the contingent employee to control his/her environment. Based on the study results, there is no strong relationship between fear of job continuity, promotion, and skills being used within their organisation and the respondents. There is however a significant number of respondents who choose to remain neutral, which also does not indicate the presence of job insecurity.

#### Job insecurity determinants

From Figure 4.10 to 4.25, this subsection measured certain aspects of job insecurity determinants using "likely, neutral and unlikely". The respondents were less concerned about the likelihood of the reduction of working hours (44.2%), but they were confident about the improvement of their conditions of employment (47.3%). The respondents received a salary increase (58.2%) in previous years and were willing to work even harder (77.5%) within the organisation. The respondents seemed to share a level of

satisfaction about their work (35.7%). They also suggest that their current jobs are useful (41.1%), and they are not planning to quit (41.1%).

The interpretation of the results speaks directly to the following hypotheses which were derived from the objectives:

• Hypothesis 1a: Job insecurity is common among contingent employees in

the small retail businesses in Roodepoort.

Hypothesis 1b: Job insecurity is not common among contingent employees

in the small retail businesses in Roodepoort

# 5.3.2.2 To evaluate causes hindering contingent employees from starting and running their own businesses in Roodepoort

The results suggest that exposure to entrepreneurial skills does not influence the attitude towards becoming an entrepreneur. The attitude towards becoming an entrepreneur consisted of four questions that were based on a five-point Likert scale. The results (Figure 4.25 to 4.29) illustrated that 56.6% and 63.6% of the respondents had passion for entrepreneurship and were motivated to be entrepreneurial. Regarding forced by job insecurity, the respondents could not agree (38.8%); however, 31.0% of them were unsure if job insecurity could drive them to entrepreneurship, while 30.3% agreed that they could be driven to entrepreneurship.

The results of cross-tabulation between qualification and the job insecurity (Table 4.8) indicate a 50/50% trend on job satisfaction about promotion, for those who are positive (likely) and those who are negative (unlikely), be it among university degree and non-university degree holders. Respondents with and without university degrees shared a 50/50% sense of job prosperity.

Results showed that the respondents exhibited high levels of exposure to entrepreneurial skills. According to Neck, Meyer, Cohen and Corbett (2004:203), mental attitudes supersede successful entrepreneurial skills. Hollenbeck and Whitener (1998:82-83) recommend merging both traits and that competences work best for entrepreneurs if they complement one another. Nieman (2001:446) classifies the skills

of entrepreneurs as personal skills, interpersonal skills, and process skills. Nieman, *et al* (2003:38) suggest that entrepreneurial skills consist of risk-taking, education, and creativity.

The interpretation of the results speaks directly to the following hypotheses which were derived from the objectives:

 Hypothesis 3a: Entrepreneurship skills are effective in assisting contingent employees to start up and run their business.

 Hypothesis 3b: Entrepreneurship skills are not effective in assisting contingent employees to start up and run their business.

#### 5.4 CONCLUSIONS FROM EMPIRICAL INVESTIGATION

To ensure that the study remained within the parameters of the problem statement and study objectives, a comprehensive literature review was conducted. Entrepreneurship was defined as a process of starting a business enterprise. An entrepreneur is someone who accepts risks and initiates business actions that are profit-orientated (Hartog, *et al*; 2010:952). Someone who is entrepreneurial displays proactive, innovative and dynamic behaviours.

Contingent jobs consisted of non-permanent contracts, part-time or casual hours, involuntary hours, on-call work, split shifts, pay per visit, and hourly pay with variable hours (Zeytinoglu, *et al*; 2009:258). The contingent employment market is huge and businesses prefer it because it supports staff flexibility, is reasonably cheaper, and can provide specialised skills. However, contingent employees face job insecurity in organisations. The causes of job insecurity range from low remunerations, medical aid subsidies, un-unionised, no bargaining powers, and poor relationship with management and permanent employees (De Kok, *et al*; 2011:7).

The study investigated entrepreneurial skills as pull factors into entrepreneurship. The point of interest was to find out if contingent employees had entrepreneurial skills and if job insecurity was significant to drive contingent employees towards entrepreneurship. The researcher tested the study hypotheses as indicated in the next subsection.

## 5.4.1 Testing hypotheses

## Hypothesis 1

**Hypothesis 1a:** Job insecurity is common among contingent employees in the

small retail businesses in Roodepoort.

**Hypothesis 1b:** Job insecurity is not common among contingent employees in the

small retail businesses in Roodepoort.

It was found that a significant number of contingent employees are not exposed to job insecurities in small retail businesses in Roodepoort. A higher percentage of contingent employees are reportedly not facing job insecurity, with a significant Cronbach's alpha coefficient of 0.79, Cronbach's alpha coefficient of 0.161, and Cronbach's alpha coefficient of 0.356.

Based on literature, job insecurity affects a minority of employees (De Witte, 2005:5). It is mostly visible when there are rapid economic changes. Other factors which give rise to job insecurity include broader social networks, such as family, and preference for contingent jobs, definition ascribed to a contingent employee, and heterogeneity of contingent employees (De Cuyper, *et al*; 2014).

Based on the findings, hypothesis 1a is rejected.

### **Hypothesis 2**

**Hypothesis 2a:** Contingent employees have entrepreneurial skills.

**Hypothesis 2b:** Contingent employees do not have entrepreneurial skills.

This study illustrates positive correlations between entrepreneurial skills and contingent employees. Contingent employees seemed to have some exposure to entrepreneurial skills. Contingent employees also believe that entrepreneurship education and training is unimportant for both job insecurity and entrepreneurship. A higher percentage of contingent employees were in agreement with the key entrepreneurial skills, with a significant Cronbach's alpha coefficient of 0.791 and Cronbach's alpha coefficient of 0.914.

Based on the findings, hypothesis 2a is accepted.

## **Hypothesis 3**

**Hypothesis 3a:** Entrepreneurship skills are effective in assisting contingent

employees to start up and run their business.

**Hypothesis 3b:** Entrepreneurship skills are not effective in assisting contingent

employees to start up and run their business.

From the empirical investigation, it was found that entrepreneurial skills attract individuals to entrepreneurship. The literature review revealed that job insecurity drives employees to entrepreneurship. In Roodepoort, it was found that job insecurity does not affect respondents. Therefore, the driver for being entrepreneurial was not significant. From the literature, it was further revealed that other factors such as environmental support, social capital, and education could be essential in igniting entrepreneurship.

The findings reveal that a high percentage of contingent employees affirmed that entrepreneurial skills can draw contingent employees to be entrepreneurial, with a Cronbach's alpha coefficient of 0.558. However, whether the exposures to various entrepreneurial skills were enough to stimulate entrepreneurship, environmental factors, and entrepreneurial support could not be ascertained.

Based on the findings, hypothesis 3a is accepted.

#### 5.5 LIMITATIONS OF THE STUDY

The limitations of the study include the following:

- The sample frame has unknown characteristics. There was unavailability of a comprehensive contingent employees database.
- Not all small retail businesses employ contingent employees. Some small retail businesses were busy (data collected in December 2014) and could not afford time to contingent employees to participate.

- Some of the small retail businesses were found to have relocated or closed down when the questionnaire was distributed.
- One hundred and sixty-five respondents were reached, but only 129 responses
  met the study requirements. Although it would be great to reach more
  respondents, the unavailability of a contingent employees database made it
  difficult.
- Data on entrepreneurial skills was based on self-reported measures. According
  to Man, Lau and Chan (2002:133), entrepreneurial skills cannot exclusively
  measure intention for entrepreneurship but rather jack of all trades
  measurements (Lazear, 2005).

#### 5.6 RECOMMENDATIONS REGARDING ENTREPRENEURIAL SKILLS

Robinson, et al (1991:13) found that a combination of factors such as personality attributes, entrepreneurial skills, and environmental factors are important for measuring entrepreneurial intentions and willingness to start and run a business. It was clearly demonstrated that entrepreneurial skills play essential role an entrepreneurship, but they can also fulfil other roles to individuals' development within a business. They can pull contingent employees from job insecurity and push them towards entrepreneurship. The conclusion to be drawn from the results of this study is that entrepreneurial development programme remains important, environment factors such as entrepreneurial support programme should be enhanced, and more entrepreneurial role models within communities need to be visible enough to ignite the entrepreneurial spirit. The following recommendations are tabled:

- It is recommended that contingent employees view contingent jobs as opportunities to develop entrepreneurial skills or marketable skills.
- There is a need to expose contingent employees to entrepreneurship education for a period of more than six months. This may help contingent employees see the need for being entrepreneurial.

- Entrepreneurial support is important for entrepreneurship; it is recommended that
  government use the press to increase the visibility of government support
  programmes and encourage prospective entrepreneurs to enter
  entrepreneurship.
- Small retail businesses should offer some training and developmental opportunities for contingent employees. This may help small businesses improve productivity and growth.
- It appears that contingent employees may attend free education and training programmes through the NYDA on entrepreneurial skills. Other training providers include as SEDA, the South African Institute for Entrepreneurship (SAIE), ESS Enterprise Development, and Business Talk. It is important that they attend such training programmes in order to increase their career options.
- Contingent employees without matric should enrol with Further Education and Training (FET) colleges to improve their work life and be eligible for job security or entrepreneurship education and training.
- Contingent employees with matric should enrol with Unisa and other part-time universities to improve their life.
- Contingent employees eligible to start up small businesses should register their businesses through the Companies and Intellectual Property Commission (CIPC).

#### 5.7 DIRECTION FOR FURTHER STUDIES

Entrepreneurship and entrepreneurial intentions and willingness to start a business is a complex phenomenon which is stimulated by other exogenous factors. The study scope was on entrepreneurial skills and job insecurity factors as precursors for being entrepreneurial. Avenues for future studies in relation to this study that could be investigated further are as follows:

- Although the study focused on the Roodepoort District, an investigation into entrepreneurial skills of contingent employees in other South African provinces could be pursued.
- Although the study focused on small retail businesses, an investigation into entrepreneurial skills of contingent employees in large businesses could be pursued.
- Instead of relying on quantitative data, a qualitative approach to the investigation into entrepreneurial skills of contingent employees could be considered.
- A combination of entrepreneurial factors such as competencies, intentions, and willingness to become entrepreneurs within contingent employees in other sectors, such as in the government sector, be considered.

#### 5.8 CONCLUSION

The aim of the study was to investigate the entrepreneurial skills of contingent employees in small retail businesses in Roodepoort as a job security determinant. The study population consisted of 129 contingent employees in 60 small retail businesses in Roodepoort. Respondents indicated they were not threatened by job loss or losing features of their jobs. However, they indicated that they were vulnerable as a result of job insecurity. Respondents indicated that they were very interested in attaining entrepreneurship education and training. They also showed strong interest and exposure in the 14 entrepreneurial skills highlighted in this study. The researcher's observation is that there is a difference between those who identify opportunity and those who feel the necessity to act.

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APPENDIX A: COVERING LETTER

Dear Respondent

MCom research project: Survey questionnaire

INVESTIGATION INTO ENTREPRENEURIAL SKILLS OF CONTINGENT

EMPLOYEES IN SMALL RETAIL BUSINESSES IN ROODEPOORT AS JOB

**SECURITY DETERMINANT** 

I am a postgraduate student of the University of South Africa (Unisa) registered for

MCom degree with my studies focusing on the above-approved topic.

Research indicates that entrepreneurship can generate jobs, eradicate poverty and

promote equitable income distribution. However, it has been discovered that a

significant number of contingent employees is faced with job insecurity as a result of

inequitable distribution of income which culminates from lack of resources by small retail

businesses they work for. The study is intended to determine if contingent employees

have entrepreneurial skills, if so, why they have not opted for entrepreneurship in

Roodepoort.

I am in the process of collecting data through an interviewer-administered

questionnaire. The administered questionnaire will be disseminated to the population

from 15 December 2014. It is anticipated that completion of the questionnaire will take

between 15 and 20 minutes.

One of the outputs of this study will be a report summarising the findings. If you are

interested in a copy, it will be sent to you. Be assured that all information provided will

be treated as strictly confidential.

Your participation in this regard is needed and greatly appreciated.

Bheki M Tshabangu

University of South Africa

# **APPENDIX B: QUESTIONNAIRE**

#### **SECTION A: DEMOGRAPHICS**

This section of the questionnaire refers to demographic information. The information gathered in this section will enable the researcher to compare perceptions and views of different groups.

# 1. Please state your gender

	Circle only one
Male	1
Female	2

# 2. Please specify your ethnicity.

Ethnicity	Circle only one
African	1
Coloured	2
Asian	3
White	4

# 3. Please state your age category

	Circle only one
18 - 25 years	1
26 - 35 years	2
36 - 45 years	3
46 - 55 years	4

3. Number of years of experience in the current company?

	Circle only one
0 - 1 years	1
2 - 5 years	2
5 -10 years	3
Over 10 years	4

4. What is the level of school or highest degree you have completed?

	Circle only one
Below matric	1
Matric	2
Diploma/ Degree	3
Postgraduate	4

5. Please indicate the type of organisation you work for?

	Circle only one
Manufacturing	1
Service	2
Retailing	3
Other	4

						-			-			
2	Inc	dicata	tha	total	numbor	_nf	employees	amala	$\sim$	hy tha	organica	ntian?
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<ol><li>Indicate the number of contingent employees employed by the orga</li></ol>	nisation?
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8. Please indicate the total number of employees employed by the organisation

Medium	< 200
Small	< 50
Very small	< 20
Micro	< 5
Individuals	1

#### **SECTION B: JOB INSECURITY**

The aim of the following questions is to determine the experience of the respondent with regard to job insecurity.

**8. Please rate how certain or uncertain** you are about various aspects of your job. Tick the number that best reflect your feelings.

Characteristics	Very	Uncertain	Neutral	Certain	Very
	uncertain				certain
How certain are you about					
your future career in the	10	20	3□	40	5□
current company?					
How certain are you about					
opportunity for a	10	20	3□	40	5□
permanent job in the					
current company?					
How certain are you about					
your job skills be of use in	10	20	3□	40	5□
few years from now?					

**9. Think about the future,** how unlikely or likely is it the following events might occur to you in the current job. Please tick the number that best reflect your feelings.

Characteristics	Very	Unlikely	Neutral	Likely	Very
	unlikely				likely
Lose your job and be					
retrenched.	10	20	3□	40	5□
Lose your job and be					
dismissed.	10	20	3□	40	5□
Be promoted or appointed					

permanently.	10	20	3□	40	50
The number of hours the					
company offers you to work	10	20	3□	40	5□
be reduced from 35 hours per					
week.					
The number of hours the					
company offers you to work	10	20	3□	40	5□
be increased from 35 hours					
per week.					

**10. The following statements** are comments about the contingent employee attitudes towards their employer. Please tick response that represents your level of agreement with each statement.

Characteristics	Strongly	Disagree	Neutral	Agree	Strongly
	disagree				agree
My work conditions improved	10	20	3□	40	50
since I started working here.					
I am a member of a medical	10	20	3□	40	5□
aid scheme, and my					
employer subsidises it.					
My salary has increased	10	2	3□	40	50
annually from previous years					
Would not mind if I become a	10	20	3□	40	50
member of a trade union.					
My manager's interest and	10	20	3□	40	50
mine are the same.					
I am willing to work harder	10	20	3□	40	50
than I have in order to help					
the company succeed					
I am generally satisfied with	10	20	3□	40	50
the kind of work I do in this					

job.					
Most contingent employees					
feel very satisfied with their	10	20	3□	40	5□
jobs.					
Most contingent employees					
in this job feel that the work	10	20	3□	40	5□
is useless or trivial.					
I frequently think of quitting.					
	10	20	3□	40	5□

#### **SECTION C: ENTREPRENEURIAL SKILLS**

The aim of the following questions is to determine your entrepreneurial skills:

Please tick response that represents your level of agreement with each statement.

5. Strongly	4. Agree	3. Neither	2. Disagree	1. Strongly
Agree		agree Nor		disagree
		disagree		

## Tick X in the box of your choice

11. An entrepreneur is someone who has the skills to start their own business.

5	4	3	2	1

12. An entrepreneur is someone who has the innate abilities to start their own business.

5	4	3	2	1

13. Anybody who wants can be an entrepreneur.

5	4	3	2	1
	•		_	•

14. Training and education programmes can lead to effective entrepreneurial skills.

	O	•		_	'				
						•			
1	5. Training	and educ	ation progr	ammes c	an impro	ove creative and innovative			
th	inking.								
	5	4	3	2	1				
4.	O. T								
16	o. Training	and educat	ion program	mes can ı	mprove t	he ability of the entrepreneur			
to	to compile an effective business plan.								
	5	1	3	2	1				

2

17. Training and education programmes can improve the ability to identify sources of funds used to finance the business.

5 4 3	2 1
-------	-----

3

18. Entrepreneurship cannot be taught.

5	4	3	2	1

19. Entrepreneurship is for people who can't find work in the formal sector of the economy.

5	4	3	2	1

- 20. **Please indicate your proficiency** in the under-mentioned skill sets by using the following three-point scale:
- 1: No understanding

5

4

- 2: Little understanding
- 3: Full understanding

Skills sets	□ No understanding	Little understanding	Full understanding
Risk-taking skills	10	20	3□
Creativity & innovation skills	10	20	3□
Problem-solving skills	10	2	3□
Decision-making skills	10	2	3□
Communication skills	10	20	3□
Negotiation skills	10	20	3□
Networking skills	10	20	3□
Skills of drafting business plan	10	2	3□
Marketing skills	10	2	3□
Financial management skills	10	2	3□
Time management skills	10	20	3□
Goal-setting and commitment skills	10	20	3□
Leadership skills	10	20	3□
Control skills	10	20	3□

#### SECTION D: THE EFFECTIVENESS OF ENTREPRENEURIAL SKILLS

5. Strongly	4. Agree	3. Neither	2. Disagree	1. Strongly
Agree		agree Nor		disagree
		disagree		

# Tick X in the box of your choice

21. I am forced by the job insecurity to be entrepreneurial?

5	4	3	2	1

$\sim$	1			-1-1:11-4-	I	entrepreneurial?
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5	4	3	2	1

## 23. I have passion for entrepreneurship.

5	4	3	2	1

# 24. I am motivated by other entrepreneurs to open a business.

5	4	3	2	1

The information supplied in the questionnaire will be treated as confidential

#### THANK YOU VERY MUCH FOR YOUR VALUABLE TIME

Any enquiries can be directed to:

Mr. B M Tshabangu

Tel: 011 471 2310

**Cellular phone: 083 337 1862** 

# **APPENDIX C: FACTOR ANALYSES**

## **A.1 SECTION B: JOB INSECURITY**

B1	Component
Total Variation explained: 70%	1
How certain are you about your future career in the current company?	,897
How certain are you about the opportunity for a permanent job in the current company?	,843
How certain are you that your skills will be of use in a few years from now?	,760

		onent
Total Variation explained: 57%	1	2
Lose your job and be dismissed	,823	-,053
Lose your job and be retrenched	,780	-,033
Number of hours the company offers you to work be reduced from 35 hours per work	,535	,513
The number of hours the company offers you to work be increased from 35 hours	,118	,762
Be promoted or appointed permanently	-,286	,589

В3		Component			
Total Variation explained: 61%	1	2	3	4	
My work conditions improved since I started working here	,830	- ,105	,054	,016	
I am willing to work harder than I have in order to help the company succeed	,783	,156	-,091	,166	
Most contingent employees feel very satisfied with their jobs	,554	-	,395	-	

		,362		,241
My salary has increased annually from previous year	,435	- ,118	,225	,360
Most contingent employees in this job feel that the work is useless or trivial	-,024	,789	,153	,037
My manager's interest and mine are the same	-,040	,742	,249	- ,051
I frequently think of quitting	-,346	,393	,169	,103
Would not mind if I become a member of a trade union	,036	,211	,721	- ,111
I am a member of a medical aid scheme, and my employer subsidises it	,005	,096	,686	,474
I am generally satisfied with the kind of work I do in this job	,072	,025	-,034	,907