EXPLORING THE PERCEPTIONS AND VALUE OF A FIELD STUDY PROGRAMME FOR SMALL BUSINESS OWNERS ON THEIR HUMAN CAPITAL DEVELOPMENT.

A mini-thesis submitted at the Institute for Social Development, Faculty of EMS, University of the Western Cape in partial fulfilment of the requirements for the award of a Master’s Degree in Development Studies.

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September, 2016
DECLARATION

I, the undersigned, Abraham Johannes Oliver, declare that ‘Exploring the perceptions and value of the Field Study Programme for small business owners on their human capital development’ submitted for the Magister in Development Studies at the Institute of Social Development, Economic and Management Sciences Department, University of Western Cape, is my own, independent work, and that I have not previously submitted this work for any qualification at another university or at another faculty of this university.

I further hereby cede copyright of this dissertation in favour of the University of Western Cape.

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Abraham Johannes Oliver

Signed at Cape Town

On the 30th of September 2016
ACKNOWLEDGEMENTS

The successful completion of this research would not have been possible without the support, guidance and encouragement of the following individuals to whom I wish to express my gratitude:

- My Lord and Saviour, Jesus Christ who has given me the strength to complete this study.
- My wife, Antoinette for her constant inspiration, encouragement and faith in my ability to complete my studies;
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- All the entrepreneurs who sacrificed their valuable time by providing me with the information necessary for me to complete this study; and
- My family (especially my wife, my mother and three daughters) who supported me throughout this journey.

I wish to take this opportunity to thank and acknowledge everyone who contributed to the success of this study.
ABSTRACT

The South African government is promoting Small, Micro- and Medium-Scale Enterprises (SMMEs) as a key strategy for job creation, economic growth for poverty alleviation and a reduction in inequalities. The sustainable development of small businesses is therefore seen as the antidote for high levels of unemployment and poverty alleviation. Academics and policy makers agree that entrepreneurs, and the new businesses they establish, play a critical role in the development and well-being of their societies. If South Africa is to overcome its pressing challenges of unemployment and poverty, it urgently needs to become a more entrepreneurial society.

The Field Study Programme (FSP) initiated by the Tertiary School in Business Administration (TSiBA) in South Africa, and the Northeastern University (NU) in Boston, United States of America, aims to guide and support small business owners. The goal of the FSP was, therefore, to support small business owners to improve their understanding of managing their small business and their competency in finding innovative solutions to their current market challenges.

Since the inception of the FSP at TSiBA in 2008, very little research has been undertaken to understand the value and benefits of the FSP from the perspective of community small business owners over the past seven (7) years. This study explored the perceptions and experiences of small business owners and the value of the FSP towards their small business venture to assist business schools and higher education institutions to execute FSP’s with greater success and impact.

In terms of the FSP, local and international business students acted as ‘consultants’ applying their respective academic knowledge and skills to assist small business owners to adapt their business model to sustain their livelihoods. The major purpose of the FSP was for students to consult with participants regarding their needs or challenges and to transform their needs and challenges through practical intervention towards meaningful and sustainable solutions which are mutually beneficial for all parties involved. The FSP attempted to demonstrate how a joint service-learning and social entrepreneurship approach could contribute to improving the human capital of small business owners.
The study applied a qualitative research approach to explore the experiences and perceptions of small business owners who participated in the FSP. Purposive sampling was used to acquire information from small business owners. In this study twenty (20), participants were chosen on the basis that they had run their own small businesses at the time of being selected for the FSP for more than 6-12 months. The FSP was conducted over a seven-month period from February 2014 to August 2014.

The qualitative research instruments for this study were pre- and post-interviews with individuals and focus-group discussions. Tape recorded data was transcribed verbatim for each pre-and post-interview with individuals and focus group discussions. The researcher analysed the transcripts using thematic analysis. The study highlighted the following findings: A majority of participants reported a positive experience and satisfaction with their participation in the FSP. Most of the participants felt that the solutions presented had contributed to addressing their challenges and influenced the ongoing operations of their small business venture.

It was perceived that a combined service-learning and social entrepreneurship approach to FSP could improve community outreach programs. Despite the positive feedback, more must be done to incorporate black small-businesses into the main economy. A further recommendation is that a more integrated approach is needed between small business owners and students to join forces and provide solutions and relevant skills-training once the FSP has been completed.

**KEYWORDS:** Service-learning, Social entrepreneurship, Human capital, Small business owners, Field Study Program.
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<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>BBA</td>
<td>Bachelor of Business Administration</td>
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<tr>
<td>CHE</td>
<td>Council for Higher Education</td>
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<td>CIPC</td>
<td>Companies and Intellectual Property Commission</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GEM</td>
<td>Global Entrepreneurship Monitor</td>
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<td>HE</td>
<td>Higher Education</td>
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<td>HEI</td>
<td>Higher Education Institutions</td>
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<td>FGD</td>
<td>Focus Group Discussion</td>
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<td>FSP</td>
<td>Field Study Program</td>
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<td>IC</td>
<td>Ignition Centre</td>
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<td>NU</td>
<td>Northeastern University</td>
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<td>P</td>
<td>Participant</td>
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<td>PBSL</td>
<td>Problem-Based Service Learning</td>
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<td>SE</td>
<td>Social Entrepreneurship</td>
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<td>SEI</td>
<td>Social Enterprise Institute</td>
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<td>SME</td>
<td>Small Medium Enterprises</td>
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<td>SEM</td>
<td>Social Entrepreneurship Model</td>
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<td>SMME</td>
<td>Small, Medium &amp; Micro-Enterprises</td>
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<td>SL</td>
<td>Service-Learning</td>
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<td>TEA</td>
<td>Total Entrepreneurial Activity</td>
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<tr>
<td>TSiBA</td>
<td>Tertiary School in Business Administration</td>
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CHAPTER 1
INTRODUCTION

1.1. Introduction

The South African government is promoting Small, Medium and Micro-Scale Enterprises (SMMEs) as a key strategy for job creation, economic growth for poverty alleviation and a reduction in inequalities. Academics and policy makers agree that entrepreneurs, and the new businesses they establish, play a critical role in the development and well-being of their societies. As a developing country, South Africa is in dire need of entrepreneurs in small, medium and micro-enterprises (SMMEs) in order to stimulate the country’s economy, while at the same time focusing on the reduction of unemployment and the unacceptably high crime rate (Strydom & Adams, 2009). Furthermore, the government’s National Development Plan (NDP) recognises that SMMEs are the future for job creation and economic growth, which would ultimately alleviate poverty (NPC, Plan, 2011).

Worldwide there is evidence of the survival rate of SMMEs being extremely low. Some authors claim that up to 96% of all SMMEs fail within six years (Ferreira, 2007, p. 8). In South Africa, this failure rate is somewhere between 70-80%, costing the South African economy millions (Barron, 2000; Streek, 2001). This notion is supported by Fatoki and Garwe (2010) who note that most new SMMEs in South Africa are unable to move from the start-up stage (existence) of growth to the further stages of survival, success, take off and resource maturity.

South Africa has the highest level of unemployment in the Sub-Saharan African region. Data from Statistics South Africa (2015) reflects the unemployment rate in South Africa as 25.5%. This is 3.3 times higher than the regional average. A particular aspect of the employment challenge in South Africa is that over 65% of the youth are unemployed or under-employed – a situation that has been described as a ‘ticking time bomb’ (GEM, 2015, p. 19).

Herrington et al. (2015) therefore argue that enterprise development and entrepreneurship must be seen as one of the key areas that could unlock growth potential in South Africa in
order to address the real concerns of poverty and inequality. SMME’s are believed to have the potential to minimize the unemployment rate of South Africa.

1.2 Background to Study

SMME’s in South Africa are facing numerous challenges, including lack of funding and lack of access to finance (Rogerson, 2008; Booysen, 2011). These also include a weak entrepreneurial culture, poor management skills, and high barriers to market entry, thus resulting in high rates of business failures (NCR, 2011). In today’s changing business environment, it is not sufficient to have just the technical understanding of how to start a business venture (Mahadea, 2008:6).

Although SMMEs can be considered as the backbone of the economy it is clear they are faced with a number of challenges that may prohibit success. Despite the noble goal of entrepreneurship, surveys of small business failure have shown that while their owners often have good ideas and are technically skilled, ‘they do not have a clue on how to run a business and have no underlying appreciation of business fundamentals’ (Brink et al., 2003, p. 3).

According to Christo Botes, Executive Director of Business Partners (BPL, 2014) the true test of entrepreneurship does not lie in starting a business, but in being able to maintain continued success and growth. One way to grow entrepreneurship in South Africa is to empower and equip motivated entrepreneurs, which will ensure that they are capable to capitalise on the opportunities available to them. He further states that ‘equipping new business owners with knowledge on how to manage, expand and develop their business will ensure continued business growth’ (p. 1).

In recognition and understanding of the critical role that SMME’s can play in poverty alleviation and unemployment reduction, TSiBA has pioneered education and training in the entrepreneurship space. Since its inception in 2004, TSiBA has established itself as an accredited and leading institution that provides talented individuals from disadvantaged communities with the opportunity to study high quality, accredited academic programmes that are focused on developing entrepreneurship and leadership.
This research, therefore, aims to explore the experiences and perceptions of small business owners regarding the value of the Field Study Programme (FSP) offered at TSiBA towards their small business venture.

1.3. Field Study Programme (FSP)

The FSP was initiated by TSiBA and NU in 2007. For the past seven years, TSiBA, in collaboration with NU has provided business analysis and support to over 100 survivalists, which operated out of necessity to secure a minimal income and micro-businesses that had growth potential, and those businesses that experienced operational challenges. On 30 June 2014, forty-two (42) American students arrived in Cape Town to work alongside eighty (80) TSiBA students on a series of entrepreneurial projects. The Ignition Centre (IC) secured the participation of twenty (20) SMMEs, which were profiled before acceptance into the FSP. The FSP is mandatory part of the TSiBA Entrepreneurship Curriculum in the second year of the Bachelor of Business Administration (BBA) degree.

The FSP was conducted over a seven-month period from February to August. During this time, SMME’s were screened and interviewed; assessed to determine their key challenges; profiled to describe their venture and current operations, consulted to determine most practical solutions for key challenges identified, and mentored to grow their small business operations.

Each student team is provided with an overview of the small business they have selected prior to the FSP in order to familiarise them with the challenges the owner is facing. On the first day of the FSP each small business owner is introduced and highlights what they hope to achieve from their participation in the FSP. All participants are introduced to their student teams for an in-depth discussion around the challenges presented by the small business owner. The purpose of the discussion is to level expectations for all parties concerned and for the students to have a clear directive from the small business owner regarding the challenges to be addressed over the FSP period.
Structured, scheduled visits to each small business in their respective communities were conducted to ensure that students get a first-hand experience and understanding of SMME operational challenges. The consultancy services provided by students are delivered off-site at the small business owners’ geographical places of business in the surrounding townships of Khayelitsha, Langa, Mitchells Plain, Gugulethu, etc. This enables students to experience real business problems and observe the business owners as they interact with their customers and employees. They work on small business owners’ individualized challenges and design practical solutions on a weekly basis, while simultaneously engaging in mutual learning experiences.

The small business owners and students remain in constant contact with each over the FSP consultation period to ensure that the deliverables designed address the needs of the small business owner. These operational challenges range from financial systems; marketing tools, technology, operational processes and business planning. Students are matched with small businesses based on their skills, knowledge and interest in particular business foci (e.g., service, product) and industries.

The FSP is a service-learning programme program, which is based on a social entrepreneurship model (SEM) approach, and which is further explained in the following chapter and in the literature review. The FSP is a service-learning program, which focuses on a social entrepreneurship approach in Cape Town, South Africa. The major purpose of the FSP was for students to consult with participants regarding their needs or challenges and collectively to develop a practical intervention towards sustainable solutions that are mutually beneficial for all parties involved. Service learning helps students to apply their academic learning purposefully to the challenge highlighted by the small business owner. Social entrepreneurship ensures that the students’ concentrate on the application of business principles to solve the challenge highlighted in an innovative and sustainable manner.

According to Jones, Warner & Kiser (2010), social entrepreneurship and service-learning both engage students in work directed toward public good, linking the education of students to addressing societal problems and needs. The two strategies have unique and different
strengths, yet they share the desire to make a positive impact on the larger social community addressing the need of social change.

According to Professor Dennis Shaughnessy, Director of SEI in Boston, the FSP programme enables students to learn more about community work and global development, as well as how entrepreneurship can lift families out of poverty. According to Ester Chou, Assistant Director of Programs for SEI, ‘FSPs enable students to work in a developing country, learn about enterprise-based solutions to alleviate poverty, and then see those solutions unfold to transform individuals and communities’ (Biz Ed, 2010, p. 80). Chou further states, that the FSP at Northeastern University’s SEI in Boston, Massachusetts, sets an ambitious learning schedule for small business owners and participants to help start-ups succeed in emerging markets; develop sustainable solutions; engage different cultures effectively and raise communities out of poverty.

Herrington, Kew and Kew (2009) established that the lack of human capital – the knowledge, the skills and confidence – is the highest cause of new SMME failures in South Africa. The FSP responds to this need by aiming to improve the competencies of the small business owners through a combination of skills preparation, consulting services and ongoing support. Although fewer SMME’s actually participate in training programmes than is desirable, most research studies found that those SMME’s that actually participate in training programmes indicated that the programmes were very helpful because they improved entrepreneurial skills and contributed towards the survival of their new businesses (Botha, Nieman, & van Vuuren, 2007).

This practical FSP allows students to gain real life ‘consultation’ experience and also provides students with an understanding of real-life human capital requirements for small business development, particularly in an emerging market country such as South Africa. This social entrepreneurship approach supports the service-learning principles of students who apply their academic theory beyond the classroom to solve real-world challenges of community small-business owners. These consultation projects gave many of the small business owners a starting point to re-evaluate their current operations with the hope of expanding their business. At the end of the consultation experience, students present their
business consultation deliverable to their respective entrepreneur, a panel of student peers, and academic faculty from TSiBA and NU.

1.4. Key Partners in the Field Study Program

1.4.1. Tertiary School in Business Administration (TSiBA)

The Tertiary School in Business Administration (TSiBA) was founded in 2004 with a vision to ‘ignite opportunity’. Its mission is to be an innovative learning community that graduates entrepreneurial leaders who ignite opportunity and social change. TSiBA’s aim is to provide excellent business education for disadvantaged young people with a social conscience who have the desire and the skills to build our nation. TSiBA is a unique, private, not for profit, business school that helps people to access opportunities to jump ahead in life.

The TSiBA experience integrates sound academic education with personal development and provides a wide variety of experiential learning opportunities through coordinated mentorship, leadership and entrepreneurship programs that are core to their offering (Annual Report, 2014).

According to Leigh Meinert (Founder and Executive Director of TSiBA), TSiBA’s unique model is focused on attitude, skills and knowledge and effectively enables talented and ambitious South Africans to bridge the gap between rich and poor (GEM, 2011, p. 13).

1.4.2. TSiBA Ignition Centre (IC)

TSiBA’s Ignition Centre (IC) is an entrepreneurial service hub that offers short courses in business, career management and computer literacy, as well as business mentorship and incubation support for grassroots businesses. The IC fulfils a transformative role by empowering beneficiaries to start up their own businesses; obtain suitable employment; take their existing small businesses to the next level to ensure sustainable livelihoods; and to strengthen small business to enable job creation and growth in addition to strengthening the social resilience of the communities they serve.

The IC was founded in 2007 as a hub dedicated to extending TSiBA’s mission of ‘igniting opportunity’ to reach beyond their students and into their communities.
The IC offers support to community members and aspiring entrepreneurs through specific training courses, mentorship programmes, networking opportunities, by access to business networks, and providing office infrastructure and business instruments. The IC’s mission is ‘to be an innovative mentoring community that develops confident entrepreneurs who earn sustainable livelihoods, create jobs and drive economic and social prosperity’ (Student Handbook, 2013, p.15).

1.4.3. Northeastern University (NU)

NU is located in Boston, Massachusetts, one of the oldest cities in the Northeastern United States. The SEI is the NU’s initiative to educate undergraduate students in the growing field of social entrepreneurship, both in the classroom and in the field (Colette, 2012). According to St. Martin (2012), when Professor Dennis Shaughnessy founded Northeastern’s SEI, the first programme included ten (10) students in one seminar. At present, hundreds of students are participating in programs that bring a business-focused, interdisciplinary approach to addressing poverty in the developing world through private sector economic development.

Professor Dennis Shaughnessy, who heads up the SEI, elaborates that, ‘we go into poor communities and instead of giving charity or aid we help them to improve their lives through entrepreneurship.’ He concludes by stating that, ‘poverty is not the absence of wealth, poverty is the absence of opportunity, and once opportunity is brought to a poor community, poverty will leave as a result’. Northeastern’s SEI is determined to bring those opportunities to places where it has not been before or where it is needed (Colette, 2012, p. 1).

NU students work side-by-side with students from the local communities in Khayelitsha, Langa, Mitchell’s Plain and Gugulethu etc., learn to partner with other students from racially different backgrounds, and enter disadvantaged communities to work with budding entrepreneurs and help them develop their grassroots businesses.

1.5. Conceptual Framework

The following three concepts; entrepreneurship and human capital, service-learning and the social entrepreneurship model, form the basis for the conceptual framework of this study. Each of these concepts will be discussed in detail in the literature review.
1.5.1. Entrepreneurship and Human Capital

Herrington et al. (2009) found that a lack of education and training was the most important cause of failure for new SMMEs in South Africa. Three basic categories of entrepreneurial capital contribute to a successful venture, viz., human, financial and social. According to Becker (1964), human capital describes an individual's investments in skills and knowledge.

According to Deakins & Whittam, (2000), human capital includes knowledge, education, skills and experience, which are likely to influence the development of a business idea and the organization of resources for setting up a firm. Investment in knowledge, skills and experiences enhance an individual's cognitive abilities will subsequently result in a more productive or efficient behaviour.

Human capital is considered, therefore, to have a positive influence on the success of starting a business. There is considerable evidence that higher-levels of relevant human capital, as indicated by education, experience and self-reported skill, increases an individuals' propensity to engage in venture start-up processes (Davidsson, 2006).

Unger (2006) assumes a positive relationship between human capital and success. Human capital increases the owners` capability of performing generic entrepreneurial tasks of discovering and exploiting business opportunities (Shane & Venkataraman, 2000). Human capital helps owners to plan future goals to acquire other utilitarian resources such as financial and physical capital (Brush, Greene, & Hart, 2001). The link between human capital and wealth creation is well-established and long-standing, as Desplaces, Steinberg, Coleman, and Kenworthy-U’Ren, (2006) argue that, by developing the human capital potential of urban entrepreneurs, they are in a better position to launch and maintain successful and profitable businesses capable of responding to unmet needs in both local and regional economies.

The general assumption is that the small business owner’s human capital improves a small firm’s chances of survival. The one key factor in achieving higher levels of success is the investment in human capital. The small business owner’s capability of running the business smoothly determines the level of success. Human capital makes the small business owner
more efficient in managing and operating the business. Human capital acts as a resource. It is created by changes in persons who bring about skills and capabilities enabling them to act in new ways (Wasantha Sriyani, 2010).

In this study, we broadly conceive of human capital as competencies and knowledge that help to sustain and grow a business. The human capital attributes such as personal characteristics, age, years of education and training, work experience of the owner-manager, and industry specific experience, determine the level of success of the business. Human capital acts as a resource and it is created by changes in persons that bring about skills and capabilities that make them able to act in new ways (Coleman, 1988).

1.5.2 Service-Learning in Higher Education

Service-learning is pedagogy where students perform practical fieldwork instead of spending the majority of their time in a classroom. One of the main aims of service-learning is to open the link between theoretical classrooms and the practical community through public service. A frequently used definition of service-learning is that:

‘service-learning is a credit-bearing, educational experience in which students participate in an organized service activity that meets identified community needs and reflects on the service activity in such a way as to gain further understanding of course content, a broader appreciation of the discipline, and an enhanced sense of civic responsibility’ (Bringle & Hatcher, 1995, p.112).

The researcher has adopted this definition for the reference of service-learning in this study.

Service-learning is supported by the director of the NU SEI, Professor Dennis Shaughnessy, who believes that the combination of classroom learning with field experience forms the fundamental component of service-learning (St.Martin, 2012). Service-learning emphasizes a return to the source of the problem, i.e. the community, to develop relationships with these communities and find out what the real issues are for poor people and families. The field experiences are crucial to validate what is learned in the classroom and also to build new theories of innovation and entrepreneurship.
Service-learning, if embraced by Higher Education Institutions (HEI), could make inroads in addressing the inequalities of the past. By releasing intellectual capital into communities, service-learning can create the possibility for real change to take place and for the communities to inform academia. Universities also have a social responsibility to engage effectively with communities and with society at large (Rowe, 2011).

The FSP is based on the service-learning pedagogy whereby the needs of small business owners are addressed in a structured manner and students develop strategies to solve these needs by applying their theoretical knowledge to real world-problems.

1.5.3. Social Entrepreneurship Model (SEM)

Social entrepreneurs combine the knowledge and skills used in traditional business, with a passionate commitment to making a meaningful and sustainable social impact. Rather than the relentless and selfish pursuit of personal enrichment through profit, social entrepreneurs apply their passion and skill to enrich the lives of people who are poor, sick or disenfranchised. The best social entrepreneurs find creative ways to help the disadvantaged help themselves, by building innovative and sustainable new social enterprises that can be scaled to achieve significant social change (NU Syllabus, 2014).

Social entrepreneurship (SE) combines the resourcefulness of traditional entrepreneurship with a mission to change society (Seelos & Mair, 2005). According to Brock and Steiner (2010), social entrepreneurship breaks the mould and encourages individuals to act differently, to embrace innovation and to attack the status quo. The FSP strives to enhance the competencies of small business owners by adopting the three concepts highlighted by Brock and Steiner (2010) as key deliverables of consulting projects in enhancing small business sustainability. The FSP at TSiBA therefore, builds on the Social Entrepreneurship Model (SEM), which brings together the elements of social impact, innovative solutions, and sustainable business models to address society’s intractable problems (Brock & Steiner, 2010).

This research study, therefore, aims to explore the perceptions and experiences of small business owners participating in the FSP to assist business schools and higher education institutions to design a framework to execute FSP with greater success and impact.
1.6. Problem Statement

The South African government has identified the SMME sector as the means of achieving accelerated economic growth. However, this objective was not achieved, partly due to the high failure rate of 80% of enterprises in the SMME sector (Smit & Watkins, 2012). Most of the literature consulted indicates that one of the major reasons for venture failure lies with inadequate management skills.

In its ‘White paper on National Strategy for the Development and Promotion of Small Business in South Africa’, the South African Government has explicitly identified the promotion of SMMEs as a policy imperative for addressing the challenges of unemployment and poverty (Mahadea, 2008:3).

According to Sinxoto (2007), small business owners in townships are in a perfect space to contribute towards development and growth in their respective communities. He further states that societies can become more self-reliant because of their enterprising activities. Sunter (2010) argues that ‘the only way to turn South Africa’s exclusive economy into an inclusive economy, in which citizens broadly participate, is to precipitate an entrepreneurial revolution’ (p. 8). Sunter further argues that greater emphasis should be placed on the informal sector, creating conditions that allow small businesses in this sector to make the transition into the formal sector. SMMEs have the ability to change the desperate realities of townships all over South Africa.

When small businesses are allowed to thrive, townships like Khayelitsha are no longer ‘crime infested, poverty saturated, shack cities’, but rather ‘markets of need and opportunity’ simply waiting for the right entrepreneur, with the right product, capital, skills and support to bring goods, services and money to where it is needed most (Raiz, 2009, p. 1).

TSiBA has embraced the pedagogy of service-learning as a tool to engage students in finding solutions to some of South African small business owner’s challenges through its FSP. Although the FSP has been offered to local small business owners in Cape Town for more than seven (7) years, the perceptions and experiences of the small business owners partaking in the FSP have not been studied. Since the inception of the FSP at TSiBA in 2008, very little attempt has been made to document small business owners’ experiences and their
perceptions of the FSP. Furthermore, very little research has been done to understand the
devalue and benefits of the FSP from the perspective of community small-business owners
over the past seven years.

The research questions that follow were developed to enhance our understanding of the
experiences and perceptions of the small business owners in relation to their participation in
FSP.

1.7. Research Questions

1. What are the perceptions and experiences of small business owners who participated
   in the Field Study Program?
2. What is the value of Field Study Programme for small business owners?

1.7.1. Aim of Study

The aim of study is to explore the perceptions and experiences of small business owners and
the value of the Field Study Programme towards their small business ventures to assist
business schools and higher education institutions to design a framework to execute Field
Study Programs with greater success and impact.

1.7.2. Objectives

1. To gain a deeper understanding of small business owners’ perceptions of the Field
   Study Program;
2. To describe the experience of small business owners with regard to participants’
   human capital before and after the FSP;
3. To explore the experiences of small business owners about the value of being
   involved in the Field Study Programme and
4. To describe recommendations towards establishing a framework for a Field Study
   Programme involving small business owners.
1.8. Significance of Study

SMMEs are widely seen as engines of economic growth. In developing countries, they are credited with creating jobs, delivering innovation and raising productivity. However, SMMEs in developing countries are not currently meeting that promise (Lekhanya, 2015). The TSiBA and NU FSP Programmes attempt to demonstrate how a joint service-learning and social entrepreneurship approach can contribute towards improving the human capital of small business owners.

The researcher believes that the FSP, which constitutes both service-learning and social entrepreneurship, can provide a platform for impoverished communities and struggling small businesses to improve their necessary skills and competencies to manage their small businesses more efficiently, and which will ultimately bring themselves out of poverty.

Service-learning is the connection to community and speaks to the application of academic discipline to solve the immediate social needs of respective communities. Social entrepreneurship entails a commitment to drive meaningful social impact with a purposeful focus on long-term needs. A combined approach, therefore, would address community needs with a higher degree of effectiveness and add sustainability.

This study, therefore, provides useful new information to academics and enterprise development agencies regarding the execution and composition of community FSP with the intent of effecting sustainable longevity in small business ventures.

1.9. Chapter Outline

This thesis is organised into six chapters. Chapter one, the introductory chapter, will highlight the background and contextualisation of the study, the conceptual frameworks underlying the study, the problem statement, research questions, aims and objectives of the study and the significance of the study.
Chapter two presents a comprehensive review of literature relevant to the study. The conceptual framework of entrepreneurship and human capital, service-learning engagement in Higher Education and the social entrepreneurship model underpinning the study is discussed in detail.

Chapter three focuses on the methodological approach that describes the research approach, design, the rationale behind the design chosen, the research instrument for data collection, data analysis and ethical considerations.

Chapter four predominantly deals with a presentation of the research findings that emerged from the pre-, post-interviews, and focus group discussions.

Chapter five primarily discusses the key findings of the study against the research objectives, and themes that emerged from the findings.

Chapter six concludes with the main findings of the research and presents the researcher’s suggestions and recommendations on the study subject, and provides a reflective conclusion to the mini-thesis.

1.10. Summary

This chapter introduces the study, presents the background of the study, the problem statement and lastly, outlines the other chapters. The next chapter deals with the literature review in depth and in relation to the social-entrepreneurship approach supporting the development of township small-business owners using TSiBA and NU FSP.
2.1. Introduction

The Field Study Programme (FSP) was introduced to support small business owners to improve their understanding of managing their small business and their knowledge to find innovative solutions to their current market challenges. This thesis, therefore, explores the perceptions and experiences of small business owners regarding the value of the Field Study Programme (FSP) towards their small business venture, and with the aim of assisting business schools and Higher Education Institutions (HEIs) to design a framework to execute the FSP with greater success and impact. The FSP further provided both local and international tertiary students with a practical service-learning opportunity. This service-learning methodology incorporates a social entrepreneurship approach to enhance the human capital of small business owners.

The literature review will address the following broad areas of literature namely; i) Overview of entrepreneurship in SA; ii) Entrepreneurship and human capital; iii) Service-learning in Higher Education; iv) Social entrepreneurship and Service-learning linkages; and v), Social Entrepreneurship Model.

2.2. Overview of Entrepreneurship in SA

In South Africa, the importance of the promotion of SMMEs as a tool for poverty reduction is noted as a strategic framework for small business. SMMEs contribute to socio-economic development of a nation by creating employment and thus can play a role in achieving the Vision 2030 of the National Development Plan (NDP) to reduce the employment to 6% through the creation of about 90% of jobs in small and expanding firms (NPC, 2011).

There is much evidence that SMMEs play a critically important role in economies across the world, thus making them key propellers of job creation, more specifically in developing rather than in developed countries (SBP Alert, 2013). The Edge Reports (2013) indicate that South Africa has relatively low levels of entrepreneurship with SMMEs accounting for only
55% of employment compared to 90% in China, India and Indonesia. These reports also highlight the high failure rate of SMMEs, estimated at 70-80% in South Africa.

*The impediments to SMME success are numerous and varied, and include inherent organizational obstacles such as poor managerial skills and education and training; industry-related problems such as the entrepreneur’s inability to understand market expectations, and poor market access; and economy-based obstacles such as interest rate fluctuations’ Smith and Watkins (2012, p6328).*

There is therefore an urgent need to develop the skills and potential of community entrepreneurs based in townships. SMMEs in the South African context are classified into five categories: a) survivalist enterprises; b) micro enterprises; c) very small enterprises; d) small enterprises; and, e) medium enterprises. The survivalist enterprise is generally seen as one that provides an income below the poverty line (Annual Review of Small Business, 2004). Many of these informal and micro-enterprises provide the livelihoods of millions of people in South Africa. Table 1 sets out the definition of small business in South Africa.

Table 1: National Small Business Act 1996: Definition of Small and Medium Enterprises

<table>
<thead>
<tr>
<th>Size of enterprise</th>
<th>Number of employees</th>
<th>Annual turnover</th>
<th>Gross assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium</td>
<td>Fewer than 100-200, depending on industry</td>
<td>Under R4m to R50m, depending on industry</td>
<td>Under R2m to R18m, depending on industry</td>
</tr>
<tr>
<td>Small</td>
<td>Fewer than 50</td>
<td>Less than R2m to R25m, depending on industry</td>
<td>Less than R2m to R4.5m depending on industry</td>
</tr>
<tr>
<td>Very Small</td>
<td>Fewer than 10 to 20 depending on industry</td>
<td>Less than R 200,000 to R500, 000, depending on Industry</td>
<td>Less than R150, 000 to R500,000</td>
</tr>
<tr>
<td>Micro</td>
<td>Fewer than 5</td>
<td>Less than R150,000</td>
<td>Less than R150,000</td>
</tr>
</tbody>
</table>
It is clear that, in order for a country to have a strong and sustainable economy; it needs to have a strong and successful SMME sector. Unfortunately, the South African SMME sector performs relatively poorly in comparison with the SMME sectors around the world (Herrington et al., 2009).

Major constraints are an inadequately educated workforce, inefficient government bureaucracy, high levels of crime and onerous labour laws (Herrington et al. 2015). The current South African government aims to develop a stronger small business sector and has implemented numerous measures to activate and strengthen entrepreneurship, especially black entrepreneurship (Bradford, 2007).

The above research suggest that despite the prevalent high unemployment rate and poverty, the pull towards entrepreneurship still remains low compared to other developing countries. It is also clear that despite Government endorsement, more needs to be done to create an entrepreneurial spirit amongst South Africans, especially the youth sector.

2.2.1. SMME Sector in SA

The 2013 Global Entrepreneurship Monitor Survey highlighted the fact that in 2012, SA had approximately 6 million small businesses. Of these, 60% of both the owners and workers had neither a matric certificate nor any substantial qualification (World Bank, 2012). A healthy SME sector contributes to the economy through employment creation, generating higher production volumes, and introducing innovation and entrepreneurship skills (Mahembe, 2011).

South African SMMEs are believed to contribute between 52% and 57% of the national Gross Domestic Product (GDP), while providing up to 61% of all local employment opportunities (Thabethe, 2013). As a result, Magushule (2013) mentioned that these entities are generally regarded as the ‘life-blood’ of economies around the world. McMillan (2009) argues that SMMEs have the ability to change the desperate realities of townships all over South Africa. South Africa also has a high unemployment rate, an official estimate reports that approximately 25.5% of the economically active population is unemployed (Statistics South Africa, 2015). This is the country’s central and most salient problem.
The majority of the unemployed in South Africa reside in townships, and can benefit from the jobs that can be created through SMME entrepreneurial activity.

According to the strict definition of unemployment in South Africa, the unemployment rate refers to the percentage of the workforce that is unemployed but willing and able to work and is actively seeking employment. The unemployment rate is further detailed below in Table 2.

Table 2: The Unemployment Statistics of South Africa (Source: Statistics South Africa, 2015)

<table>
<thead>
<tr>
<th>Year</th>
<th>Qtr</th>
<th>Unemployment Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>4</td>
<td>24.9</td>
</tr>
<tr>
<td>2013</td>
<td>4</td>
<td>24.5</td>
</tr>
<tr>
<td>2014</td>
<td>4</td>
<td>25.4</td>
</tr>
<tr>
<td>2015</td>
<td>4</td>
<td>25.5</td>
</tr>
</tbody>
</table>

From the data presented, it is clear that one of the main objectives of SMMEs, as set out by government, is not being achieved. According to McMillan (2009), small and micro businesses, which are operational in the townships, are taking employment opportunities to their immediate communities, employing those who are currently unemployed. For a large number of Africa’s unemployed or discouraged youth, entrepreneurship offers not only an opportunity to build sustainable livelihoods, but also a chance to integrate themselves into society (UN, 2013).

I strongly believe that the financial success and survival of the SMME will in turn contribute to the upliftment of the socio-economic status of the people who would otherwise been unemployed, destitute and poor. It is clear from the above research that in order for entrepreneurial ventures to contribute fully towards economic growth and employment, there is an increasing need to support entrepreneurs in their business ventures. Entrepreneurship is a lonely journey and training programs geared to improve the sustainability of new small businesses must include a mandatory focus on coaching support for SMME.
2.2.2. Entrepreneurial Mindset

The mindset of an entrepreneur requires him to think outside his current constraints, to be innovative in his operational approach and to be flexible when exploring opportunities. GEM (2009) noted that South Africans ‘lack confidence in their ability to perceive, as well as to exploit, potentially lucrative opportunities’, and thereby stunting entrepreneurial activity in the country. Nicolaides (2011) confirms that the legacy of apartheid and inferior quality education given to blacks in the past has meant that huge numbers of black people have lost the opportunity to acquire the skills required to drive entrepreneurial initiatives. In addition, critical thinking skills were not encouraged and entrepreneurial education was non-existent for blacks.

Timmons and Spinelli (2007) say that entrepreneurship is a way of thinking, reasoning and acting that is opportunity obsessed, holistic in approach and leadership balanced. Furthermore, Timmons et al. believe that entrepreneurship results in the creation, enhancement, realization and renewal of value, not just for owners, but also for all participants and stakeholders. At the heart of the entrepreneurial process is the creation and recognition of opportunities. The 2010 GEM report reveals that 41% of South Africans perceive good business opportunities, 78% concur that entrepreneurs have high status, but only 17% have any entrepreneurial intentions.

According to the GEM Report (2006), the managerial and entrepreneurial skills necessary for SMME development are lacking in South Africa. Mahadea & Pillay (2008) postulate that many South Africans lack the mindset and ingenuity to become high value-adding entrepreneurs in the short term. This factor includes managerial ignorance, ability and limited experience. Therefore, it should be a prerequisite for entrepreneurs to possess all the necessary managerial skills in order to safeguard themselves against challenges facing their business.

It is clear from the above that not all South Africans are eager to explore entrepreneurship as a viable career option. I tend to agree that a substantial shift in mindset of the youth will be critical for turning the tide on unemployment.
Neneh (2012) further states that individuals with an entrepreneurial mindset see needs, problems and challenges as opportunities and develop innovative ways to deal with the challenges, and exploit and merge opportunities. It is also evident that entrepreneurs need to possess a growth mindset as opposed to a fixed mindset; a belief that one’s ability and success due to learning; that intelligence can grow and change with effort; and to try other approaches or seek help when faced with difficulties. Acquiring an entrepreneurial mindset requires re-learning how to motivate oneself, take risks, and become creative and innovative.

The most widely used measure of entrepreneurship is the TEA (Total Entrepreneurial Activity) or ‘early stage entrepreneurial activity’ Index. It measures Total Entrepreneurial Activity in a particular country (Table 3). ‘The TEA rate estimates the total percentage of people aged between 18–64 years who are actively involved in starting or managing a business they wholly or partly own, and which is less than three-and-a-half years old. It is a measure of the national rate of new business formation’ (Maas and Herrington, 2006:21).

Table 3: TEA Figures for Developing Countries over 8 years

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SA</td>
<td>7.3%</td>
<td>9.1%</td>
<td>8.9%</td>
<td>5.9%</td>
<td>7.8%</td>
<td>-</td>
<td>5.3%</td>
<td>5.1%</td>
</tr>
<tr>
<td>Brazil</td>
<td>15%</td>
<td>14.9%</td>
<td>17.5%</td>
<td>15.3%</td>
<td>12.0%</td>
<td>12.7%</td>
<td>11.7%</td>
<td>11.3%</td>
</tr>
<tr>
<td>China</td>
<td>13%</td>
<td>24.0%</td>
<td>14.4%</td>
<td>18.8%</td>
<td>-</td>
<td>16.4%</td>
<td>16.2%</td>
<td>13.7%</td>
</tr>
</tbody>
</table>

(Source: GEM, 2012)

In comparison to other developing countries, South Africa has lagged behind over the last eight years. The 2012 Global Entrepreneurship Monitor (GEM) report found that while the highest entrepreneurship rates can be found in sub-Saharan Africa, South Africa is the only country in this region with a TEA rate of 7.3% which is less than 10%.

I strongly believe that Business schools and HEIs should therefore strive to provide entrepreneurial outreach programs that are practical and based on the needs of the community. These programs as a default should, equip township entrepreneurs with knowledge, skills and confidence, which will enhance small business owners’ chances of success. Survivalist and micro-entrepreneurs lack the ability to sustain the level of drive and
determination that entrepreneurial success requires; they see themselves being unable to influence the outcome of their lives. Therefore, there is a need for business support programs to assist survivalist entrepreneurs in building an entrepreneurial mind-set.

2.2.3. Reasons for SMME Challenges

Although entrepreneurship and SMMEs are seen as the major forces of economic development, there are impediments that hinder their success. A significant number of small businesses fail, some in infancy, others a few years later. In South Africa, a survey indicated that between 70 and 80 percent of start-ups fail within 5 years (Rwigema & Venter, 2004).

The GEM 2009 study highlighted that entrepreneurs in South Africa fail because they have poor business and management skills and inadequate enabling environments (Herrington, 2009). It must be emphasized that characteristics that lead to the failure of SMME entrepreneurs, are lack of management skills and unfamiliarity with management techniques to deal with problems of an entity. These include poor or no access to finance, inadequate internal controls, lack of marketing knowledge and skills, inefficient production systems, lack of financial systems, a general dearth of business acumen and, above all, a lack of strategic planning.

2.2.3.1. Lack of Management Techniques

According to the GEM Report (2006), the managerial and entrepreneurial skills necessary for SMME development are lacking in South Africa. Many South Africans lack the mindset and ingenuity to become high value-adding entrepreneurs in the short term (Mahadea & Pillay, 2008). This factor includes managerial ignorance, ability and limited experience. Therefore, it should be a prerequisite for entrepreneurs to possess all the necessary managerial skills in order to safeguard themselves against challenges facing the business.

2.2.3.2. Lack of Marketing Knowledge and Skills

Securing and growing a sustainable customer base remains a key challenge, especially for start-up and micro-businesses. The survival and growth of SMMEs may also be hindered by environmental challenges, such as competition, an unfriendly business environment, government regulatory and law issues, and the state of the economy. Marketing involves the
gathering of information about a particular market, followed by an analysis of that information. Knowledge and understanding of the procedures involved in marketing research can be very helpful to the entrepreneur in gathering, processing and interpreting market information (Kuratko & Hodgetts, 2004).

2.2.3.3. Lack of Access to Finance

A large number of SMMEs are completely excluded from financial support due to their informal status deemed as high risk. The reasons for failure in the South African SMME loan applications include collateral, lack of financial deposit, poor business plans and non-viable ideas (Chimucheka and Rungani, 2011). Despite the growth in venture capital funding, access to funding remains a problem for small enterprises, in particular for empowerment groups in South Africa. According to Nieman, Hough, and Nieuwenhuizen (2007), the largest percentage of small businesses fail during the first two years of existence due to cash flow problems that arise because they could not manage growth.

2.2.3.4. Lack of Strategy

Small business owners tend to focus on the day-to-day operational requirements. Hall (1995) finds that formal strategic planning is uncommon among small firms. He further suggests that for some owner-managers formal planning is a help, if only because of the comfort that something is being done.

Firms need to decide on their operating hours, location, product lines, etc., all of which strategic decisions are. The very essence of understanding the business environment is what strategy is all about. Being aware of the impact of the elements is critical for the continued existence of the small firm, given that they have limited resources and cannot absorb the implications of making mistakes.

It is clear from the above that the challenges, which impede the sustainability of small businesses, cover range of key areas. These include the inability of small business owners to present compelling business models of how they create value, build a strong team to manage the vision of their business, and ensuring that they develop and retain lasting customers whilst maintaining profitable operations.
2.3. Entrepreneurship and Human Capital

The low level of schooling and education of black South Africans was also a main and recurrent topic our experts brought up in the interviews (Preisendorfer & Bitz, 2012). In theoretical terms, this means a lack of ‘human capital.’ Human capital theory maintains that an entrepreneur’s human capital is an important factor in business development in the founding stage (Dimov & Shepard, 2005). According to Unger, Rauch, Frese and Rosenbusch (2011), entrepreneurship researchers have been interested in the relationship between human capital and success for more than three decades. Unger et al. (2011), further argue that human capital increases owners’ capabilities of discovering and exploiting business opportunities.

Unger et al. (2011) conceptualize human capital as skills and knowledge that individuals acquire through investments in schooling, on-the-job-training and other types of experience; the ability to act entrepreneurially is related to human capital variables such as education, work experience, entrepreneurial experience, prior knowledge and experiential knowledge. Human capital is widely recognised as making an important contribution to how entrepreneurs think, their ‘cognitive characteristics’ (Ucbasaran et al, 2008:155). Prior knowledge is seen as allowing the entrepreneur to be a more efficient decision-maker, identifying and focusing on fewer, more-relevant variables, possessing a greater understanding of them, and so be able to make better, quicker and more intuitive decisions (Shepherd and De Tienne, 2005; Ucbasaran et al, 2008).

With respect to the concept of human capital, the literature distinguishes between general and specific human capital (Bates, 1990; Brüderl et al., 2007). While general human capital relates to the general level of schooling, specific human capital in the context of entrepreneurship includes business administration and management skills – skills frequently emphasized by our experts in the field of business consultation.
2.3.1. General human capital

It could be argued that general human capital, or the overall knowledge, skills and experience that people have acquired throughout their lives, e.g. through education or work experience, may help individuals to set up a firm. General human capital refers to general knowledge and skills acquired, for example, through education and work experience.

The entrepreneurship literature presents a number of arguments regarding the impact of human capital upon the success of the entrepreneurial process. First, human capital increases the ability of owners to realize the generic tasks of entrepreneurship to discover and exploit opportunities (Shane & Venkataraman, 2000). For example, prior knowledge increases the entrepreneurial alertness of owners and prepares them to identify specific opportunities that are not visible to others (Shane, 2000; Venkataraman, 1997).

2.3.2. Specific human capital

Individuals may possess specific human capital, which is directly relevant to the business they are setting up, such as prior experience within the same industry or prior start-up experience. It can be expected that such human capital can provide relevant knowledge, skills and experiences that are likely to facilitate entry into entrepreneurship. In contrast, specific human capital is defined as knowledge and skills specific to a task. In the case of entrepreneurs, specific human capital refers to knowledge and skills useful for establishing and running a business.

Experience is an important factor in entrepreneurial success, especially if the experience is in the specific industry sector of the proposed business venture. According to Singer (1995), previous entrepreneurial experience is one of the most reliable forecasters of future entrepreneurial performance. Most literature studies have confirmed a positive relationship between the entrepreneur’s prior experience, the firm’s growth and survival of the business.

From the literature reviewed above it is clear that human capital does have a positive impact on the small business owners’ ability to efficiently manage and operate their businesses. It also indicates that the lack of human capital negatively influences the sustainability of the small business.
2.4. Service-Learning in Higher Education

In South Africa, service-learning is the response to the government’s insistence that universities are more responsive to local and national development needs, and that they engage in partnerships with other agencies to address social problems of poverty, unemployment and crime in surrounding communities and regions (Department of Education, 1997). South Africa faces many challenges such as include poverty, housing, HIV/AIDS, unemployment and disparity in education. Le Grange (2007, p. 11) suggests that ‘educating students about these problems can be dangerous,’ because students learn just enough about the problems to pass their examinations without having to do anything about the challenges.

Service-learning creates the opportunity for students to apply the theoretical knowledge of their discipline (entrepreneurship, marketing and economics, etc.) to real, small-business ventures. Challenges are identified by small business owners, and the aim of collaborative relationships is to find innovative solutions that result in sustainable business models. Consultation projects challenge students to solve problems with no single ‘right’ answer but real-world consequences (Kenworthy-U’Ren, 2008).

In order to realize the ideal of a better life for all South Africans, the entrepreneurial energies of all people, including the youth, should be harnessed to ensure the country’s full potential for economic growth is unleashed (North, 2002). Service-learning is appropriate to entrepreneurship because entrepreneurship academics endorse the view that entrepreneurs are action-oriented and that their learning is consequently experiential (Cope, 2005; Rae & Carswell, 2000).

2.4.1. Problem-Based Service-Learning (PBSL)

The FSP provides a platform for students (or teams of students) to engage with the community as ‘consultants’ working for ‘clients’. Students work with community members to understand a particular community problem or need. This model presumes that students will have some knowledge they can draw upon to make recommendations to the community or develop a solution to the problem (Mouton & Wildschut, 2005).
Desplaces, Wergeles and Mcguigan (2009), suggest that the service-learning model elevates the student to a consultant role, and so the student feels valued in ways he or she has not previously experienced. By simulating the role of a consultant, the student is empowered to draw conclusions and formulate a plan of action, yielding tangible results. He further states that entrepreneurship programme has practical relevance because it delegates the learning activities to the students.

By applying a service-learning approach to the FSP, business schools and universities aim to prepare students, not only for a business career, but also for active participation in activities that will bring a better future to their community. Universities must create programs and projects that will emphasize the practical side of learning and participate in creating entrepreneurial and stimulating environments in which both students as individuals and universities as institutions are positioned as agents of positive social changes.

Using a consulting model approach as a framework, the student consultants develop the rigor needed to engage with and systematically analyse their clients’ needs a process that increases their personal competencies and their opportunities for self-discovery.

Literature highlights that when students apply their academic knowledge in practical manner, guided by needs of the small business owner; it adds more value for all stakeholders involved. It also increases students awareness how they can use their academic knowledge for common good of their respective communities.

2.5. Social Entrepreneurship and Service-Learning Linkages

Social entrepreneurs provide solutions to social, employment, and economic problems, where traditional market or public approaches fail (Jeffs, 2006). According to Peredo & Chrisman (2006), many poverty alleviation programs have degenerated into global charity efforts rather than serving local needs. Since most projects have been conceived and managed by development agencies rather than by members of the community, it results in a lack of ownership on the part of the target beneficiaries. The circulation of knowledge to a local community is considered the most effective means of developing and uplifting a community (Jones, 2006).
Clement and Coyle (2008) argue that universities seem to be focusing primarily on service-learning and outreach programs. Although these programs offer hands-on educational experiences for the students, they do not focus on long-term solutions. They further debate that it is time for universities to embrace social entrepreneurship as a means of providing stability to programs that already exist and to push the educational experience past immediate needs and on to more sustainable solutions.

The sharing of knowledge can increase local empowerment and contribute to the assurance of improved levels of life quality. There is, therefore, a strong movement among university students towards humanitarian efforts that influence the lives of others. The TSiBA and NU FSP is not just designed to empower the students with civic skills using a social entrepreneurship approach, but also to empower community entrepreneurs with applicable tools to grow and sustain their operations.

Students have an opportunity to make a meaningful difference by tackling real-life problems, bringing innovation and original thinking to problem-solving. In essence, the TSiBA and NU FSP uses the social entrepreneurship approach to apply business skills to social problems and, through using the service-learning pedagogy, the programme aims to empower both the students and small business owners. Not only have social entrepreneurship and social enterprise models gained increasing and significant exposure in the popular press with regard to the roles they play in impacting the well-being of individuals and communities but also, increasingly, governments are acknowledging the role of social entrepreneurship in addressing pressing socio-economic challenges such as primary healthcare, education and poverty alleviation (Visser, 2011).

The literature highlights how social entrepreneurship can take the good efforts of students towards community a few steps further. Social entrepreneurship challenged students to view the problems identified by small business owners from a more holistic perspective. It further asks of students that they apply business principles to SMME challenges as well as transferring the skills to small business owners to create a lasting impact.
2.6. Social Entrepreneurship Model (SEM) Approach

The pedagogies of social entrepreneurship and service-learning engage students in work directed toward the public good, linking the education of students to addressing societal problems and needs. Despite their common values and aims, an examination of the two initiatives reveals that they generally co-exist on college and university campuses with little or no collaboration or communication between the two programs (Jones et al., 2010).

For the purposes of this thesis we adopt Brock and Steiner’s (2010) definition of social entrepreneurship as ‘the creation of social impact by developing and implementing a sustainable business model which draws on innovative solutions that benefit the disadvantaged and, ultimately, society at large’ (p. 81).

The SEM proposes that the attributes commonly ascribed to social entrepreneurs, such as an innovative approach to opportunity creation, the ability to adapt to complex environments, an action orientation, a strong sense of community development, and the ability to be effective in resource restricted circumstances, may be developed through well structured, and layered service-learning experiences.

SEM understands the state of the community’s social capital and aims to improve its state of well-being. It further designs necessary strategies to turn social challenges into growth opportunities. Small business owners are often successful change agents through their deep understanding of community and their will for action and renewal. According to Nduna (2007), several studies highlight the importance of identifying and analysing the needs of communities before any intervention takes place.

A general concern is that creating solutions for the poor should not be perceived as a charity task, but as a long-term strategic business investment (Yunus et al., 2003). In the theory of social entrepreneurship, and in service-learning pedagogy, there are common concepts such as social mission, change, innovation and sustainability.

Mouton and Wildschut (2002), attribute the failure of some service-learning programs in South Africa higher-education institutions to unresponsiveness to the real community needs. This research calls for the focus to return to the voice and needs of the community and to
investigate how SEM can improve its impact on the human capital development of small business owners.

A SEM (see Figure 1), brings together the elements of social impact, innovative solutions, and sustainable business models to address society’s intractable problems. The TSiBA and NU FSP strives to enhance the competencies of small business owners by embracing the three concepts highlighted by Brock and Steiner (2010) as key deliverables of consulting projects in enhancing small business owner’s human capital development.

Figure 1: Social Entrepreneurship Model

Social entrepreneurship differs from traditional entrepreneurship firstly because of its primary focus on social impact and long-term social change, rather than exclusively on financial gain for its owners. Secondly, social entrepreneurship differs from other social efforts because of its strategic business-based approach to resource gathering, operations, and performance outcomes. Thirdly, social entrepreneurship differs from traditional business models because of its focus on innovation, be it products, services, or processes (Brock et al., 2010).

The SEM highlights three key elements namely, social impact, innovative solutions and sustainable business models that are the most common differentiation factors comparing social entrepreneurship to other organizational efforts.
2.6.1. SEM Elements

2.6.1.1. Social Impact

The SEM brings about social changes, which occur both on an individual and societal level. It is difficult to predict what change the FSP can make in the community, but it is easier to try to explore individual changes of small business owners rather than the societal changes. A focus of the FSP consultancy programme is to provide practical tools so that small business owners can become less dependent on others for help, and be able to help themselves to lead a better life.

As part of the social impact perspective, social entrepreneurs assess and/or demonstrate their effectiveness based on the triple bottom line (3P): profit, people, and planet. The triple bottom line takes into consideration not only the economic impact of decisions that companies make, but also the impact on the environment and how people are affected.

In addition, social entrepreneurs reject the charity or philanthropy model. Instead, the empowerment model is embedded in how goods and services are created, paid for, and distributed. As a result, social entrepreneurs often develop financially sustainable and mutually beneficial solutions to social problems through partnership with the beneficiaries. From a research perspective, we will regard social impact as the competencies development of the small business owners who had participated in the FSP. Social entrepreneurship holds the promise of transformational benefit to society as well as the discovery of new models of value creation, which sets this field and its practitioners apart from other disciplines (Martin & Osberg, 2007).

2.6.1.2. Innovation

Brock, Steiner and Jordan (2012) suggest many social service organizations are addressing social problems in the same way they were addressed ten or twenty years ago. As the world’s most pressing problems continue, are we developing long term solutions to the problems or creating more dependence? Social entrepreneurship breaks the mould and encourages individuals to act differently, to embrace innovation and to attack the status quo.
Innovation has been cited as an integral part of social value creation (Dees, 1998; Diochon and Anderson, 2009). Innovative social entrepreneurs are expected to concentrate on developing new services, or new ways of delivering existing services to the disadvantaged, implementing strategies to generate income and use new resources (Haugh 2005). As noted by Okpara and Halkias (2011), social entrepreneurs should be able to break new ground, develop new models and pioneer new products, making them available to those societies that did not previously have access to them.

Social entrepreneurship is about creating something new, or adapting something to a new context. Students that are working with service-learning are encouraged to think outside the box all the time. Innovation is always relative and dependent on the context, and therefore the NU students can contribute knowledge from back home that becomes innovative because the culture and context is new.

2.6.1.3. Sustainability

According to Brock (2008), it can be tremendously rewarding to help students learn how to apply their skills in a direct way to address a social need or problem that is not being adequately addressed by existing markets or governments. One main focus of empowerment is to provide training so that individuals become less dependent on others for help, and are able to lead a better life.

According to Van Rensburg and Carmicheal (2011), sustainability is not possible unless individuals and groups uplift the society in which they live and leave it better than they found it. This is in line with the definition of the Bruntland Report (WCED, 1987), which defines sustainable development as a development in which present generations fulfil their needs in such a way that future generations can continue to pay it forward.

The SEM new model proposes to teach small business owners how to think from the entrepreneurial perspective when approaching and solving problems. The objective of this SEM model is how to harness the human capital power of the small business community. The SEM for small business owners will contribute to assisting them to construct innovative solutions by building a sustainable business model that achieves social impact.
What makes the SEM unique is that it incorporates the entrepreneurial aspects of strong focus on vision, innovation and adaptability, which are then applied by local stakeholders of the community. The entrepreneurial lens provides the vision and drive to continually innovate and adapt community outreach approaches and objectives. SEM provides a grounded understanding of local priorities and influences that drive the constant innovation. Together, these approaches enable the creation of novel research outcomes that are accepted, adopted and hence sustainable, in unique and ever changing environments.

The focus of the student teams is to apply their business and theoretical skills to assist community entrepreneurs to open up new horizons for the micro-entrepreneur. The SMMEs’ vision will be expanded which will give them confidence for a brighter future. Through active engagement with the community entrepreneurs, student teams will transfer knowledge and skills that will contribute meaningfully to society.

The SEM model illustrated above suggests an interrelatedness that a sustainable model, innovation and social impact can contribute in preparing small business owners for both current and future venture challenges. It brings the hope of adding consistent value to their customer base and respective communities.

2.7. Summary

This chapter provided an overview of the TSiBA and NU FSP, which centres on social entrepreneurship and community engagement principles. It is clear from the literature study that there is a lack of available qualitative studies related to entrepreneurial development for SMMEs in the South African context, which deal with combining the best attributes of SE and SL. It further highlights the importance of SMMEs in the context of developing countries and the composition of the SMME environment in South Africa.

The chapter also emphasizes the importance of human capital development for the success of entrepreneurial ventures. It continues to illustrate the fundamental common ground between social entrepreneurship and service-learning and concludes by examining the potential of the SEM approach for FSPs based on the elements of social impact, innovative solutions and sustainability which will be discussed in detail in the next chapter.
CHAPTER 3
RESEARCH METHODOLOGY

3.1. Introduction

The focus of this chapter is to motivate the research approach employed in carrying out this qualitative research. This research methodology section elaborates on research design, research setting, data collection procedure and sampling, analysis and the interpretation of results. Finally, the ethics considerations related to the research are described.

Since the inception of the FSP at TSiBA in 2008, very little attempt has been made to document small business owners’ experiences and perceptions of the FSP for small business owners. Furthermore, very little research has been done to understand the value and benefits of the FSP from the community small business owners’ perspective for the past seven years.

The aim of the research was therefore to explore the perceptions and experiences of small business owners and the value of the FSP towards their small business venture to assist business schools and higher education institutions to design a framework to execute FSPs with greater success and impact.

The objectives of the study are:

1. To gain a deeper understanding of small business owners’ perceptions of the Field Study Program;
2. To describe the experience of small business owners with regard to participants’ human capital before and after the FSP;
3. To explore the experiences of small business owners about the value of being involved in the Field Study Programme and
4. To describe recommendations towards a framework for a Field Study Programme involving small business owners.
3.2. Research Approach

As identified in the introduction review, the aim of this study is to explore the perceptions and experiences of small business owners and the value of the Field Study Programme towards their small business venture and to assist business schools and higher education institutions to design a framework to execute Field Study Programs with greater success and impact.

A qualitative design approach examines the lived experiences of human beings (Byrne, 2009). It further studies the meanings of the lived experiences of a group of individuals about a phenomenon or concept (Creswell, 1998) by exploring the conscious perceptions and thoughts of the participants. The focus of qualitative research is to describe ‘the meaning of the lived experiences for several individuals about a concept or...phenomenon’ (Creswell, 1998, p.51). Therefore, the qualitative approach was determined to be best for this study because it examines the lived experiences of people and depicts how human beings make sense of their thoughts, feelings and perceptions (Moustakas, 1994; Byrne, 2009).

The TSiBA and NU FSP endeavours to demonstrate how a combined service-learning and social entrepreneurship approach can contribute to improving the human capital of small business owners. The researcher believes that service-learning and social entrepreneurship principles can provide a platform for impoverished communities and struggling small businesses to gain the necessary skills and competencies to bring themselves out of poverty.

According to Johnson and Christensen (2004), a research method refers to ways of obtaining, organizing and analysing data that would reflect the overall research design and strategy. The choice of research method is determined by the research question. In this study, a qualitative research method was chosen as the research approach because the aim is to gain an in-depth understanding of the experience of particular individuals or groups (Greenhalgh & Taylor, 1997).

Qualitative research is defined as an inquiry process of understanding a social or human problem based on building a complex, holistic picture created with words, covering detailed views of informant and performed in a natural setting (Creswell, 1994).
The growth of qualitative research approaches to entrepreneurship has been slow according to Neergaard and Ulhoi, (2007) and Bygrave, (2007). Hindle (2004), has argued that, ‘unless entrepreneurship… begin[s] to embrace higher volumes of higher calibre, qualitative research, the relevance and potency of the entrepreneurial canon was severely compromised by a lack of the methodological variety that is so strongly displayed in other social sciences’ (p. 577).

3.3. Research Design

The study will use a qualitative research approach to examine the meaning and perceptions of the small business owners’ experiences of the FSP. This qualitative study utilizes a qualitative design to understand fully small business owners’ experience of FSP.

The aim of qualitative inquiry was to understand the subjective nature of ‘lived experience’ from the perspective of those who have experienced it, by exploring the subjective meanings and explanations that individuals attribute to their experiences. Patton (1990) defines such a qualitative ‘focus’ quite simply as describing ‘what people experience and how it is that they experience what they experience’.

The researcher determined the result of the study by the emerging themes of the participants’ personal accounts during a face-to-face semi-structured interview and focus group discussions with the researcher.

Qualitative methods can serve as a powerful tool for exploring and enriching received theoretical constructs such as risks and opportunities, by investigating how entrepreneurs actually interpret and enact those (Berglund & Hellström, 2002). As the entrepreneurship field is still young and grapples with fundamental issues such as the nature and role of entrepreneurial opportunities (Gartner, 2003), phenomenology could prove helpful in many ways. Phenomenology can also be used more directly to explore which meaningful experiences and strategies are associated with different situations such as deciding to start a venture or seeking financial assistance.

According to Denzin and Lincoln (2005), qualitative researcher’s study happens in their natural setting, attempting to make sense of, or interpret, phenomena in terms of the
meanings people bring to them. Qualitative researchers collect data in a natural setting and, through inductive data analysis, establish themes (Creswell, 2007).

The qualitative study design was selected because it was the best design to obtain the views of a wide range of community small business owners (participants) – in the form of interviews – in order to understand how these small business owners perceive the value of the FSP in which they participated. Despite the similarities between grounded theory and phenomenology, ‘the distinctive element of the qualitative approach is that the researcher seeks to record and understand the participant’s experience; to gain insights into the lived experience of the participants in everyday life’ (Smith & Osborn, 2008).

Creswell (2003) states that a qualitative approach will allow the researcher to uncover insightful information about the small business owner’s experience. The qualitative exploratory design was appropriate because the study seeks ‘to determine what an experience means for the persons who have had the experience and are able to provide a comprehensive description of it’ (Moustakas, 1994, p. 13).

The qualitative design was therefore regarded by the researcher as the most appropriate design to unearth the truth through of the day-to-day experience of the participants in a structured FSP. The rationale behind the qualitative study is that it is the best way to understand people’s perspectives, perceptions, and understanding of a particular phenomenon is supported by Leedy et al. (2005).

3.4. Research Setting

Qualitative researchers collect data in the field at the site where participants experience the phenomena under investigation (Moustakas, 1994). This research was confined to the Western Cape, which is the third largest province in South Africa. Cape Town is one of the top performing cities in South Africa and Africa. However, like other developing countries and cities, it is contending with rising unemployment, persistent poverty, a relatively high incidence of HIV/Aids, and crime (State of Cape Town Report, 2014).

The informal economy is a significant employer in Cape Town, and according to the City’s calculations based on Census 2011 and 2013 Quarterly Labour Force Survey, informal-economy employment constitutes between 9% and 11% of the total number of employed
people in the city (State of Cape Town Report, 2014, p 21). This implies that informal economy employment can be used as a tool to broaden economic inclusion and combat poverty.

South Africa has 54 956 920 people of which 6 200 098 (11.28%) live in the Western Cape. The ‘strict’ definition of unemployment includes only people who are actively seeking work. By that definition, Cape Town has 411 340 unemployed people, 21.9% of strict labour force (EPIC, 2015)

The site visits were conducted in Western Cape at small business premises of participants in Khayelitsha, Langa, Mitchell’s Plain and Gugulethu, etc. The Ignition Centre is based in Pinelands, a suburb of Cape Town where the interviews were conducted.

### 3.5. Sampling of Participants

Purposive sampling was used to inquire information such as opinions, attitudes, or experiences of participating small business owners. In purposive sampling, participants are chosen for a particular reason (Leedy & Ormrod, 2005). In this case twenty (20) small business owners were selected from group of 50 SMME’s to participate in the NU and TSiBA FSP during July 2014. The qualitative sampling framework proposed by Patton (1990) and ‘purposeful’ sampling was used to select the participants for this study. Creswell (2005) noted that in qualitative research, ‘the intent is not to generalize to a population, but to develop an in-depth exploration of a central phenomenon’, which is best achieved by using purposeful sampling strategies. This method of sampling selects individuals for study participation based on their particular knowledge of a phenomenon in order to share that knowledge.

‘The logic and power of purposeful sampling lies in selecting information-rich cases for study in-depth’ (Patton, 1990 p.169). Purposive sampling was used to acquire information such as opinions, attitudes, or previous experiences from one or more groups of people. In purposive sampling, participants are chosen for a particular reason (Leedy et al., 2005). In this study, participants were chosen because they were all running their own small business that had to operate for more than 6-12 months.
The twenty (20) small business owners who participated in this study resided and operated their business in the surrounding, disadvantaged townships of Khayelitsha, Langa, Mitchell’s Plain, and Gugulethu, etc. in the City of Cape Town, Western Cape. All twenty (20) small business owners were included in the study.

3.6. Data Collection and Procedure

The qualitative research tools for this study were pre- and post-interviews with individuals and focus group discussions. Semi-structured interviews were used to describe participants’ human capital both before and after the FSP. Semi-structured interviews allow, not only for assessing the participants’ opinions, statements and convictions, they also allow to elicit narratives about their personal experiences (Nohl, 2009).

The interviews were conducted in three stages: pre-interviews with individuals (Appendix 4) in May and June 2014; post-interviews with individuals (Appendix 5) conducted after the execution of the FSP in July 2014; and, five focus group discussions (Appendix 6) conducted four weeks post the FSP where four small business owners per focus group further interrogated the themes that emerged from the interviews.

Prior to starting the face-to-face individual interviews, informed consent forms (Appendix 3) were completed by the participants. The consent forms explained the purpose of the study and the time it would take for the interview. The pre-and post-interviews with individuals and focus group discussions took approximately 60 to 90 minutes and were conducted in the boardroom of the Ignition Centre since it was an area conducive for both the participants and the researcher.

Twenty (20) interviews were conducted; each was 60 to 90 minutes in length and all the questions were answered by the participants. In each interview, the respondents expressed their lived experiences, personal views, and experiential knowledge as they interpreted and perceived the questions. Little guidance was offered to ensure respondents’ answers would not be skewed.

The researcher also made detailed notes immediately after the interview, these hand written notes were added to verbatim transcriptions which helped to provide the most comprehensive and accurate description.
3.7. Data Analysis

The central task during qualitative data analysis was to identify common themes in the small business owners’ descriptions of their experiences and perceptions. Tape recorded data was transcribed verbatim for each pre-individual interview, post-individual interview and focus group interview. The researcher read the transcripts several times to familiarize himself and thereafter compared it with the tape recorded data. Data was analysed and interpreted into themes and meanings to lay the foundation of codification.

Qualitative analysis aims to explain experiences from participants’ perspectives and elucidate their meanings as fully as possible (Kvale, 1996). This was done by adhering closely to participants’ words and what they expressed about their worldview. The purpose of data analysis, according to Banonis (1989), is to preserve the uniqueness of each participant’s lived experience while permitting an understanding of the phenomenon under investigation.

3.7.1. Data Analysis and Interpretation

The analysis of the interview data followed a simplified version of the general steps of qualitative data analysis described by Creswell (2009). The four steps of data analysis described here represent ideal abstractions. In practice, qualitative research procedures do not always follow this strict hierarchy, as there is considerable iteration between the different stages throughout the research process (Creswell, 2009). This generic procedure as adopted in this study’ is illustrated in Figure 2: Steps of qualitative data analysis (Creswell, 2009).

![Figure 2: Steps of qualitative data analysis (Creswell, 2009)](image-url)

*Figure 2: Steps of qualitative data analysis (Creswell, 2009)*
The individual steps of this procedure are listed and described below:

1. **Transcribing Interviews:** all relevant parts of the recorded interview data were transcribed from an audio into a text format.

2. **Reading through the Data:** in order to get a general sense of the overall meaning of the data, all transcribed interviews were read through.

3. **Generating Codes and Themes:** coding can be defined as ‘the process of organizing the material into chunks or segments of text before bringing meaning to information’ (Creswell 2009).

4. **Interpreting the meaning of the themes:** according to Creswell, ‘qualitative research is interpretative research’ (2009).

After having structured and presented the interview data, the researcher interprets the meanings of the coded data against the backdrop of ‘her or his own culture, history and experiences’ and compares these findings ‘with information gleaned from the literature or theories’ (Creswell 2009). The final result was a description of the phenomenon as seen through the eyes of the small business owners who had experienced it.

**3.8. Trustworthiness**

The researcher suspended any preconceived notions or personal experiences that may unduly influence what the researcher ‘hears’ the small business owners saying. It means suspending (bracketing) the researcher’s meanings and interpretations and entering into the world of the small business owner being interviewed. Fleming, Gaidys and Robb (2003) describe the aim of bracketing as ‘for researchers to put aside their preconceptions of the phenomena being studied so they do not distort it’. Bracketing was applied to the transcription of the audio recordings made of each focus group discussion, which further contributed to the truth.

The recordings and transcriptions were approached with openness to whatever meanings emerged. In order to achieve credibility the researcher hired an experienced private transcriber who transcribed all the interviews. The fact that the interviews were recorded also established a much fuller database than just taking hand-written notes. Where ambiguity or lack of understanding arose, the questions were explained to ensure the respondents understood the question. All interviews were conducted in English. A good rapport was
established with the respondents. Credibility was also sought through triangulation of data collection methods namely pre- and post-individual interviews and focus group discussions.

Member checking was employed at a mutually convenient time after all data were collected and transcribed. In this process, participants are given the opportunity, if they wished, to review their transcripts, offer suggestions for greater clarity and fit with their lived experiences (Maxwell, 2005). Therefore, in order to minimize reliability concerns, the researcher utilized a research practice called member-checking, by providing emerging themes reports to participants to verify if they are accurate (Creswell, 2008). Member checking helped to confirm the trustworthiness and authenticity of the study.

Small business owners received a copy of the text to validate that it reflected their perspectives regarding the phenomenon that was studied. Credibility was assured by a follow-up conversation with each small business owner to review transcriptions. To increase the consistency and trustworthiness of this study, all procedures were documented including:

- checking transcripts for obvious mistakes
- generating codes and themes linked to the objectives of the study; and
- Interpreting the meaning of themes.

3.9. Pilot Study

Pilot studies are preliminary studies on small samples that help to identify potential problems with the design, particularly the research instrument (Terreblance, Durrheim, & Painter, 2007). A group of four small business owners, who were not part of this study, was used as pilot study in order to refine the questions of the interview and the focus group discussion. Babbie in De Vos, Strydom, Douche, and Delport (2005) says that no matter how carefully a data collection instrument is designed, the possibility of errors exists and the ‘surest protection against such error is pre-testing the instrument’.

A pilot study is valuable in ‘refining the wording, ordering, layout, filtering’ and in helping to edit the questionnaire or interview schedule to a manageable length (De Vos et al., 2005, p. 210).
The primary purpose of the pilot test was to establish whether the subjects understood the questions, to ascertain how much time it took to test each subject, and to obtain the necessary experience and practice in conducting the interview to the main study sample. Based on the feedback from the pilot test study, the sequencing and flow of the pre-, post- and focus group discussions were adjusted.

3.10. Self-Reflexivity
The researcher, Abraham Oliver is currently the Ignition Centre Manager at TSiBA. My role is to strike a balance between entrepreneurship theory and a conducive environment where students can ignite businesses in practice or execute entrepreneurial projects. Furthermore, my primary focus at the Ignition Centre is to focus on how community outreach projects can contribute to building confident entrepreneurs who earn sustainable livelihoods, create jobs and drive economic and social prosperity. Throughout the research process, I reflected on my role within this project as a researcher and was mindful that my managerial role within TSiBA should not influence the research process in anyway.

As the Ignition centre manager, the researcher acknowledges the potential bias arising from the position of the researcher influencing the freedom of the respondents to offer critical commentary. The researcher encouraged the participating SMME to contribute ‘freely, critically and frankly regarding their assessment of FSP. The researcher spent considerable time with the small business owners prior to their selection into the program. The researcher believes that time spent with small business owners would allow participants to be honest and frank in their comments regarding the FSP.

3.11. Ethics Considerations
Permission was sought from the University of the Western Cape’s Senate Research Ethics Committee to conduct the research (Appendix 2). Permission was also sought from the TSiBA Education (Appendix 1). The study was granted ethic clearance by both UWC and TSiBA. The participants were assured that they would not be subjected to unusual stress, embarrassment, or loss of self-esteem as suggested by Leedy et al. (2005). Small business owners were provided with information sheets and consent forms (Appendix 3) which enumerated the rights of sample participants.
The small business owners knew ahead of time what was expected of them and were given the choice of either participating or not participating. The researcher supports Leedy et al.’s, (2005), notion that any participation in a study should be voluntary. All small business owners who participated in the study were required to sign consent forms. This research study respects all the small business owners’ right to privacy. Leedy et al. (2005) postulates that a researcher must keep the nature and quality of participants’ performance strictly confidential. The focus group was provided with focus group confidentiality consent forms (Appendix 7) which will ensure that participants do not reveal the information and identities of other participants. Data collected and tape-recorded was kept in a locked cupboard to maintain confidentiality. Support was provided to participants who may have been affected by the discussions.

3.12. Summary

This chapter focused on a methodological approach, which describes the research design, the rationale behind the design chosen, the research instrument for data collection, data analysis and ethics considerations. The study applied a qualitative research approach to examine the meaning and perceptions of twenty small-business owners’ experiences of the FSP. In order to conduct this qualitative research the author selected the qualitative design. Data was collected using semi-structured interviews and focus group discussions; tape-recorded data was transcribed verbatim for each pre-individual interview, post-individual interview and focus-group interview to explore the lived experiences of twenty (20) small business owners. This chapter concluded by emphasizing the importance of trustworthiness and the number of factors considered to ensure that participants’ confidentiality was secured.
CHAPTER 4

RESEARCH FINDINGS

4.1. Introduction

In this chapter the findings of the study is presented. The aim of this qualitative study was to explore the perceptions and experience of the small business owners and the value of the FSP towards their small business venture and to assist business schools and higher education institutions to design a framework to execute FSP with greater success and impact. This chapter presents the results in relation to the objectives as stated in Chapter 1, based on the responses from twenty (20) small business owners who participated in pre-individual interviews, post-individual interviews and focus group discussions.

The objectives of the study are:

1. To gain a deeper understanding of small business owners’ perceptions of the Field Study Program;
2. To describe the experience of small business owners with regard to participants’ human capital before and after the FSP;
3. To explore the experiences of small business owners about the value of being involved in the Field Study Programme and
4. To describe recommendations towards a framework for a Field Study Programme involving small business owners.

4.2. Pre-Interview Results

Pre-Interviews of the entrepreneurial team participants revealed a high degree of motivation in the programme and a broad range of reasons for participation. The most obvious reason for participation was the desire to improve market exposure and solve operational small business challenges. The pre-interviews with individuals were conducted prior to small business owners participating in the FSP. The following themes emerged based on findings:

4.2.1. Demographics of participants
4.2.2. Participants’ challenges
4.2.3. Experience and human capital
4.2.4. Expectations of participants
4.2.1. Demographics of the Participants

All twenty (20) small business owners selected to participate in the FSP agreed to participate in the study. The participant’s demographical information is depicted in Table 4 below for the purposes of understanding the FSP and potential replication of study in future.

Table 4: Participant Demographics

<table>
<thead>
<tr>
<th>#</th>
<th>Gender</th>
<th>Industry</th>
<th>Turnover</th>
<th>Employees</th>
<th>Years</th>
<th>Registered?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>M</td>
<td>Accounting</td>
<td>&gt; R10,000</td>
<td>4</td>
<td>6</td>
<td>PTY (Ltd.)</td>
</tr>
<tr>
<td>2</td>
<td>M</td>
<td>Promotions</td>
<td>&gt; R10,000</td>
<td>30</td>
<td>3</td>
<td>CC</td>
</tr>
<tr>
<td>3</td>
<td>M</td>
<td>Photography</td>
<td>&lt; R5,000</td>
<td>1</td>
<td>7 months</td>
<td>PTY (Ltd.)</td>
</tr>
<tr>
<td>4</td>
<td>F</td>
<td>Tracing &amp; Research</td>
<td>&gt; R10,000</td>
<td>1</td>
<td>4</td>
<td>CC</td>
</tr>
<tr>
<td>5</td>
<td>F</td>
<td>Construction</td>
<td>&gt; R10,000</td>
<td>15</td>
<td>8</td>
<td>PTY (Ltd.)</td>
</tr>
<tr>
<td>6</td>
<td>F</td>
<td>Training</td>
<td>&gt; R10,000</td>
<td>3</td>
<td>14</td>
<td>CC</td>
</tr>
<tr>
<td>7</td>
<td>F</td>
<td>Training</td>
<td>&gt; R10,000</td>
<td>2</td>
<td>10</td>
<td>CC</td>
</tr>
<tr>
<td>8</td>
<td>M</td>
<td>Entertainment</td>
<td>&lt; R5,000</td>
<td>1</td>
<td>2</td>
<td>PTY (Ltd.)</td>
</tr>
<tr>
<td>9</td>
<td>M</td>
<td>Construction</td>
<td>&gt; R5,000</td>
<td>4</td>
<td>6</td>
<td>CC</td>
</tr>
<tr>
<td>10</td>
<td>M</td>
<td>Motorcycle</td>
<td>&gt; R5,000</td>
<td>3</td>
<td>1</td>
<td>CC</td>
</tr>
<tr>
<td>11</td>
<td>F</td>
<td>Electrical</td>
<td>&lt; R5,000</td>
<td>5</td>
<td>5</td>
<td>CC</td>
</tr>
<tr>
<td>12</td>
<td>F</td>
<td>Event Management</td>
<td>&lt; R5,000</td>
<td>4</td>
<td>3</td>
<td>CC</td>
</tr>
<tr>
<td>13</td>
<td>M</td>
<td>Fashion Design</td>
<td>&gt; R10,000</td>
<td>1</td>
<td>5</td>
<td>CC</td>
</tr>
<tr>
<td>14</td>
<td>M</td>
<td>Entertainment</td>
<td>&gt; R10,000</td>
<td>5</td>
<td>4</td>
<td>CC</td>
</tr>
<tr>
<td>15</td>
<td>M</td>
<td>Boxing</td>
<td>&lt; R5,000</td>
<td>6</td>
<td>4</td>
<td>CC</td>
</tr>
<tr>
<td>16</td>
<td>M</td>
<td>Event Management</td>
<td>&lt; R5,000</td>
<td>4</td>
<td>2</td>
<td>CC</td>
</tr>
<tr>
<td>17</td>
<td>F</td>
<td>Fashion Design</td>
<td>&gt; R10,000</td>
<td>1</td>
<td>8</td>
<td>CC</td>
</tr>
<tr>
<td>18</td>
<td>F</td>
<td>Event Management</td>
<td>&gt; R10,000</td>
<td>8</td>
<td>5</td>
<td>CC</td>
</tr>
<tr>
<td>19</td>
<td>M</td>
<td>Construction</td>
<td>&gt; R10,000</td>
<td>1</td>
<td>8 months</td>
<td>CC</td>
</tr>
<tr>
<td>20</td>
<td>M</td>
<td>Gardening</td>
<td>&gt; R5,000</td>
<td>3</td>
<td>4</td>
<td>Informal</td>
</tr>
</tbody>
</table>

The following demographic-related interview questions (Appendix) were asked of each respondent (a) motivation for business start-up; (b) gender group; (c) type of business;
The following results were reflected:

4.2.1.1. Motivation behind Start-Up

Of the twenty (20) participants, fourteen (n=14) indicated that they had started their business because of passion, opportunity identified, and demand, and due to a need in the community. This implied that the majority (70%) of small business owners who started their businesses did so because of positive environmental factors. Positive environmental factors refer to opportunities in markets which show increasing demand and high income generation potential. One of the participants stated ‘I loved doing décor and saw need in the community’ (P1), and another participant stated, ‘there was a great demand’ (P2).

Six (n=6) of the twenty (20) small businesses started their business because they needed income and were unemployed. This meant that a minority of the participants had started their businesses as result of negative environmental factors. Negative environmental factors arise where start-up business which are established out of necessity and survival. In the interview stage a participant stated, ‘I was unemployed and as a man I could not sit at home’ (P9), whereas another participant stated, ‘I was unemployed and was struggling for more than a year to get a job’ (P19).

4.2.1.2. Gender and Ownership

Of the twenty (20) participants, twelve (n=12) of them were male owners and eight (n=8) were female.

4.2.1.3. Type of Business

The type of businesses of participants ranged from accounting, clothing manufacturing, events management, décor services, entertainment, construction, fashion, information technology to garden services. The majority of small businesses (n=16) that were selected operated in the service industry and a minority (n=4) operated in the manufacturing industry. Fifteen (n=15) of the twenty participants indicated that it was the first business they operated. Five (n=5) of the twenty participants had owned other small businesses prior to owning their current small businesses.
4.2.1.4. Turnover per Month

Turnover generated by participating small business owners ranged from less than R5000 per month to more than R10000 per month. Ten (n=10) of the twenty (20) participants indicated that they generated more than R10 000 turnover per month, four (n=4) more than R5 000 but less than R10 000 and six (n=6) generated less than R5 000 per month.

4.2.1.5. Legal Ownership

The majority of the small businesses were registered with Companies Intellectual Property Commission (CIPC). The legal structure of the participants’ small business included fifteen close corporations, four private companies and one informal business.

4.2.1.6. Number of Years in Operation

All the participants’ small businesses were operational. The number of years in operation ranged from a minimum of 7 months to a maximum of 14 years. The majority (n=19) of small business operated for less than 10 years. These ventures have been in existence for an average of 4.7 years.

From the discussion above it is clear that the demographics overview shows the range of SMMEs who participated in FSP, the type of industries they represented as well as how long they have been operational, and what inspired them to start up their own small businesses. Research has shown that opportunistic businesses have a greater chance of sustainability and that there is a desperate need in SA to grow opportunistic entrepreneurs versus survivalist-necessity entrepreneurs, since that will have a direct influence on their efficient operations.

4.2.2. Participant Challenges

This section describes participants’ challenges prior to their involvement in the field study program. Small business owners identified a range of challenges during the pre-individual interviews conducted as a part of this study. The majority of challenges experienced by participants were in the micro environment and market environment. The market environment relates to challenges with competitors, suppliers and customers. The micro-environment participants experienced the following challenges namely, lack of raw material, human resources, finance shortages and proper infrastructure.
One participant stated a challenge as ‘*getting the right people to work for me and to manage my workers*’ (P3). Other micro-challenges included lack of machinery, storage, and no access to training material due to finance shortages. One participant stated, “It’s been a battle for me. All my prior past debt I brought with me, & I got married, & I needed to buy. So I would say financially it’s been difficult for me, I did get jobs, but because it’s a small growing business. I don’t have a proper team, I need knowledgeable people to come on board” (P13).

The challenges experienced in the market related mainly to competitors and pricing. In another interview, it was stated that ‘*at the moment my biggest challenge is my competition and the price range that you have to price your items at*’ (P1).

The researcher believes that entrepreneurial challenges are concentrated around how the small businesses will secure access to the market based on their value proposition. SMMEs struggle to provide a product or service which is significantly different from their competitors due to their lack of internal capacity and resources.

### 4.2.3. Experiences and Human Capital of Participants

On the training front 10 (n=10) small business indicated that they had prior experience in their respective business industry. This implies that about 50% of small business owners had prior knowledge of their respective market segments. In an interview a participant stated, ‘*Both of us had experience in training and development*’ (P4). Another participant stated something similar, saying, ‘*I had hands-on training, I come from a family background where we are the third generation in the construction field*’ (P13). Five small businesses indicated that they had no prior experience in industry they operating. The participants stated, ‘I am self-taught’. The remaining five small businesses had generic experience ‘*In retail, administration and software installation*’.

Some of the related training and experience, as possessed by participants, included a range of soft skills and technical skills. Soft skills ranged from sales, marketing, facilitation, project management, etc. Technical skills related to the operation of business ranged from construction, sewing, photography and welding skills.
Twenty five percent (25%) of the participants had no prior experience or industry specific experience before starting their business. Five (n=5) small businesses had no prior experience in the business they started and five (n=5) small business owners had generic experience but non-related to their respective industries.

In the interview the participant stated that ‘I never had any training –none whatsoever’ (P9). Another participant stated, ‘I attended some workshops but no formal training or experience in events’ (P8).

The researcher believes that prior experience in the industry will contribute to how the SMMEs respond to challenges by making wise decisions. Furthermore, SMME owners need to take the responsibility to equip themselves with critical business skills to operate their small businesses more effectively in constant changing environment.

4.2.4. The Expectations of Small Business Participants

The small business owners indicated that they required assistance in the following five areas namely marketing, financing, business planning, management and operations. Seven (n=7) participants requested marketing assistance. Most marketing requests concentrated on increasing the visibility of small business through marketing-tool creation such as websites, brochures, flyers and assisting small business owners to deliver professional elevator pitches. A participant stated their reason for participation in the FSP as, ‘to me help me with marketing-a brochure’ (P17). Another participant stated their motivation as, ‘how to pitch to clients, proper market research and advice on an ideal website’ (P6).
Four participants asked for business planning and operations assistance. The business-plan strategy request highlighted the need for further market research, feasibility analysis, growth plan and exploitation of tender opportunities. One participant stated, ‘My main priority is that I need a business system which can turn my company around’ (P11).

Three (n=3) participants needed financing assistance. The financing areas included how to price and cost more appropriately as well as how to secure additional funding. In the words of another participant, ‘my expectations are funding, I need space to expand my business’ (P10).

Five (n=5) participants requested management assistance. Operations requests concentrated on improving business systems linked to management with a key focus on legal contacts and business administration. The participant stated, ‘Students worked on businesses administration systems’ (P5).

It was quite evident that small business owners came in with very low expectations. This might be linked to the fact that the ‘consultation’ teams were comprised of students and not seasoned mentors. The SMME key request, not surprisingly, focused on how to get more customers, to secure more money, strategies to increase productivity, and managing their people.

4.3. Post-Interview Results

The post-interviews with the participants are related to whether the FSP met their expectations and whether it had impact on them. The post-interviews were conducted 7 days after the completion of the FSP. The following themes emerged and were discussed in relation to the objectives:

4.3.1. Perception and experience
4.3.2. Expectations
4.3.3. Impact
4.3.4. Challenges
4.3.1. Perception and experiences

The majority of participants (n=19) expressed positive experience with the FSP. A participant stated, ‘I was not expecting what they did for me they went above and beyond’ (P14).

Another participant stated, ‘in terms of questions the students asked and highlighted, was an eye opener to me on certain aspects of the business’ (P19).

Contrary to positive perceptions and experiences another participants stated,

‘They would hook me up with another big construction owner and have a meeting with him, but it wasn’t followed up or set up, every time I had to ask the student.
Secondly was to meet someone in the marketing from the students that were studying, but I have had no further information’ (P12).

All of the participants felt students listened and considered their opinions before coming up with new ideas. Participants also positively expressed that students provided good workable ideas, which were well prepared and provide a fresh perspective.

‘Very happy, they lifted the standard of the club. Without the information I got, I wouldn’t be in this position now. I can utilize the information they gave me for the benefit of the club’ (P11).

Furthermore, the participants felt that the students had their best interests at heart, were attentive and delivered beyond their initial expectations. ‘From day one, what we gave them and been presented with, up until the time they made their presentation, we got what we needed, and extra’ (P6).

The participants reflected positively on the perceived value of the FSP on short-term solutions and long-term solutions. A participant stated that ‘they gave me the tools to market myself’ (P13). Another participant stated the following based on his request for a proposal for sponsorship ‘they showed me the way and changed the way I was doing it before’ (P11).

Most of the participants (n=17) expressed positive experience of FSP in terms of both long-term and short-term solutions suggested by the participants. More than half of the participants identified marketing as area of assistance to increase and retain clients with more appropriate strategy as highlighted by the following quotation stated by a participant , ‘they
told me about my competitors and found out what they are doing that I don’t, and advised me what to do’ (P7).

The participants indicated that solutions assisted them to set up a good business base and to improve their operating systems. A participant stated, ‘The students gave us better insight of what we are doing, a fresh perspective as to what we can do to enhance our business’ (P6).

Small business owners also stated that students provided practical long-term solutions related to management, marketing and financing. The participant’s highlighted that

‘they looked at my business as a whole, the way the scrutinized my opposition was amazing as there are things that they charge for that I did not, but do now (P9)’.

They further stated that ‘they set up social media needs for my company namely Facebook, Twitter and YouTube. They even showed me how to use them’ (P14).

Consulting teams were able to produce customized marketing letters, flyers for promotional requirements, proposal for financial applications, additional market research, etc.

4.3.2. Expectations

The interviews revealed that most (n=18) of the small business owners felt that the FSP met their expectations. This is supported by the following statements made by the small business owners:

‘Very happy, they lifted the standard of the club. Without the information I got, I wouldn’t be in this position now. I can utilize the information they gave me for the benefit of the club’ (P15).

‘Very much. At this point in time they created a website for my marketing and they also helped me design my own fliers. (P12)’

Small business observed that they did not expect the deliverables that were given to them; they felt they got what was needed and more; others felt that the deliverables provided immediate changes and that programs were pitched at a level that their businesses needed.
This is confirmed by statement of another participant ‘I did not expect what I was given. I was hoping for them to say what to do, I didn’t even think of them designing a business card for me. That was out of this world. It was beautiful’ (P9).

The small business owners indicated that they required assistance in the following five areas namely marketing, finance, business planning, management and operations.

4.3.3. Impact

There was an overall sense that the FSP affected them particularly in the areas of mindset change, sales and marketing, collaboration and network opportunities, social media, website development and financial skills. A key impact was the mindset change experience by the small business owners. Most of the participants expressed a positive mindset regarding the viability of their business. Their mindset was more hopeful, confident with strong positive belief regarding the future prospects of business as underscored by following quotations:

‘We actually decided to expand the business not only to encompass motorcycles – I just got a contract for 2 heavy industrial machines as well’ (P4).

‘My business is viable and can cover my expenses. I believe in my business and my industry, people are getting married every day. I am looking in the future to have a bigger place to have events’ (P7).

‘The programme has really helped to increase staff and the financial side, as I realize now I can’t do everything, as much as I want to and within the last 3 months I have decided to take the risk, and the income has increased’ (P19).

Regarding the networking skills, a participant felt that his confidence, networking abilities and his self-perception had improved. This is illustrated in the following quotation ‘It improved the way I see and understand business, as I came from a background of being a student. ‘So it’s all about how I value myself and my product’ (P11).

In terms of improvement in business skills of the small business owners in relation to their understanding of their respective industries and the related compliance requirements, a participant stated that, ‘I never thought of calling my competitors and ask about the outsourcing; I know my environment much better’ (P7).
Some participants expressed that their understanding of their marketing skills, how to profile their customers and develop appropriate marketing strategies had improved. A participant stated, ‘On the marketing side there were some things learned out of that. It helped with thinking differently’ (P15). This is further supported by another participant who stated ‘definitely I have learned a lot, on marketing and strategies how to get more clients’ (P13).

‘I now have many ways and means to market my business, which was my main challenge. How to get my name out there and connect with customers’ (P12).

‘The clients are willing to pay my new prices. I am doing this wedding for double the price, and the venue is closer than the last one I did at half price’ (P10).

The participants stated that their financial skills improved due to a deeper understanding of costing, pricing and bookkeeping. A participant stated

‘it has improved on the financial and bookkeeping side – they came up with a workable plan on paper of how I could do my books. When I look at it and doing it, then I would know exactly at the end of the month what happened’ (P8).

It was evident from the above participants’ perceptions that the small business owners were surprised by the deliverables the students created for their identified challenges. The researcher acknowledges that although it was only seven days after the FSP, small business owners felt that the solutions suggested would be of value for their respective small businesses. Some small business owners were able to implement minor suggestions within those 7 days regarding pricing, website changes, brochures, etc.

4.3.4. Challenges

The following challenges were expressed by participants regarding their participation in the FSP. Participants felt that the following challenges could be categorized into the following key areas:

i) **Students’ ability to transform their challenges into innovative solutions.** The latter is underscored by the following statements:

‘They suggested a loan to cover some of the expenses we require. It was a good idea to start with one chunk of the learning but there is 10 fields we are offering,
so it’s only practical to do one, a good starting point, but our needs still remain, so solution is one out of 10’ (P3).

‘The information they are working on is what we give them, and is sometimes more pleasing than accurate. If they are here on the ground they will see the reality rather than what we say’ (P6).

‘Team was going to help me set up excel setup, which I only sort of know, but as no time, I have to go through it myself. For me it would have been better if I had more time, then I don’t have any excuse, as everything would run smoothly’ (P10).

‘They would hook me up with another big construction owner and have a meeting with him, but it wasn’t followed up or set up, every time I had to ask the student. Secondly was to meet someone in the marketing from the students that were studying, but I have had no further information’ (P12).

ii) **The duration of the consultation sessions.** The latter is underscored by the following statements:

‘It would have been nicer to have more time between the 2 parties and the business. One of the things from them seemed to be long days, they have lectures and consulting, so a lot of information given to them, which takes a toll’ (P1).

I had a list of things I expected to come out with but one group can only focus on a limited amount, and the time period’ (P5).

‘More time with the students engaging with us, more site visits’ (P15).

‘It was just time, it would have been better to have more time for the implementation and for them to guide and help me’ (P18).

iii) **Participants support to execute ‘consultants’ solutions.** The latter is underscored by the following statements:

‘Advisory came with the mentorship programme, which I will do through TSiBA. The long term plan is to get a mentor who is willing to give time’ (P2).

‘The Ignition Centre will be key for me going forward’ (P4).

‘Maybe an extra day or 2, for the entrepreneur to also get key questions about management, techniques and systems – a general overview’ (P6).
'They recommended me to attend classes in Phillippi which talks about financial skills and programmes on how to run a business’ (P11).

‘Follow up from student’s side’ (P12).

‘If they can be helped and monitored on how to run the business, and give them exposure, they will grow further’ (P17).

iv) **Participants voice in solution design.** The latter is underscored by the following statements:

*So a bit more time to consult on things – then a presentation so there was no in-between for them to check with us’ (P1).*

*‘I would have liked a more integrated approach between myself and them, for the reason that I have a lot of experience and practical examples when it comes to the business and they have a lot of theory. I would have liked us to join our forces and come up with realistic plans. For us to meet and discuss a bit more as what is not practical, instead of just giving them something in the beginning and have them run with it with not much continual guidance and their way of thinking’ (P6).*

*‘Make a better presentation, in a more understanding way to the students, instead of sitting chatting, rather talk about the goals to be reached, the bigger picture, what we want to achieve. It there was a clearer understanding of the real problem, there will be better solutions. They look at the profile and assumed they know the entrepreneur and most of them are uneducated, so we will just be smart to them’ (P9).*

### 4.4. Focus group discussions

Focus group discussions were conducted three (3) weeks after the FSP was concluded.

The following themes emerged:

4.4.1. Mind shift
4.4.2. Expectations
4.4.3. Benefits
4.4.4. Recommendations
4.4.1. Mind shift

To gain a deeper understanding of the perceptions of what FSP meant for the small business owners, the following comments emerged from the participants on the impact of the FSP and perceived mind-shift experience by small business owners:

‘This whole FSP has made me realize the potential of my business and the one thing I didn’t know, is the USP, Unique Selling Proposition, and they made me realize and see the actual value of where I can take my business’ (FGD P2).

‘I do believe my business will only excel. With the amount of information I am getting, and the fact that I can come back and ask you for help’ (FGD P3). ‘They leave you with hope and that you are not wasting time, this is something to look forward to, and that means everything’ (FGD P4).

From the focus group discussions, it seems that there was a shift in mindset regarding small business owners’ perceptions and experiences in terms of their level of confidence and their ability to grow their market to sustain their small businesses. The following quotations from participants highlight that mind-shift:

‘A total mind shift, in terms of not doing things alone, one should not try be everything, the administrator and the finance and the marketing. Get more people empower more people and that is how you grow, by spending more time generating the money as opposed to all the other work, and then you was able to afford the rest’ (FGD P5).

4.4.2. Expectations

Most participants had very low-to-moderate expectations of the FSP ability to deliver practical solutions for their small businesses challenges. The following quotations highlighted the participant’s expectations:

‘I didn’t have any expectations, they only thing I said to you was the weaknesses of the company we had just started’ (FGD P3).
‘I didn’t even know about TSiBA, until I got the call and came in, for the interview and then the form to complete on the sides of the business I am working on. It was only then that I realized this is what I was going to be helped on’ (FGD P4).

‘I wasn’t even aware I could get help like this and I needed to see if there was a way forward to growing my business’ (FGD P5).

‘I thought at the beginning we would have to just work with the students, helping them as Participants. Then as time goes on, I realized we needed help from them. Then I started to disclose everything and what I need from them – they managed to give me the help I needed’ (FGD P1).

4.4.3 Benefits

The study explored the experience of small business owners regarding value and benefit of their involvement in the FSP in relation to their expectations. The focus group discussions highlighted the following benefits as perceived by small business owners;

‘They gave some practical solutions to some of my challenges, such as staff retention etc. A lot of the things I already knew but they just told me what I am thinking. But yes they gave some nice practical solutions’ (FGD P10).

‘Very practical, they listened to me. I am not on a PC at the moment so still want to do it old school in the books. Instead of me going looking for the books they mentioned, they even gave me the books (Accounting and Receipting). Now I see it and what they want me to do, and it’s within my budget, I can use it’ (FGD P8).

‘They assisted with the registration and the best way to go, so I am now registered as a private company, I was a sole proprietor before’ (FGD P17).

‘I could even retain my name – we changed it slightly as it was limiting, so this is broader and I want to go into events management as well, which we also discussed’ (FGD P10).

‘The students came up with a form for the clients to sign, which is very important, saying if I am done I want payment within 30 days, or else I will send a letter of demand or a summons’ (FGD P12).
‘They also set up workers contracts, as sometimes I may only have one job for 3 months, so they must sign stating it’s a 3 month contract and then after that if I don’t have work I don’t have to pay them’ (FGD P12).

4.4.4. Recommendations

Despite the high satisfaction rate expressed by participants, they felt that the following recommendations could improve the FSP for future participants;

‘I would like to see them calling us back again, to see in terms of the original programme to what our position is now, and what steps can we take going forward’ (FGD P2).

‘Increase the number of consultation sessions’ (FGD P4).

‘Consultation teams and entrepreneurs to jointly discuss final presentation’ (FGD P5).

‘I would have liked a more integrated approach in reference to designing the final deliverables between myself and the student teams, for the reason that I have a lot of experience and practical examples when it comes to the business and they have a lot of theory’ (FGD P5).

‘Time – we need more time, to identify more gaps, which are actually opportunities, and see what is happening in the business. Gives them a more real experience instead of a quick in and out, in real time. The information they are working on is what we give them, and is sometimes more pleasing than accurate. If they are here on the ground they will see the reality rather than what we say’ (FGD P6).

The researcher believes that these recommendations needs to considered seriously to enhance the FSP especially the ones regarding the number of site visits to the SMME businesses in their respective townships and the solutions presented at end of the FSP.
4.5. Summary

This chapter presented a detailed and consolidated response to all the questions that were asked in the pre-and post-interviews with individuals and focus group discussions. The questions posed were designed to provide a greater understanding how the participants experienced and perceived the FSP and its value. The study therefore sought to understand whether the study participants felt they had benefitted or not from their participation in the FSP.

The final chapter will make use of the findings presented in this chapter in order to propose a number of recommendations and suggestions. These recommendations and suggestions will then form part of the proposed framework for FSP offered by Higher Education Institutions (HEIs). The next chapter will focus on the discussion of the key themes that emerged from the findings.
CHAPTER 5

DISCUSSION

5.1. Introduction

This study aims to explore the perceptions and experiences of small business owners of the Field Study Programme (FSP) towards their small business venture so as to assist business schools and higher education institutions to design a framework to execute FSP with greater success and impact.

The discussion chapter will focus on the following three key themes all of which aid our understanding of the perceptions and experience of the FSP for small business owners.

I. Perceptions and Experiences
II. Human Capital Development
III. Challenges

Themes related to the key objectives will be used to discuss the results. By answering the aforementioned research objectives, the study will provide insight into how a service-learning and social entrepreneurship approach influences the human capital development of small business owners.

5.2. Perceptions and Experiences

This study indicates that the FSP was valued and contributed to some extent to the small business personal development. The initial expectations of all twenty (20) participants of FSP were very low to moderate in terms of assisting them to resolve their priority challenges which they identified as inhibiting their business growth and sustainability. The majority of the participants expected to be given advice regarding which markets to explore as well as for improving their functional knowledge of operating a sustainable business.

The participants expressed their surprise by the interest students displayed in solving the challenges that they highlighted. Participants specified their needs and each consultant team made sure that their respective small business owners’ voice was heard before any analysis
was initiated. This resulted in the small business owners being committed to the programme and the perceived benefits that FSP could yield.

Participants felt that the FSP had addressed their challenges that they had stated up front and that the solutions suggested by consultant teams were practical and based on the needs of participants as a point of departure. Community development cannot take place if there is no participation by the community. In community development, members of community have the main role in the process of their own development. In the process of community development, the community are active as actors and are facilitated to be self-reliant (Saheb Zadeh & Ahmad: 2010).

It was clear that participants had very little background of both TSiBA and the FSP. Their lack of information resulted in them entering into the programme with low expectations. The study revealed that all small business owners’ perceptions of FSP had changed from negative to positive. The following reasons emerged for the change in perception: the commitment of students who provided participants with more than the help they needed, the validation and formalizing what participants already knew, as well as practical advice regarding marketing strategies. The small business owners received output deliverables and business support that exceeded their initial expectations.

The consultation teams conferred with the small business owners about the design of the individual solutions, thereby including them at all times in this initiative. This highlighted the importance of ensuring that needs of small business owners were considered before the FSP takes place. The study revealed that a determined focus on the needs of small business owners resulted in very practical and innovative deliverables. The deliverables included, amongst other things, a business plan, brochures, a business profile, improved logo design, financial systems for recordkeeping, etc. The findings of this study are similar to those of Van Eeden in Solomon (2004) who highlighted that the issues affecting small business are management skills (inexperience and lack of training), marketing (poor location or inability to identify markets or opportunities), human resources (low productivity) and management behaviour (reluctance to seek advice or lack of commitment).
5.3. Human Capital Development

The findings of Herrington et al (2009) pointed to lack of human capital development as the most vital cause of failure for new SMMEs. Human capital development has been recognized as one of managerial tools that can improve SMMEs performance (Ganotakis, 2010).

Most participants in this study indicated that they had prior experience in their respective business industries. This implies that more than half of small business owners had prior knowledge of their respective market segments. The remaining participants had neither experience nor training related to starting up their business, which implies that the remaining participants had generic experience that was un-related to their respective industries.

The small business owners who participated in the FSP felt that they had been assisted with marketing, operating systems, tracking income and expenses, and managing staff. Participants felt particularly positive about the professional and personal engagement of consultant teams and their ability to translate their challenges into practical solutions, whilst at the same time empowering participants with new knowledge.

One of the unique and differentiating features of the FSP approach is the emphasis it placed, not only on imparting knowledge in a traditional university model, but also on developing small business owners to apply business skills and attitudes. The researcher believes that this additional practical knowledge will enhance the skill-set of the small business owner in their industry to ignite opportunity and drive social change. According to Smith & Watkins (2012),

‘The impediments to SME success are numerous and varied, and include inherent organizational obstacles such as poor managerial skills and education and training; industry-related problems such as the entrepreneur’s inability to understand market expectations, and poor market access; and economy-based obstacles such as interest rate fluctuations’.

There is an urgent need to develop the skills and potential of community entrepreneurs based in townships. The SEM approach can contribute in assisting SMME’s through solving community challenges by sustainable and innovative approaches.
The researcher further believes that entrepreneurs need applicable business management skills and industry knowledge to enhance the sustainability of their small business enterprises.

Service-learning creates the opportunity for students to apply the theoretical knowledge of their discipline (entrepreneurship, marketing, economics, etc.) to real small business ventures challenges as identified by small business owners, with the aim of finding innovative solutions that will result in sustainable business models. According to Brock, Steiner & Jordan (2012), ‘Universities from around the world have embraced the powerful pedagogy of service-learning as a tool to engage students in finding solutions to some of society’s most pressing social problems’.

All the small business owners indicated that they felt that the students listened to their requests. Small Business owners further felt that the questioning applied by students and the focused attention to owners’ requests added to their dedicated assistance. These feelings were echoed by all participants that the appreciation by students went further than expected. The students’ consultation services exceeded the expectations of the small business owners. Students came up with practical suggestions for challenges of small business owners. The Social Entrepreneurship Model (SEM) is unique in that it incorporates the entrepreneurial aspects of a strong focus on vision, innovation and adaptability, which can be applied by both students and small business owners. The social entrepreneurial lens provides the vision and drive to continually innovate and adapt community outreach approaches and objectives. SEM provides a grounded understanding of local challenges identified by small business owners and attempts to solve those challenges through innovative solution using a sustainable model affecting social impact. Together, these approaches enable the creation of novel research outcomes that are accepted, adopted and hence sustainable in unique and ever-changing environments (Brock & Steiner, 2010).

FSP has the potential to improve small business owner’s competencies and their business model systems. SEM and service-learning provides the opportunity for an inclusive model for socio-economic development whereby small business owners can become empowered to have a voice to plot their own development. As an educational programme, FSP creates an effective and structured learning experience for both students and small business owners.
to deliver social impact by co-designing innovative solutions and creating a sustainable business model. In view of this, the researcher believes that the FSP have the potential to deliver on all three dimension of SEM in varying degrees.

This study has found that most small businesses and owners do not have the personnel or financial resources to collect and analyse all the information required to maximize the potential of their small business ventures. The small business owners primarily focus on the operational and technical activities of their respective small businesses whilst also requiring additional training skills to sustain their small businesses.

5.4. Challenges

The provision of an integrated FSP requires active collaboration between the student and the small business owners. The role of the Higher Education Institution is to create the platform and a conducive environment to execute the FSP. The level of the students’ understanding and experience had a direct impact on their ability to develop practical solutions. In the absence of adequate resources, the students were required to go beyond their theoretical application to find novel ways in which the participants could solve or reduce the highlighted challenges. Students had to ensure that they made a clear assessment of the real challenge before jumping into solution mode. Their limited knowledge of the industry just complicated matters and made an accurate assessment more difficult.

In order to assess the small business industry, their current operations required more time. It further asked for different scenario analysis. According to Tryon & Stoeker (2008), “Short-term community engagement projects makes it difficult to fully develop projects and carefully execute them”. Despite the fact that the small business owners were the focus of the FSP, students also had other learning engagements. This took away the time they could have spent with the small business owner to secure more relevant information to improve the quality of their deliverables. Students tend to make up for the lack of time to source information from either their textbooks or internet. Their primary source of information should remain the entrepreneur and his ability to understand the solution presented.

There is no doubt that the participants value their involvement and support from students. Participants believed that there were several benefits attached to being part of the FSP. The
concern from participants, however, was the implementation and execution of the suggested solutions. They felt that there should be more time to test the solution to see if it would match the challenge identified upfront. Since entrepreneurship is a lonely journey, it is difficult to translate the suggested solutions into reality of practice for participants with no support from either the local students or local partner, TSiBA. The constantly changing environment in townships would make the students’ solutions irrelevant if there is long delay in the application of the solutions to test its practicality and usefulness. The participants also felt that from a skills perspective guidance would be vital from the students or TSiBA to ensure efficient execution suggested solutions. Learning must be made relevant to communities everyday lives, and commitment must be made to making change over long periods of time for education to be successful in addressing community ills (Bowling, 2011).

The FSP is about an opportunity to provide a service to the community participants. The FSP is geared towards supporting participant small business owners to run and grow their businesses successfully. It is about the social impact through a collaborative approach. The participants felt that more could be done to ensure that their ideas and suggestions were the foundation for the ultimate solution. It is critical that students do not lose sight of whose needs they are serving. In a developing country such as South Africa, with all its contradictions and disparities, it makes sense to put particular emphasis on meeting the felt needs identified by community members as a primary concern of service-learning initiatives (Van Schalkwyk & Erasmus, 2011). There is benefit for the students to grow their understanding of the practical application of their theory, but this should never be to the detriment of the key stakeholder, the small business owner. The participants should be provided with an opportunity to modify or adjust their presentations based on the solutions designed. This will ensure that the voice of the participant is prevalent throughout the FSP.

The study found that the challenges of twenty small business owners were mainly related to the micro-environment, which participants experienced in their respective small business ventures. The key challenges experienced by small business owners focused on the following four key business areas namely, sales and marketing, financing, operations and organization. The majority of challenges participants faced stemmed from their internal environment.
The overall business constraints identified by small business owners were operational; this means that the constraints were specific to the resources needed for the day-to-day running of the small businesses. A participant stated, ‘*My main challenge now not having learning material, I must acquire. Or I could buy ready-made material, and refocus the business*’ (P4).

Lack of business skills includes the management of the small business venture, the knowledge of how to plan, monitor and execute activities to achieve operational and business objectives. A participant stated, ‘*First the organization, I think a lot has to do with me in my personal capacity, my time management, my organizational skills that may reflect badly on the business as well, especially now my priorities are divided by studying and focusing on the business*’ (P6).

This notion is supported by the CEO of TSiBA, Adri Marais, (2013) who states that ‘when looking at entrepreneurs from poor communities, the survival rate of businesses that have the potential to grow and stimulate the economic growth meaningfully is exceptionally low.’ She further states ‘that business activity in poor communities is often characterized by its survivalist outlook that focusses on the immediate need to support the family unit. The development, success or failure is highly influenced by the knowledge and skills of the owner’.

Another stream of research on new SMME failure, as pointed out by Ahmad and Seet (2009), focuses on management skills as the new small firm transits from the founding entrepreneurial stage to higher growth-rate stages. A critical factor in the success of a new SMME is the ability of its initial leadership to continue to meet new challenges as the business evolves. A participant stated he needed, ‘*Vision that will give me a strategy to grow the business and to build a brand*’ (P20).

Most of the participants requested assistance for marketing, business planning, operations, financing assistance and management assistance. These factors in a firm’s internal environment are largely controllable by the firm. The following quotations highlighted the participant’s challenges:
‘Biggest challenge is competition from singular providers, those internet cafes sprouting up in the community’ (P7).

‘I would say the finance, the marketing and I want to be more unique, from a customer’s perspective I want to stand out’ (P8).

‘Not enough customers, I want to get more customers’ (P14).

The study therefore revealed that the key challenges that small business owners experienced were linked to the functional operational areas of general management, operational, financial and marketing problems.

A key expectation of the FSP was to support and assist small business owners with research to identify potential customers. This is in line with research that the sustainability of the SMME is linked to securing a market for products or services rendered. A participant stated, ‘they set up social media needs for my company’ (P2). Another participant stated, ‘I learned how to get more clients and how to get tenders from Government’ (P13).

Entrepreneurs need to understand that whenever the business introduces a new product or service, regardless of how experienced the sales staff may be, they still need to create a demand for that product or service ensuring that the customers remain interested in the product. Poor marketing is one of the major reasons why businesses fail (Seeletse 2012). A further expectation of the FSP was to design a marketing strategy to improve businesses’ unique selling proposition, which would lead to higher brand visibility and awareness.

The study also revealed that most of the participants’ challenges cantered around on access to market; finances to secure resources such as equipment, stock, vehicles and competition. The majority of participants indicated that solutions presented by students were regarded as very practical. A key challenge for the small business owners would be the financial resources to implement and execute these suggestions. The participants stated,

‘Financing daily operating costs we have got high expenses at the moment with low income. Our prices are lower than the other daycare. With that lower income we need to give the child the same quality, the best outstanding service’ (P2).
'With that it’s having the finances to keep going in the business. At the moment he is bank-rolling the business, so we use a lot of our own salaries, I work part-time for him too, so it’s between the 2 of us. I think capital is our biggest thing, the design takes long’ (P5).

‘Firstly I would like to get trained how to work with finance. Secondly I would like them to assist me with getting funding and sponsorship’ (P12).

They also indicated that they were provided with improved systems to record their accounts and key steps to ensure that their small businesses complied with legal requirements. The participant stated, ‘Things they put into place was my finances, bookkeeping side, which is up to me to execute, they came up with a workable plan on paper of how I could do my books’ (P8).

Participants further indicated that the short-term solutions provided through the FSP were really helpful. They highlighted improved bookkeeping systems, marketing tactics to increase customers, organizational research assistance to enhance basic management tools and operating systems regarding improving the running of their businesses. The participant stated, ‘the short business plan, was very good for what they have done. My business plan was 26 pages long – they have shortened it and focused on the major areas’ (P9).

Through the FSP, service-learning created the opportunity for students to apply the theoretical knowledge of their discipline to real, small-business venture-challenges, identified by small business owners themselves, and, with the aim of finding innovative solutions that would result in sustainable business models. Furthermore, students are provided with a unique hands-on experience that promotes the development of professional skills that they were able to use post intervention.

The researcher believes that through the FSP, small business owners are provided the necessary business knowledge and network platform to identify opportunities that would assist them in attracting customers and delivering a value-add product or service to their respective target markets. As mentioned earlier, service-learning and social entrepreneurship are fast becoming useful strategies in community engagement that may result in the meaningful economic, political, cultural and rural development needed for social change and
sustainable development. This study revealed that small business owners experienced a deeper understanding regarding the management of employees as well as the ability to access new markets. It further confirmed that the FSP benefitted the operational improvement of the small business venture.

5.5. Summary

The study found that the FSP was successful in building trust and confidence levels of entrepreneurs who believe in themselves and their abilities. The participants, in collaboration with their consulting teams, were able to match their small business ventures to the needs of the marketplace. The social entrepreneurship approach, based on service-learning methodology, propelled small business owners towards finding practical and innovative solutions and making changes that can improve their operations. The SEM has the potential to assist small business owners to think from an entrepreneurial perspective when approaching and solving problems. It harnesses the knowledge of the small business community by creating innovative solutions through which sustainable business models could emerge, resulting in businesses that indeed achieve social impact.

SMME’s have the potential to champion social upliftment and assist government in alleviating the scourge of unemployment and poverty. The researcher believes that by combining service-learning and social entrepreneurship principles the TSiba and NU FSP is able to assist small business owners to minimize the key challenges their ventures experience. The small business sector is globally recognized as a driver for job creation, however, low knowledge and skill levels in the South African population remain a serious problem, and the lack of managerial knowledge and skills is often cited as the reason for the failure of small businesses. In addition, previous research confirms that the education and human capital skills level of a small business owner is related to the success of their business.

This study shows that most small businesses had a positive FSP experience. Small business owners felt that they would prefer to have a more integrated approach between themselves and consultant teams. They further indicated that their experience of running small businesses could add more value to the solutions suggested by the consultant teams. A solution would be to create opportunities for the small business owners to be involved with vetting students’ initial solutions to ensure that consultation teams come up with realistic
plans. Small business owners felt that there was a need to monitor small business venture
growth post the FSP, especially regarding the implementation of deliverables, which the
consultation teams had provided.
CHAPTER 6

SUMMARY, RECOMMENDATIONS AND CONCLUSIONS

6.1. Introduction

The aim of the study was to explore the perceptions and experiences of small business owners engaged in the Field Study Programme (FSP) to assist business schools and higher education institutions to design a framework to execute FSPs with greater success and impact.

The FSP consisted of consulting project teams, in which TSiBA and Northeastern University students worked together to support small business owners in the disadvantaged townships surrounding Cape Town. Twenty (20) small business owners expressed their perceptions and experiences after participation in the FSP explored. The participants provided insight into the FSP from which conclusions and information for recommendations are presented.

Chapter 6 is the final chapter of this study. It commences with an overview of the research, followed by an overall summary, recommendations for FSP and concluding remarks.

6.2. Summary

In South Africa, the government has committed itself to the promotion and growth of the small, medium- and micro enterprises (SMME) sector to stimulate economic growth as a means of reducing unemployment. The aims of government are to increase the number of new ventures and to create an enabling environment to ensure the survival and growth of SMMEs.

The Field Study Programme (FSP) offered at TSIBA, a higher education institution, provided local and international students with a practical social entrepreneurship and service-learning opportunity. Students who participated in the FSP became involved in many aspects of business operation namely marketing, financial, sales, infrastructure, and advertising, branding, management and customer relations.

The FSP is based on service-learning and social entrepreneurship principles and are applied to the context of small business owners. Together with the students, small business owners
were given the opportunity to find solutions to the challenges including practical involvement in creativity and innovation, the acceptance by each student of risk and failure and the need to search for practical and viable solutions to societal problems.

This study sought to generate insight as to how FSP was perceived and experienced by the small business owners to make evidence-based recommendations for enhancement of the FSP programme.

Chapter one set the scene for the research study. It highlighted the background and theoretical framework of the study, the research problem, research questions, aims and objectives of the study. It introduced the FSP as an educational intervention to support local entrepreneurs to find practical solutions for their business challenges. It further provided the background of the main stakeholders and the importance of the study. It outlined the main problem that the study attempted to investigate. The intended research methodology was specified and briefly explained.

Chapter two presented a comprehensive review of literature relevant to the subject matter – the theoretical framework of service-learning and social entrepreneurship approaches underpinning the study. This chapter described the TSiBA and NU partnership model, which centres on social entrepreneurship and community engagement principles. Service-learning is appropriate to entrepreneurship because entrepreneurship academics endorse the view that entrepreneurs are action-oriented and that their learning is consequently experiential (Cope, 2005). It was clear from the literature studied that there was a lack of available qualitative studies related to entrepreneurial development for SMMEs in the South African context, based on combining the best attributes of social entrepreneurship and social entrepreneurship.

It further highlighted the importance of SMMEs in the context of developing countries and the composition of the SMME environment in South Africa. The chapter also emphasized the importance of human capital development for the success of entrepreneurial ventures. The chapter concluded by examining the potential of a Social Entrepreneurship Model approach to influence the FSP in its dimensions of social impact, innovative solutions and sustainability.
Chapter three essentially focused on the research methodological approach, which described the research approach and design, the rationale behind the design chosen, the research instruments for data collection, data analysis, ethical considerations and reflexivity. In order to conduct this qualitative research the researcher selected a qualitative methodology. Data was collected using semi-structured tape interviews, pre- and post-interviews with individuals and five focus-group discussions. The data was transcribed taped and analysed thematically to capture the perceptions and experiences of twenty (20) small business owners.

Chapter four dealt predominantly with a presentation of the research findings against the research objectives, the categories and themes highlighted by the findings. This chapter presented a detailed and consolidated response to all the questions that were asked in the pre- and post-interviews with individuals and the focused group discussions of the twenty participants. The pre-interviews conducted with individuals highlighted the following themes based on the findings, namely the demographics of participants, entrepreneur’s challenges, their experience and human capital, and the expectations of entrepreneurs.

The post-interview questions with individuals were related to the impact of the FSP on small business owners. The following themes emerged from the post-interviews with individuals namely the perception and experiences of FSP, expectations of small business owners and the impact on the development of the small business owners’ human capital. The focus group discussions presented the following themes namely: mind-shift of the entrepreneurs, their expectations, the benefits derived and lastly, recommendations to improve the FSP.

Chapter five presented the discussion of main findings of research. The researcher believes that by combining service-learning and social entrepreneurship principles, the FSP was able to assist local entrepreneurs to minimize key challenges experienced by their ventures. The majority of participants expressed the view that the FSP had improved their skills. Small business owners felt that they have gained the following skills that could benefit their business; interpersonal skills, business skills, marketing and financial skills.

Participants strongly believed that the FSP had addressed their challenges and that the solutions suggested by consultant teams were practical and based on their needs of
participants as a point of departure. One of the unique and differentiating features of the FSP approach was the emphasis it placed not only on imparting knowledge in a traditional university model, but also on developing small business owners’ ability to apply business skills and attitudes.

Chapter six is the final chapter and concludes the mini-thesis. This chapter provides recommendations regarding how the FSP offered at TSIBA could assist business schools and higher education institutions to design and offer an FSP that is based on the principles of service-learning and the social entrepreneurship model.

6.3. Recommendations

The recommendations from the study findings may assist business schools and higher education institutions to design and to execute FSPs with greater success and impact. A service-learning (SL) pedagogy is recognized as providing a dynamic and holistic teaching and learning experience.

The recommendations from study are as follows:

1. A more integrated approach is needed between small business owners and students to join forces to provide solutions. Continual guidance and maturity can lead to improvement as well as the seriousness of business presentations. P5 stated,
   ‘would have liked a more integrated approach between myself and they, for the reason that I have a lot of experience and practical examples when it comes to the business and they have a lot of theory. I would have liked us to join our forces and come up with realistic plans. For us to meet and discuss a bit more as what is not practical, instead of just giving them something in the beginning and have them run with it with not much continual guidance and their way of thinking’.

2. Key improvements should focus on pre preparations regarding the documents from entrepreneur’s and students having practical insights into the actual operations of their business. P11 stated,
   ‘If this programme comes again, they must come with the paperwork they have done before the programme starts, so the students can see what they wrote. The
entrepreneurs can be requested to bring their administrative and other documents with relating to the industry so the students can use that as a stepping stone where they want to take the entrepreneurs.’

3. The length of the programme needs to be extended and followed up by local students after presentations to assist with implementation.

‘More time spent with the students. I will stay in contact with all the students and I feel the college would like that. I am a small business but maybe they have been in contact with bigger ones, and they learn from that person and share the information. ‘Time – we need more time, to identify more gaps, which are actually opportunities’ (P6).

‘It would have been nicer to have more time between the 2 parties and the business. One of the things from them seemed to be long days, they have lectures and consulting, so a lot of information given to them, which takes a toll’ (P1).

4. Participants should explore active networking with the Ignition Centre business development programs at TSiBA to assist with the implementation of deliverables designed by the consulting teams.

P19 stated ‘With not having to do things alone is already a big thing, and by moving into the ignition centre I will be bringing someone with me to do a lot of the admin which takes a lot of time, and I can work on the tracing.’

‘Advisory came with the mentorship programme, which I will do through TSiBA. The Ignition Centre will be key for me going forward’ (P2).

5. Provision of the relevant skills training to small business owners in parallel with the students workshops.

‘They recommended me to attend classes in Philippi which talks about financial skills and programmes on how to run a business’ (P11).

6. There needs to be support and assistance with the execution of the deliverables suggested by consulting teams.
We should get the deliverable packages from TSiBA as the stuff in there we will probably need to do and start from there to make it actionable’ (P6).

7. The monitoring of the small business owners in the FSP becomes critical in determining the sustainability and impact of local small business owners post the intervention of the FSP.

‘Advisory came with the mentorship programme, which I will do through TSiBA. The ignition centre will be key for me going forward’ (P2).

8. Students need to do mock presentations to small business owners to provide an opportunity for participant’s to air their views prior to the final presentation.

‘In terms of communication and a deeper understanding by the students, how can they understand that real life is not about theory, it’s about what is happening in real life, and making sense of that and applying the thinking of that, how I apply the model of social internship in his business or how I pursue what we have been taught in class.

If they can understand that then there will be insights that will be implemented and suggested to the entrepreneurs’ (P3).

‘Something they lacked on was their presentation skills and business etiquette – you can see the difference of them being in an academic environment versus us being in a business environment and how they presented themselves’ (P9)

6.4. Limitations

There are several limitations to this research project. One inherent limitation is the choosing depth over breath, as is the practice in qualitative research. While qualitative methods often provide richness in understanding the subjective experiences of small business owners, these experiences cannot be generalized beyond the local entrepreneurs who were studied.

This study only focuses on local small business owners in Western Cape and is further limited to those who work through the FSP at the TSiBA Ignition Centre. Since there is a multitude of small businesses operational in the Western Cape, South Africa, the findings of this study cannot be generalized across the country.
The study was conducted in the South African context and, therefore, the findings cannot be
generalized to other countries. Because of the limited geographic area from which the sample
is drawn, local small business owners may be qualitatively different and have disparate
experiences based on their venture life cycle and industry.

The study only focuses on micro, very small and small businesses of the SMME sector.
Medium-sized businesses are not included in this study. All of the interviews were conducted
in English and might have caused a limitation for some local entrepreneurs as not all
respondents were fluent English speakers.

There is possibility that respondents did not feel entirely free to be frank in their assessment
of the FSP to the researcher. This might have influenced the way respondents offered critical
commentary.

The independence of the researcher in presenting, analysing and interpreting the data; there
was a danger of the researcher influencing the analysis and conclusions.

As an exploratory study the FSP does not provide adequate time to successfully measure and
assess the value added to small businesses to solve their operational challenges.

The ability of undergraduate students, with limited experience, to achieve major strides in
the human capital of the FSP entrepreneurs in the limited time-period of the FSP.

6.5 Conclusion

The Field Study Programme (FSP) brought students in contact with the community; the
intellectual capital of the university is shared with the local business owners. The present
study suggests that a joint service-learning experience in entrepreneurship like the FSP
appears to have a positive influence on local small business owner’s attitudes and behaviours
involving their operation of their small business ventures. The FSP was successful in
building trust and confidence levels of entrepreneurs to believe in themselves and their
abilities. The participants, in collaboration with their consulting teams, were able to match
the small business ventures to the needs of the marketplace. Some of the participants
accepted the recommendations from their consulting teams and are now open to exploring
networking opportunities with the TSiBA Ignition Centre. This will enable participants to
capitalize on the on-going mentoring support post the FSP. Small business owners have indicated that the number of site visits was not sufficient to give the consultant teams an-in-depth knowledge of their industry or product offering.

The study showed that all the small business owners had bought into the vision of the FSP. It further highlighted a need for small business owners to become more involved in the solutions designed for their business ventures. The researcher feels that it is critical that knowledge must be transferred to the small business owners to increase their venture’s chances of success. From the research, it can be concluded that the FSP did make a meaningful and relevant difference in both the venture and for the owner of the business.

It was evident from the FSP exposure that small businesses experience different challenges based on the venture life-cycle stage. The small businesses who participated in the field study were categorized into the following two (2) broad categories, namely the start-up phase or early growth phase. The small business owners experienced the key challenges in the start-up phase of entry to market opportunities, appropriate pricing, premises, and cash flow for operating expenses.

For small businesses in the early growth phase, challenges were concentrated on appropriate operating systems, productivity, appropriate staff skills and compliance issues.

The FSP provided the following non-financial solutions to the participants:

1. The consulting teams provided small business owners with basic knowledge and practical skills related to marketing, finance and administration.
2. They further provided linkages to help small business owners to access markets in their immediate community through social media.
3. The consulting teams help to minimize small business owner’s compliance with regard to the registration of their small businesses.

It is clear from this study that the FSP aids the HEI to be more accessible to community engagement and more in tune with SMME developments.
The study highlighted the following findings:

- most participants reported positive perceptions and experiences with their participation in the FSP;
- most participants felt that the solutions presented had answered their challenges and felt the implementation thereof would hugely impact on the ongoing operations of their small business ventures;
- the majority of participants reported a positive mindset change regarding the viability of their venture;
- most participants indicated that the FSP was hugely empowering on a personal level, and of great benefit for their small business development.

Most participants demonstrated an improved understanding of their business model and a deepened understanding of the functional areas of their small business venture.

The study recommends that, in order to measure the sustainable impact and value of FSP towards small business ventures regarding solutions, the length of the programme must be revisited as well as the number of site visits to small business ventures. Student consulting teams should co-present with their small business owner and local students need to engage with participants on a regular basis after the completion of the FSP. This researcher believes that this exploratory research serves as a starting point, a first step in gathering information required to fully understand the impact FSP.

Further study is required to assess the impact of the FSP on the sustainability of the small business venture. The researcher believes that the FSP has provided a positive experience for the small business owners and has improved the perception of FSP from an SMME viewpoint. Despite the positive feedback, more needs to be done to accelerate black-owned small businesses into the mainstream economy. Service-learning programs such as the FSP are educationally and socially powerful interventions that hold promising potential for enhancing the learning and development of both business schools students and small business owners.
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