



Cape Peninsula
University of Technology

**THE IMPACT OF BUSINESS INCUBATORS ON SURVIVALIST ENTREPRENEURS IN THE
CAPE METROPOLITAN AREA**

by

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DECLARATION

I, **PROMINENT CHOTO**, declare that the contents of this dissertation/thesis represent my own unaided work, and that the dissertation/thesis has not previously been submitted for academic examination towards any qualification. Furthermore, it represents my own opinions and not necessarily those of the Cape Peninsula University of Technology.

Signed

Date

ABSTRACT

The purpose of this study was to evaluate the impact of business incubators on survivalist entrepreneurs in the Cape Metropolitan Area. The question that guides this research is: What is the impact of business incubators on survivalist entrepreneurs in the Cape Town Metropolitan Area? This study was conducted in the context of economic growth and development, considering addressing the following problems: small business failure and the unemployment rate in South Africa.

Although entrepreneurship is of greater importance to the growth and development of an economy, not all entrepreneurs are presented with the same opportunities and resources as others. As opposed to formal businesses, informal small businesses are normally discriminated against in terms of support, which is offered to them to necessitate their growth. The contribution that they make towards economic growth and development is often seen as insignificant. They lack opportunities that are enjoyed by large businesses and they suffer from discriminating policies, which has resulted in suppressed growth of these business ventures.

The study was designed within the quantitative and qualitative research paradigms. From a quantitative perspective, the survey questionnaire was used as the primary research tool, while personal interviews, a qualitative approach, was utilised to complement the qualitative approach paradigm. The population comprised of business incubators and survivalist entrepreneurs in the following areas: Woodstock; Observatory; Mowbray; Rondebosch; and Claremont. The snowballing sampling method was employed, resulting in a sample size of 100 respondents.

Collected data was captured and analysed by using the Statistical Package for the Social Sciences 22, the analysis was based on the 98 questionnaires that were returned. Data presentation was done by utilising pie charts, graphs and tables.

The research revealed that the support provided to survivalist entrepreneurs is limited as most business incubators target high impact firms, which are well established. The study also revealed that even though survivalist entrepreneurs operate within the informal sector, they are capable of creating employment opportunities and they have a long term focus for their business ventures. They pursue growth as the main objective for their businesses rather than sustaining family needs. Most of the survivalist entrepreneurs indicated that they are not aware of the existence of different support programs, which are aimed at assisting them to operate their business. Financial challenges emerged as the major challenge that the majority of the survivalist entrepreneurs face in operating their business ventures.

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DEDICATION

This thesis is dedicated to those people who are close to my heart.

My father and mother,

Sometimes in life you reach a point when you lose confidence and you think that giving up is the best way out; you need encouragement, support and guidance from people who believe in you.

Their encouragement kept me going.

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GLOSSARY

Abbreviations and Acronyms

CED	Centre for Development and Enterprise
CSES	Centre for Strategy and Evaluation Services
DTI	Department of Trade and Industry
FNB	First National Bank
GEM	Global Entrepreneurship Monitor
GCIS	Government Communication and Information Systems
GDP	Gross Domestic Product
GIBS	Gordon Institute of Business Science
GPI	Global Practice in Incubation Policy Development and Implementation
IDC	Industrial Development Corporation
Info Dev	Information for Development Program
NYDA	National Youth Development Agency
OECD	Organisation for Economic Co-operation and Development
RDP	Reconstruction and Development Programme
SMEs	Small to Medium Enterprises
SBDC	Small Business Development Corporation
SBP	Strategic Business Partnerships
SEDA	Small Enterprise Development Agency
SEFA	Small Enterprise Finance Agency
SPSS	Statistical Package for the Social Sciences
SABTIA	South African Business and Technology Incubation Association
TEA	Total Entrepreneurship Activity

Definition of terms

Business incubators: Organisations that provide support to small business, guiding them in their start-up phases, equipping them

with the necessary skills required in order to run and own a business successfully (GIBS, 2009: 22).

Survivalist entrepreneurs:

Entrepreneurs who start a business venture on a small scale with the aim of sustaining family needs (Hunter, 2006:71).

Entrepreneurship:

The processing, organising, launching and through innovation nurturing a business opportunity into a potentially high growth venture in a complex unstable environment (Rwigema & Venter, 2004:6)

CHAPTER 1: INTRODUCTION AND BACKGROUND

1.1 Introduction

There has been a significant increase in the importance of entrepreneurship in recent years, with many researchers and policy makers acknowledging that it is a vital component of the emerging economies (Kuratko & Hodgetts, 2001:6). Many will agree that much of a country's needed employment stems from entrepreneurial activities. An entrepreneur is an individual who specialises in taking judgemental decisions about the coordination of scarce resources (Casson, 2003: 20). According to the Gordon Institute of Business Science (GIBS) (2009:9), the growth and survival of small business is linked directly to economic growth, employment creation and poverty alleviation. In view of the foregoing, there is a clear need to increase or maintain a country's stock businesses.

In order for entrepreneurial ventures to fully contribute towards economic growth and employment, there is increasing need to support entrepreneurs in their business ventures. Such support has traditionally been anchored on the needs of the SMEs, which most people would agree are disproportionately disfavoured by the current business environment in most countries (Tengeh, 2013:347). The Organisation for Economic Co-operation and Development (OECD) (2010: 6-7) contends that entrepreneurs face a number of challenges in running their businesses, which hinder their full contribution towards economic growth and development, and these challenges are not limited to a lack of training and support, financial challenges, lack of skills, and a lack of entrepreneurial mind set. Given that most governments and policy makers today are keen to maintain a healthier economy through entrepreneurial activities, one would think that incubators emerged out of a need to support this sector.

According to Sahay and Sharma (2009:94), business incubators are organisations that aim to accelerate the successful development of entrepreneurial enterprises through the provision of business support in the form of resources, services and business network contacts. In order for entrepreneurial ventures to fully contribute to the economy, there is a need for support from these business incubators.

Rwigema and Venter (2004:6) define entrepreneurship as the processing, organising, launching and, through innovation, nurturing a business opportunity into a potentially high growth venture in a complex, unstable environment. There are different types of entrepreneurs that exist, and amongst these are survivalist entrepreneurs. Survivalist entrepreneurs are people who see going into business as their own alternative to obtaining an income or earning a living; they start a business venture on a small scale with the aim of sustaining family needs (Hunter, 2006:71). Light and Rosenstein (1995) in Valenzuela (2000:339) acknowledged two

useful types of survivalist entrepreneurs which are value entrepreneurs and disadvantaged entrepreneurs.

1.2 Background to the research problem

Parsons (2004:1) argues that over the past centuries the South African economy has grown and developed into a much stronger, wealthier and fairer economy. On the contrary, it is still faced with high small business failure and unemployment. The current unemployment rate is 25.5 % (Statistics South Africa, 2014).

While acknowledging the role that small businesses can play towards job creation, income distribution and economic development, the South African government has since 1994 embarked on implementing policies which are aimed at supporting Small to Medium Enterprises (SMEs), and amongst these policies is the Reconstruction and Development Programme (RDP) (Amra, Hlathswayo & McMillan, 2013:2). The Global Entrepreneurial Monitor (GEM) (2011: 18) reports that South Africa was placed in the 29th position out of 54 countries, which was two levels below the previous year's position in measuring performance of the Total Entrepreneurship Activity (TAE).

Business incubators are being established in order to address the problem of small business failure and unemployment. These incubators provide support to SMEs, equipping them with the necessary skills, resources and a conducive environment in which to run their businesses, especially during the start-up phase of a business (GIBS, 2009: 22). Business incubation programs are imperative to SMEs, as they help to reduce risk, failure rate and necessitate survival and growth during the early stages of a business.

In support of this notion the OECD (1999:7) stipulates the aim of business incubators as providing assistance to entrepreneurs with enterprise start-ups and development by providing workspace on favoured and flexible terms depending on the industry type, business planning, managerial advice, finance and accounting, giving entrepreneur access to business networks and legal services.

Previous research suggests that business incubators should strive to exploit synergies with business ventures in the host country, for they generally have shown a positive impact on improving business survival and performance (OECD, 1999:8, Von Zedtwitz, 2003:181). The OECD (1999:8) states that there is no unique model of business incubators, but that they differ in the way that they operate, the objectives that they pursue, and the selection criteria of who to tenant and to provide support. However, the GEM report (2012:79) contends that many business incubators' support is mainly directed towards growing or high impact and well established ventures, and not towards survivalist enterprises.

Survivalist enterprises are business venture owned and managed by one person who often cannot find employment in the formal sector, they view going into business as a need to obtain self-employment and survival (Jocelyn, 2006:10). Kay (2012) argues that although the concept of survivalist entrepreneurship has been in practise for some time, these types of business ventures have been receiving little attention and support. This has been verified by Beats (2013), who is of the view that business schools should not pay attention to survivalist entrepreneurship; they should focus on supporting businesses employing a significant number of up to 50 people.

Beats (2013) views as noted in the preceding paragraph makes a case for the non-support of survivalist entrepreneurs on the ground that they do not grow nor mitigate poverty. However, Tengeh (2013:352) argues that though survivalist entrepreneurs may not employ enough people, the poverty level in the country is reduced all the same in that they at least provide employment for themselves. Furthermore, Tengeh (2013:354) notes that the creation of employment be made simpler if everyone was an entrepreneur (regardless of the level) and support was readily available. With the exception of Tengeh (2013:356) most studies on entrepreneurship in South Africa, tend to overlook the contributions of minority entrepreneurs (survivalist included) and the fact that their support needs differ from their mainstream counterparts.

This study explores the need to support entrepreneurs regardless of what scale they are operating on. The study focus on survivalist entrepreneurs in particular, what value they have to the economy, identifying the challenges they face in their business ventures and what kind of support do they require in order to fully contribute towards economic development and assessing the impact of business incubators on these types of entrepreneurial ventures in the Cape Metropolitan Area.

1.3 Statement of research problem

Regardless of the efforts being made by the national government of South Africa in support of SMEs, the failure rate is still high. Research by Willemse (2010) revealed a failure rate of SMEs varying between 50% (percent) and 95% (percent) within five years of operation, which clearly shows a high failure rate of SMEs.

Incubation programs are being put in place to support small businesses, however it has been noted that not all entrepreneurs get support from business incubators and not every entrepreneur who get involved in the business incubation programme complete it (Beats, 2013). This notion was supported by Zaiman and Zaiman (2012:2) in the Bandwidth Barn impact analysis report on expansion of their services, seven (7) incubatees indicated that they

would not come back to their incubation programmes, even if they change their operational models and resources.

Incompletion or withdrawal from a business incubation program results in wastage of resources that the national government invests to support small businesses, as well as time invested in for instance, the Department of Trade and Industry (DTI) and the Industrial Development Corporation (IDC) offer a non-tax grant through the business incentives schemes in support of SMEs. If SMEs do not complete these programmes it means that government effort is doomed, hence most entrepreneurial businesses end up making huge losses and are not able to survive and liquidate. This implies that small business failure will still remain a problem for the South African economy.

Even though several studies have been done on business incubation and small business development (Ligthelm, 2013; Lesakova, 2012; Valenzuela, 2000), no particular focus was on the development of survivalist enterprises, hence a research gap exist survivalist entrepreneurship development. Ligthelm (2013:73) views survivalist entrepreneurs as unproductive and as businesses that will remain at the same level of operation without any growth potential.

1.4 Research question

The study was guided by the following research questions.

1.4.1 Main research question

- What is the impact of business incubators on survivalist entrepreneurs in the Cape Metropolitan area?

1.4.2 Sub research questions

- What challenges do survivalist entrepreneurs face in their business ventures?
- What factors motivate survivalist entrepreneurs to be involved in incubation programmes?
- What challenges do business incubators face in servicing survivalist enterprises?

1.5 Objectives of the study

This study was guided by the following objectives.

1.5.1 Main objective

- To determine the impact of business incubators on survivalist entrepreneurs in terms of whether survivalist entrepreneurs are included in business incubation programmes in the Cape Metropolitan area.

1.5.2 Subsidiary objectives

- To determine the effect of completion or incompleteness of incubation programs.
- To identify factors, which motivate entrepreneurs to be involved in incubation programmes.
- To determine challenges which business incubators face in supporting survivalist entrepreneurs.

1.6 Literature review

Literature related to the identified problem was reviewed under specific sub headings, which include: the theoretical framework; definitions of main terms; the importance of entrepreneurship; identifying which contribute to survivalist entrepreneurship and challenges which survivalist entrepreneurs face in running their business ventures; and, lastly, the emergence of business incubators in South Africa.

1.6.1 Theoretical framework

There are a number of theories that are propounded to critically analyse the reasons why people become entrepreneurs; which are sociological, economic, cultural and psychological (Ganbote, 2013:2).

For the purpose of this study, psychological theories and the push and pull factor theory were utilised, as they are the most applicable to the study. Maslow's hierarchy of needs was utilised to analyse what motivates different individuals to be involved in entrepreneurial activities. According to Rakowski (2011:4), the theory describes human motivation and the priority of human needs, which determine human behaviour.

Maslow developed a pyramid in which he divided people's desires into a five-stage hierarchy of needs with lower level needs at the bottom and higher level needs at the top (Rakowski, 2011:4). Zalenski and Raspal (2006: 1122) identified the lower level needs of Maslow's theory as the basic physiological needs, which are basic requirements of life, whilst higher order needs are socio-psychological needs. On Maslow's hierarchy of needs, the lower level needs best describe what motivates survivalist entrepreneurs to venture into business. They view entrepreneurship as a way of earning a living and providing for their families. Schiffman and

Kanuk (1994) in Rakowski (2011:4) identify dissatisfaction as the main stimulant for human behaviour.

1.6.2 Factors that contribute to survivalist entrepreneurship

An understanding of the factors that influence people to become entrepreneurs can play a vital role in determining what kind of support they require in their business ventures. Nieman, Hough and Nieuwenhauzen (2008: 31-32) mention that entrepreneurship is not always seen as a legitimate desirable career choice, as people involuntarily become entrepreneurs because of circumstances such as retrenchment, job loss and frustration.

According to the GEM report (2008:25), increased levels of retrenchment, especially in the manufacturing and mining industry, has resulted in an oversupply of unskilled and semi-skilled workers who venture into business in order to earn a living, hence an increase in the number of survivalist entrepreneurs in South Africa. Some individuals are bread winners in their families and they have no other means of earning an income, therefore, they are forced into entrepreneurship in order to sustain their basic requirements of life.

In the same view, the Information for Development Program (InfoDev), (2010:9) mentioned that the increase in number of survivalist entrepreneurs is as a result of unemployment which forces people to start their own small businesses in order to earn a living and people who are retrenched are becoming entrepreneurs because of limited employment opportunities.

1.6.3 Challenges that survivalist entrepreneurs face in South Africa

Most research has determined that SMEs are major contributors to economic growth in South Africa though they still face numerous challenges that hinder entrepreneurial growth. Amongst the identified challenges are poor management skills, which are a result of insufficient training and education in entrepreneurship (GEM, 2010, InfoDev, 2010:8).

The GEM report (2006) hypothesises the business conditions and the entrepreneurial framework in which entrepreneurs operate, which influence one's ability to react to opportunities of starting a business. Some of these conditions which affect decision making and the rate of response to opportunities include: access to finance; education and training; government regulations; legal and financial infrastructure; research and development, amongst others.

The InfoDev (2010:9) further identify factors that limit entrepreneurial activity in South Africa, which are as follows:

- Education systems in South Africa do not encourage entrepreneurship as a career; rather, entrepreneurship is seen as something that people can do when they fail to find a job and when they do not have a profession;
- Limited resources are available to support entrepreneurs to start a business venture. For example, banks want too much security;
- Regulations create huge administrative burdens and high costs when starting a business;
- Sanctions of the past and the education system that does not encourage entrepreneurship;
- Children who grow up in an environment that influences them to believe that it is better to find a job and be safe;
- Risk associated with starting a business and fear of failure;
- Infrastructure and a lack of skills for entrepreneurship development;
- The belief and expectation that big business and the government create jobs rather than creating one's own employment; and
- A lack of competencies such as management and entrepreneurial skills.

1.6.4 The Importance of entrepreneurship

Entrepreneurship is processing, organising, launching and, through innovation, nurturing a business opportunity into a potentially high growth venture in a complex unstable environment (Rwigema & Venter, 2004:6). Entrepreneurship is regarded as being important to South African's economic, as well as social development.

Entrepreneurs, through innovation of new products and services cause competitive markets and businesses are created, which lead to much needed employment in South Africa. Entrepreneurship necessitates citizens to move into emerging markets, whilst successfully entering global markets (GIBS, 2009).

Falkena, Abedian, Blottnitz, Coovadia, Davel, Madungandaba, Masilela, and Rees, (2001: 25) describe survivalist enterprises as business ventures that generate incomes that are less than the minimum income standard of poverty line. Falkena *et al* (2001) indicate that survivalist entrepreneurs fall in the micro enterprise sector, and provide examples of survivalist enterprises, which include hawkers, vendors and subsistence farmers.

Although some research (Beats, 2013 & Falkena *et al*, 2001) has failed to find the significant contribution of survivalist enterprises, adequate reasons to support them and to be included in incubation programmes, survivalist entrepreneurs are providers of much needed employment in South Africa. According to the City of Cape Town (2014), the informal sector produces 12%

of goods and services for the Cape Town economy, and employs about 18% of Cape Town's residents.

1.6.5 Emergence of business incubators

According to Wagner (1997:170-184), business incubation was initially introduced to South African SMEs in 1995. This started with the Small Business Development Corporation (SBDC) facilitating partnerships between large and small enterprises. Wagner (1997) clarified that hives for businesses were set, but they were not real incubators. These hives were areas that are situated in the townships, which provide entrepreneurs with access to developed infrastructure, which included telecommunications, electricity and facilitating the relationship between start-up and well established businesses (InfoDev, 2010).

Further explanation of the history of incubation initiatives was given by Cassim, (2001:3-10), who explained that incubation initiatives have existed in South Africa since 2000, and that the participants included the government, the private sector, donors and partnerships between role players.

Previous research regarding the Western Cape Status of the Youth Report (2008:11) indicate that entrepreneurship education enables learners to have confidence in their entrepreneurial abilities, equip them with an understanding of business and financial matters, gives them the desire to pursue entrepreneurship, and a desire to further their education.

According to the GEM report (2012), the government has increased incubation support, initiating about nine new incubators in 2011 in order to increase the number of Small Enterprise Development Agency (SEDA) incubators to 44 (Timm, 2013). Many of these initiated incubators are targeted towards the young, the unemployed and those individuals who lack entrepreneurial skills. Based on these findings, it was recommended that universities, investors and the government should collaborate in order to incubate smart ideas and attract innovation (Timm, 2013). Appendix A shows a list of incubators in South Africa, both SEDA and other incubators which were identified by Buys and Mbewana (2007), SEDA, Small Business Connect and Tambudze (2012).

There are many companies in South Africa that offer incubation programmes to SMEs, which are tailored to deliver practical and educational experiences to first time entrepreneurs. Tambudze (2012) maintains that incubation programmes are considered as a better training and educational model than the business school. Tambudze (2012) further provide a list of incubators in South Africa, which includes Aurik, Chemin, Endeavor, African Rose Enterprise Development, The Innovation Hub, Bandwidth Barn, Shanduka Black Umbrellas, SEDA and the Nelson Mandela Bay Incubator, amongst others.

Van der Zee (2007:39) suggests that further research should be conducted to evaluate whether the incubators provide support to people who need it most, or whether the success of these incubators is more important than nurturing a business that require support, but carrying a high risk on the incubator.

1.7 Research design and methodology

Research design and research methodology are often used interchangeably, but there is a difference between the two terms. According to Cant, Gerber-Nel and Kotze (2008:65), a research methodology is a way of coming to the conclusion of a research problem. Hofstee (2009:115) describes research methodology as the rudiments of the matter. The research methodology describes how the research design will be employed, that is, the methods that will be used to gather data. The research methodology is usually broken down into three sections, which are: research instruments (questionnaires, laboratory tests); data (quantitative, qualitative); and analysis (statistical, textual analysis) (Cant, Gerber-Nel & Kotze, 2008:65).

Cant, *et al* (2008:406) defines research design as a preliminary plan for conducting research. Field experiments and process stimulation are examples of research designs or techniques. Research designs include an outline of what the researcher will do, from writing the hypothesis and the operational implications to the final analysis of data. It is important to note that each research technique that is employed during the research has its pros and cons.

Zikmund (2003:68) suggests two basic types of research design, namely qualitative and quantitative, and a hybrid of the two. This study utilised a mixed method, comprising of the two quantitative and qualitative methods. Quantitative research generates statistics through the use of large scale survey research by using methods such as questionnaires or structured interviews (Cant, *et al.*, 2008:76). Qualitative research conversely makes uses of open-ended questions to allow participants to express their views (Creswell, 2003:9).

1.7.1 Data Collection

In this research mixed methods were used to obtain data. Primary sources and secondary sources were utilised as a form of data collection through the use of semi structured, in – depth interviews and questionnaires with supporting data being collected through online surveys, observations on how survivalist operates (primary sources), and reviewing other documents such as journals or surveys previously held by other researchers, and newspaper articles (secondary sources) (Punch, 1998).

Lamb, Hair and McDaniel (2014:162) describe primary data as data that is collected for the first time in order to solve the particular problem under investigation. Secondary data is

information that has already been collected, and is usually available in the form of published or electronic sources (Curtis, 2008:1).

The researcher also utilised journals, the Internet, newspaper articles, magazine articles about entrepreneurship and government reports as sources of secondary data. The following are forms of obtaining primary data collection that were used for the research study:

1.7.2 Personal interviews

Personal interviews were conducted by the researcher with all parties involved in the research, namely the business incubators, survivalist entrepreneurs who enrolled and completed incubation programmes, survivalist entrepreneurs who enrolled and did not complete the programmes and survivalists who did not enrol in incubation programmes at all, in order to hear views from all parties involved.

Interviews are an effective way of obtaining the required information on the matter to be investigated; they give room for the researcher to access through word-of-mouth to an individual's accumulated reality and interpretation based on their own experience, operating as survivalist entrepreneurs (Fontana & Frey, 2000; Minichiello, Aroni, Timewell & Alexander, 1995). Taylor and Bogdan (1984) assert that in depth interviews allow the researcher to seek interviewees' standpoints of their experiences and situations through repetitive face-to-face encounters.

This researcher gathered data through the use of in-depth interviews, which were semi structured. The interviews covered areas in line with the research objectives, though the order in which the questions were asked and the wording used, that was dependent on predilection of the interviewer (Bryman, 2001; Hessler, 1992). This provides room for the researcher to directly respond to concerns that might be raised by the interview participants without any difficulties. In the interview process the researcher took note of non-verbal language.

The interviewer also asked probing questions in order to allow interviewees to open up about issues that are critical to them. However, the interviewer was mainly focused on collecting relevant data that will ensure that research questions can be answered following the interview (Minichiello *et. al.*, 1995).

1.7.3 Questionnaires

For the purpose of this study, a survey questionnaire was used, which included both closed and open-ended questions. According to Leedy (1983), the use of a questionnaire for data collection purposes is beyond the physical reach of a researcher, hence it becomes commendable.

Questionnaires were used because they can reach many people within a short space of time, and when data is collected it is easy to code and data. Questionnaires also offer great anonymity because there is no face-to-face interaction between the researcher and the respondent hence they increase the dissemination of required information, while the researcher can easily leave questionnaires with the respondents and collect them after an elapse of an agreed time. In collecting data, the researcher made appointments with identified individuals, hand delivered questionnaires, and clarification on how to answer the questionnaires was given by the researcher. After questionnaires were distributed the researcher gave the respondents time to complete the questionnaires and collected them again after two days.

The researcher approached a few business incubators in order to obtain a database and referrals of survivalist entrepreneurs who attended the incubation program in the Cape Metropolitan. The questionnaires were allocated to respondents as they were identified.

1.7.4 Population

Haralambos and Holborn (2008:815) define a population as any group of individuals that share one or more characteristics, which are of interest to the research. It is the number of people or unit from which research information will be obtained. The study objects of this research included business incubators and survivalist entrepreneurs in the Cape Metropolitan Area.

In 1999 a population of 1 200 000 survivalist entrepreneurs was documented, accounting for more than 11 per cent of national employment (Centre for Development and Enterprise (CED, 2004:16). According to the South African Business and Technology Incubation Association (SABTIA), about 7 business SABTIA registered incubators are fully functional in the Western Cape.

The research study focused on:

- Survivalist entrepreneurs who attended and completed business incubation programmes in the Cape Metropolitan area;
- Survivalist entrepreneurs who attended and did not complete incubation program in the Cape Metropolitan area;
- Survivalist entrepreneurs who did not attend any incubation programmes; and
- Business incubators in the Cape Metropolitan area.

1.7.5 Size of the sample

A sample should be a relatively true representative of the unit of analysis. According to Sekaran and Bougie (2010:296), a sample size, which is larger than 30 and less than 500, is appropriate

for most research studies. Hair, Wolfenbarger, Ortinau and Bush (2008:138) argue that when one determines a sample size, cost and times should be taken into consideration for data collection and is the most expensive component of research studies.

Hair *et al* (2008:131) acknowledged two categories of sampling methods, which are probability sampling and non-probability sampling. The researcher utilised non-probability sampling methods. Non-probability sampling methods do not use samples with known probabilities, for example, snowball sampling (Wretman, 2010: 31).

The researcher approached a few business incubators who identified other subjects for the study. This study utilised the snowball sampling method as the researcher used few respondents known. According to Tengeh (2013:254), using the snowball sampling technique ensures that a suitable respondent leads the researcher to the next respondent.

1.8 Prevention of bias

Bias is any tendency, which prevents unprejudiced consideration of a question (Pannuci & Wilkins, 2011). Bias can be a systematic error or random error, which can occur at any phase of the research. In order to prevent bias, the research did not employ sampling or testing methods that encouraged one outcome over the other, for this might influence research findings and conclusions.

1.9 Reliability and validity

According to Adams and Cox (2008:18), reliability refers to the consistency of a measure, which is the ability of an instrument to obtain uniform results each time that it is used, whilst validity refers to the ability of the instrument to measure what it is supposed to be measure.

A pilot study was conducted for this research before the main study in order to identify the sources of measurement error that would be most detrimental to useful score interpretation. This pilot study enabled the researcher to eliminate such measurement errors. The pilot study also aided the researcher to restructure and modify the questionnaires and interview questions to be presented in such a way that will eliminate errors and phrasing, which are understandable to the study objects.

1.10 Data analysis and presentations

Data analysis according to Marshall and Rossmall (1990:111) is the process that aims to bring about order, structure and meaning to the mass of data that is collected. In this research order and meaning to data was presented in the form of graphs, tables and pie charts. The Statistical Package for the Social Sciences (SPSS) was utilised for data analysis. SPSS is a windows

based program that can be used to perform data entries, analyse data, and create tables and graphs (Field, 2009).

1.11 Delineation of the research

A considerable number and variety of aspects are reflected in this research; however, there are a number of delineations in this study. This study was based on survivalist enterprises within the Cape Town Metropolitan area only. The focus on survivalist means the exclusion of all other entrepreneurs who do not fall into this category although they might face the same problems as survivalist entrepreneurs on which the research is based. In future, there is a need to include other types of entrepreneurs other than survivalist entrepreneurs.

Secondly, owing to financial restrictions the study focused on survivalist entrepreneurs in the following suburbs: Woodstock, Mowbray, Observatory, Claremont and Rondebosch in the Cape Metropolitan area, while other suburbs were not included and areas outside the Metropolitan were excluded from the research. In future, there is a need to include the entire Metropolitan as well as other provinces in South Africa, which undertake survivalist business ventures.

The researcher utilised secondary sources to complement data from the surveys as identified in the research design and methodology. Secondary sources provide data that was compiled by another writer; it is not first-hand information. There are limitations in using secondary sources for data collection. The writer of the article might be biased; this will result in the researcher depending on secondary data realising conclusions based on the previous writer's biases whilst overlooking the actual facts.

Some of the business incubators do not receive subsidies from the government and may require payment of a fee for consulting them in order to cover operating costs. This might be the reason why survivalist entrepreneurs do not use incubators programmes, because they cannot afford to pay for such services.

Adding to the above, according to the GEM report (2012), there is considerable growth in entrepreneurial education, as universities now offer entrepreneurial courses, although there is no or little consistency in approach. There is also lack of ample evidence on how incubator programs can positively influence and create sustainable business ventures. However, the failure to support survivalist entrepreneurs might not be because of them not being aware of incubator programs or incubator programs being unwilling to offer support; it might be resistance by survivalist entrepreneurs to be educated, supported and trained.

1.12 Significance of the research

This study was of vital importance to a number of people and stakeholders namely; survivalist entrepreneurs, business incubators, the researcher, the national government, and the South African nation, at large.

Falkena *et al.*, (2001) assert that many studies on entrepreneurship have focused on the contributions of those businesses that are well established, and do not include survivalist entrepreneurs' contribution to South Africa's economic growth and employment. The aim of this study was to examine the impact that survivalist entrepreneurs have on an economy if fully supported in their businesses. It is a lack of support, which results in their contribution to an economy being overlooked.

More so by identifying the impact that incubation programs can have on a survivalist, the researcher propose a new selection criterion for business incubators for their incubation programs. The selection criteria for incubators, which include support programs, should be revised and should include all categories of entrepreneurship. There have been on-going trends of small business failure; literature indicates that it is owing to a lack of entrepreneurial support. This study serves as a stimulant for entrepreneurial support.

The research serves as a medium of informing and encouraging survivalist entrepreneurs of incubation programs available to them and the benefits derived from enrolling in business incubation. Loots (2012) mentions that survivalist entrepreneurs will probably not even think of obtaining support from funding organisations and individuals; they need to be informed about incubation and mentorship programs that will assist their businesses in getting to a point of success and sustainability.

Africa Report (2010) states that survivalist entrepreneurs do not lack motivation and innovation, but they lack the ability to think like business men or women because their mind-set is that of being families' bread winner and, therefore, pursue business mainly to provide for their families. This research's aim was to change this mind-set of survivalist entrepreneurs towards business, and to help them unlock success and the future for their business ventures.

The study should benefit both survivalist entrepreneurs, business incubators and the nation, at large. Survivalist entrepreneurs will benefit from this study in the sense that they were given a chance to speak about challenges they are face while operating their businesses, the reasons why they do not complete incubation programs, and suggestions were made on how to overcome these challenges, which suppress growth. If these challenges are addressed, survivalist entrepreneurs will have growth potential, which will result in increased revenue for them, and more employment opportunities.

South Africa will benefit as a nation because the study has helped to identify what needs to be done in order to increase entrepreneurial growth, which will result in reducing the unemployment rate, reduce small business failure, and increase economic growth and development.

The Entrepreneurship Magazine (2012) mentions that the growth of survivalist entrepreneurs is hindered by a lack of understanding of the broader ideas that are required for venture sustainability and they have a narrow short term view of business development. The aim of the study was to help to change this mentality and help numerous survivalist entrepreneurs to shift their mind set and to encourage them to shift to strategies and initiatives that result in more sustainable businesses, whilst encouraging them to enrol and complete business incubation programs.

The research has also benefited the researcher in the sense that knowledge was gained, while business networks were cemented through interaction with various stakeholders. The research adds value to the existing body of knowledge, and serves as reference of literature for other academics who may want to further research on the matter under study.

1.13 Ethical Considerations

Ethics forms the basis of conducting effective and meaningful research. Hence, the ethical behaviour of individual researchers is under unprecedented scrutiny (Best & Kahn, 2006; Field & Behrman, 2004; Trimble & Fisher, 2006). Where human beings are involved, ethics should be considered. Rules and regulations, which govern the relationship of parties involved in the research, should be set in order to protect the research subjects.

For this study, the researcher sought permission to conduct research from the relevant authorities, while assurance of confidentiality of the information provided by respondents was also given, as respondents were not asked to provide their names.

The study subjects were interviewed depending on their willingness to participate; no forms of coercion or bribes were used. A clear explanation of the purpose and benefits of the research was given so that the research subjects especially business incubators, will not feel threatened, as they might think that the researcher wants to copy their business concept. The researcher also obtained a letter from the Cape Peninsula University of Technology (CPUT), which served as proof to the research subjects that the research is legitimate. The questionnaires were also submitted to the CPUT Ethics Committee before they were distributed to respondents.

1.14 Expected outcomes, Results and contributions of the research

Having realised the role that survivalist entrepreneurs play towards employment creation, this study recommends a new approach to incubation support programs. Basically, the proposed approach to incubation support should be inclusive of survivalist entrepreneurship. The incubation selection criteria should not exclude survivalist entrepreneurs. From the study we realise that the majority of survivalists pursue the growth objective for their business ventures. This growth objective can only be achieved if these types of entrepreneurs receive the support that they require in their business venture.

The new approach to business incubation should also consider the problems identified as reasons why people do not enrol and complete the incubation programs. Amongst the identified reasons for incompleteness of incubation programs include mismatch of needs, business incubators not fulfilling their promises, and a lack of awareness of the existence of the incubation programs.

The study revealed significant challenges that affect and prevent the growth of survivalist entrepreneurs. These identified challenges are not limited to a lack of funds and resources. Business incubators should embark on implementing strategies that are targeted towards addressing challenges, which survivalist entrepreneurs face. If properly implemented, such strategies could result in sustainable and successful business ventures that will in turn result in the creation of employment opportunities in South Africa.

According to the Gordon Institute of Business Studies in the article State of Entrepreneurship in South Africa (GIBS, 2009), a lack of entrepreneurial support is a practical problem that South Africa faces. With knowledge of this problem, the researcher recommends that entrepreneurship education should be introduced at universities and institutions at an early stage. More so entrepreneurial programs should be targeted towards those areas or people who are in serious need of support.

Furthermore, the field of study was aimed at showing that different support measures should exist for the development of different entrepreneurial groups. The support that entrepreneurs seek differs depending on the entrepreneurial stage of their ventures. For instance, some entrepreneurs require finance, while others seek advice about how to manage their venture, be it budgeting wise or in terms of managerial skills.

The study also highlighted the need for entrepreneurs to enrol and complete business incubation programs in the early stages of their venture, because this is the stage when they are most vulnerable to failure. Entrepreneurs need to be equipped with the right skills from the onset of their ventures. More so, integrated support services such as training, research and

consulting should be developed for survivalist entrepreneurs. From the study we realise that those who enrolled and completed incubation programs employ a large number of people, as compared to those who did not enrol and complete the programs. Apart from this those who completed incubation programs faced fewer challenges, as compared to those who did not enrol in the programs.

1.15 Organisation of the study

Chapter One (Introduction and background): The introduction and background of the study were given, addressing the following: background of the problem; statement of the problems; research problems; research questions; objectives of the study; definition of key terms; and reliability and the significance of the study.

Chapter Two (Literature Review): Literature will be reviewed under the following heading: definitions of entrepreneurship; importance of entrepreneurship; definitions of survivalist entrepreneurs; factors contributing to survivalist entrepreneurs and challenges faced by survivalist entrepreneurs in running their business ventures, the emergence of business incubators in South Africa, and challenges faced by business incubators in servicing survivalist entrepreneurs in South Africa.

Chapter Three (Research methodology): This chapter focuses on the approach used to obtain relevant data to investigate the identified research problem. Mixed methods were used to obtain data. The design of the questionnaire is also discussed.

Chapter Four (Data presentation): This chapter is a compilation of the results found from the research. The results are compiled in the form of graphs, tables and pie charts. Data collected was also interpreted and analyzed by using data analysis tools and the research will report on the findings.

Chapter Five (Conclusion and Recommendations): The closing chapter features summary, key findings, a conclusion, recommendations, and scope for future research.

1.16 Summary

The chapter presented the research problem and its setting, background, statement of the problem, objectives of the study, definition of key terms and the significance of the study. The research methodology employed data collection, which was also briefly highlighted; it specifically considered at the research design and paid attention to mixed methods as they will be used, questionnaire and interviews as a research instrument; and the population size was also described. Non-probability sampling method, reliability and validity, ethical considerations and data presentation were also summarized.

The next chapter focuses on a review of relevant literature in an attempt to contextualize and justify the research problem considered in this study.

CHAPTER 2: SURVIVALIST ENTREPRENEURS AND BUSINESS INCUBATORS IN SOUTH AFRICA

2.1 Introduction

The previous chapter laid the foundation for this study. The chapter presented the research problem and its setting, background, problem statement, research problems, objectives of the study, definition of key terms and the significance of the study. This chapter will follow on from the previous chapter by carefully reviewing relevant literature in an attempt to contextualise and justify the research problem, which was considered in this study. Specifically, the following themes are covered in this chapter: definitions of entrepreneurship, the importance of entrepreneurship, survivalist entrepreneurs' definition, the theoretical framework in examining factors, which contribute to survivalist entrepreneurship, and challenges, which face survivalist entrepreneurs in their business ventures.

The concept of business incubation is also examined by providing definitions of the term business incubators, looking into the history of business incubators, identifying the different business incubation models, sharing the relationship between business incubators and survivalist entrepreneurs, the factors that motivate survivalist entrepreneurs to be involved in business incubation programs will also be looked into, and, lastly, the challenges that business incubators face in servicing survivalist entrepreneurs will also be examined.

2.2 Conceptual framework of the study

In the course of reviewing the literature, the researcher noted numerous theories, which are directly and indirectly related to the topic under consideration; amongst these theories are sociological theories, economic theories, cultural theories and psychological theories (Ganbote, 2013:2).

Sociological theories consider entrepreneurship as being driven by political, social and historical changes; economic theories define entrepreneurship as being driven by innovation, internal and external forces; cultural theories consider entrepreneurship as being governed by cultural factors and culturally minority groups; and lastly, psychological theories (Chetty, 2010).

Of particular interest were the push–pull theory and the psychological theory of Maslow's hierarchy of needs in examining the factors that contribute to the emergence of survivalist entrepreneurship and the business incubators models.

Push factors are those influences that drive individuals towards starting a business venture which are externally driven and lead a person to act while pull factors comprise of

environmental influences, for example, tax incentives, and personal values such as greater job satisfaction (Driessen & Zwart, 2007:3).

Shapero and Sokol (1982) in Veheul, Thurik, Hessels and Van der Zwan (2010: 6) deduce that the act of starting up a business is a result of a change that occur in an individual's life, which can take a negative form (for instance, loss of a job), or a positive form (inheritance). This notion was supported by Guzy (2006), Pinkowski (2009), and Tengeh, Ballard and Slabbert (2011) in Tengeh (2013:247), who assert that people are either push or pulled into self-employment.

Maslow developed a pyramid in which he divided people desires into a five stage hierarchy of needs, namely lower level needs at the bottom and high level needs at the top Rakowski (2011:4). Zalenski and Raspal (2006: 1122) identify the lower level needs of Maslow's theory as basic physiological needs, which are basic requirements of life, whilst higher order needs are socio-psychological needs. The lower level needs of Maslow's hierarchy best describe what motivates most survivalist entrepreneurs to venture into business as they view entrepreneurship as a way of earning a living and providing for their families.

Maslow, in his theory of needs, argues that when a need is satisfied it is no longer a motivator, because people will seek the next level of needs in the hierarchy (Reid-Cunningham, 2008:4). In the same notion, Schiffman and Kanuk (1994) in Rakowski (2011:4) acknowledge dissatisfaction as the main stimulant for human behaviour. Veheul *et al* (2010:7) maintains that apart from human, social and financial motives for entrepreneurship, human motivation plays a role.

2.3 What is Entrepreneurship?

There are many definitions pertaining to entrepreneurship, Davidsson, Delmar and Wiklund (2006:25) define entrepreneurship as the creation of new economic activities. Drucker (1985) in Misran and Kumar (2000: 137) defines entrepreneurship as an act of innovation which involves the utilisation of existing resources for new wealthy production capacity. Kao and Stevenson (1985) in Abu-Saipan (2012:23) view entrepreneurship as an effort to create value by recognising a business opportunity.

Sharma and Chrisman (2007:84) argue that there are two distinct clusters of thought to defining entrepreneurship. The first scholars define entrepreneurship by focusing on characteristics such as creativity, innovation, growth and uniqueness, and the second group's definition focus on outcomes such as the creation of value. Here, one notices that the emphasis is on the characteristics of entrepreneurship, as opposed to the outcomes.

Focusing on the characteristics, Rwigema and Venter (2004:6) define entrepreneurship as the processing, arranging, initiation and innovation of nurturing a business opportunity into a possibly high growth venture in a complex unbalanced environment. In the same view, Stevenson and Jarillo (1990:23) define entrepreneurship as a process of pursuing opportunities by individuals either on their own or within organisations.

In line with the outcome approach to defining entrepreneurship, Muljadi (2011:1-3) advances two definitions to this effect. Firstly, entrepreneurship was defined as an act of being an entrepreneur who undertakes innovations by transforming them into economic goods. Secondly entrepreneurship is seen as a process of discovering opportunities in the market, and planning, organising and arranging the necessary resources to exploit long term gain.

For this study the researcher adopted the definition from the Global Entrepreneurship Monitor in Dana (2000:4) which state that entrepreneurship is any type of entrepreneurial initiative that is aimed at attaining self-employment.

2.4 The importance of Entrepreneurship

Entrepreneurship is recognised globally as the backbone to a healthy economy, sustaining prosperity and job creation. In the United Kingdom small businesses have been identified as the lifeblood of the economy (Ball, 2005:1). The United States Department of State (2007: 1) also identified entrepreneurship as the essential ingredient to stimulate economic growth and employment opportunities in the developing world.

In South Africa, through innovation, entrepreneurship has led to the creation of new competitive markets, job creation and a multiplying effect of the economy (GIBS, 2010:2). In the same notion, Chimucheka (2013:1) maintains that entrepreneurship does not only contribute to the Gross Domestic Product (GDP), but also employment opportunities, new markets and poverty alleviation. Entrepreneurs, in their individual ventures, also enjoy benefits such as independence, financial rewards and job security, amongst others things (Luke, Verreyne & Kearins, 2007: 313-315).

2.4.1 Employment creation

Entrepreneurial ventures are the major contributors to much needed employment in South Africa. Previous studies have found that through SMEs activities, employment and growth in developing countries is substantial, the earning from self-employment is much better than formal wage jobs (Naude, 2010:3).

Unemployment is and continues to be one of the major challenges which various economies worldwide face (Fawzy, 2002:3). The unemployment rate in South Africa is 25.5% (Statistics

SA, 2014). The graph below depicts unemployment trends in South Africa since January 2012 to July 2014. In the first quarter of 2014 the rate was low and the second quarter shows that the rate had increased from 25.2% to 25.5 %. Henning (2003:2) advises that it is of utmost importance to create job opportunities in South Africa by supporting small business as owing to the high rate of unemployment.



Figure 2.1: South Africa’s unemployment trends

Source: Statistics SA, 2014

In the same view, Van Praag and Versloot (2007:352) mention that entrepreneurs play a vital role in the economy through employment creation, productivity growth and commercialised high quality innovations.

2.4.2 New markets

Apart from employment creation, Naude (2010:3) mentions that entrepreneurs play an important role in structural transformation, which is from the low income traditional economy to the modern economy, through the creation of new firms outside the household, absorbing surplus labour from the traditional sector, which result in innovative inputs to final goods producing firms and specialisation in manufacturing.

2.4.3 Poverty reduction

According to the Presidency report (1998) in the Western Cape Status of the Youth Report (2008:17), poverty is the inability to reach the minimum standard of living, which is measured in terms of basic consumption needs or income requirements to meet the needs. Naude (2010:3) states that the rapid increase of entrepreneurial activities in developing countries has been an important contributor towards poverty reduction and economic growth.

2.4.4 Equitable distribution of income

Small business allows for equitable distribution of income, as they are flexible in their operations and offer personalised services and can also work as sub-contractors for large enterprises, thus contributing to wealth creation in South Africa (Dlodlo & Dhurup, 2010: 165). According to Dwivedi and Mishra (2013:50), entrepreneurial ventures also result in female empowerment as most of the small firms in developing countries such as South Africa are owned by women, while female empowerment is essential for the health and welfare of households.

2.4.5 New products

Dlodlo and Dhurup (2010: 165) identify small businesses as providers of a variety of goods and services, which might not be provided by large businesses resulting in a wide customer selection, as well as contribution to the Gross Domestic Product (GDP).

2.4.6 Competitiveness

Nicolaides (2001:1044) believes that by encouraging entrepreneurship, an economy promotes business competitiveness in the sense that as more and more new businesses are formed, and competition levels also increase. In order to withstand such competition, businesses are forced to produce quality products and services to stay in the market, whilst come up with new innovation resulting in improvements in people's lives.

Entrepreneurship also results in benefits for the undertaker of the business venture by acting as a vehicle for personal development, profit making and job security (Balls, 2005:3). Greater attention is drawn to large corporations and their contributions towards the GDP when addressing economic stability, although small businesses have made continual significant contributions (Wilber & Dixon, 2003:1). Despite entrepreneurship being a source of economic growth, the growth of entrepreneurial ventures is not only unsupported, but it is also neglected and suppressed (Urban, 2007: 83).

In support of this notion, Naude (2010:4) asserts that the role of entrepreneurship in development was often neglected in the past. Realising the benefits of entrepreneurship, there is a need for further understanding of the relationship between entrepreneurship and business development support.

2.5 Who are survivalist entrepreneurs?

Jesselyn (2006:10) define survivalist entrepreneurs as individuals who run and manage enterprises owing to being unable to secure employment in the formal sector, but who have to find alternative ways to survive; employees who are not employed on a formal basis, and

whose income levels are generally below the minimum poverty lines; while the business venture that they run requires minimal capital; and they lack training and experience.

Jesselyn (2006:12) further provides examples of survivalist entrepreneurs by classifying them into three categories which are as follows:

- Producers that include shoemakers, dressmakers, tailors and subsistence farmers;
- Distributors, for instance hawkers, vendors and street traders; and
- Service providers, which range from taxi operators, bookkeepers, repair services and backyard mechanics.

Fisher (2011) further defines survivalist entrepreneurs as people who see going into business as merely a means of economic survival, while they depend on the profits of the business from one day to the next, and they keep very little long term wealth. He further provided examples of survivalist entrepreneurs who are basket sellers, sunglass sellers and people who sell flags in the streets.

Although survivalist entrepreneurial activities constitute a significant and growing proportion of entrepreneurs in South Africa, their exact number seems to elude researchers. Jesselyn (2006:12) estimates that there are between 1.2million and 2.8 million in South Africa who present employment opportunities to about 3 million people.

Drawing from the foregoing definitions, survivalist entrepreneurs operate on a small scale, mainly for the purpose of sustaining family needs and employment. Although they operate on a small scale, they still contribute towards economic growth, as identified by Jesselyn (2006:12) who state that they employ up to about 3 million people, and the services and products that they provide makes a difference in improving peoples' lives, hence the need to support them.

2.6 Factors that contribute to the emergence of survivalist entrepreneurship

In defining survivalist entrepreneurs, we observe that people do not always choose survivalist entrepreneurship as a legitimate, desirable career, but are rather forced by circumstances such as unemployment, the need for survival and job frustration. Veheul *et al* (2010: 4) argue that there are different combinations of motivations for individuals to be involved in entrepreneurship, which can be positive (pull) factors or negative (push) factors. Some of the factors are summarised in Figure 2.1 below.

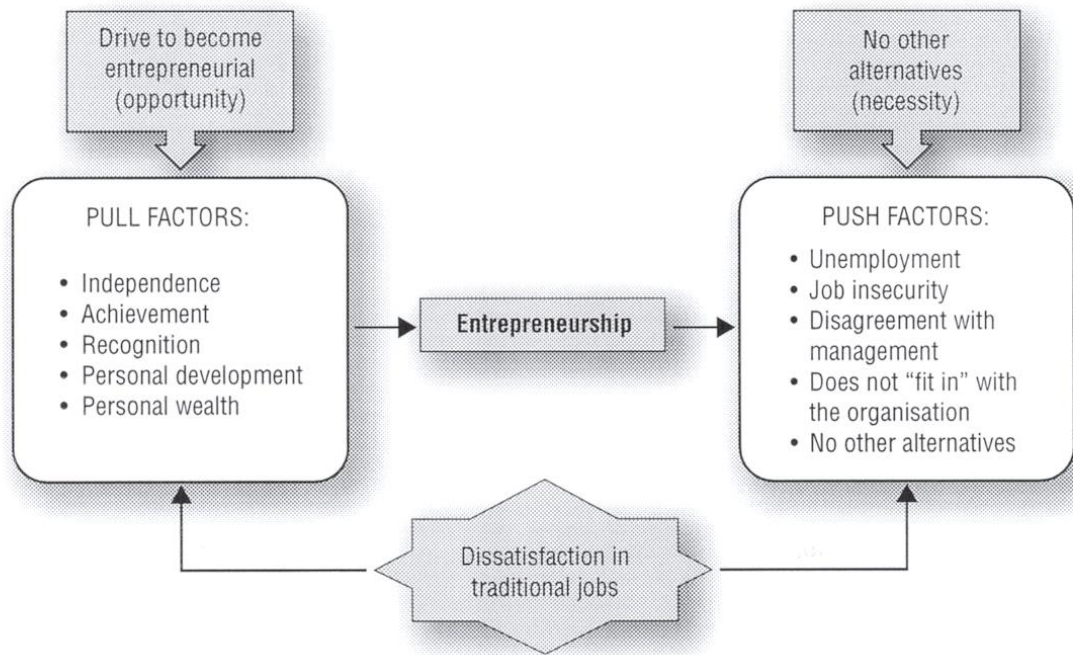


Figure 2.2: Push and pull factors

Source: Nieman & Nieuwenhuizen (2009:35)

2.6.1 Push factors

Jesselyn (2006:13) believes that people become survivalist entrepreneurs owing to unemployment and a lack of skills, as they become involved in these types of business ventures during periods of economic downswings, and during an economic boom they look for employment.

In the same view, Boyd (2000:1) mentions that members of destitute ethnic groups respond to labour exclusion by becoming survivalist entrepreneurs. From previous researchers' views, unemployment has been identified as the major impetus towards survivalist entrepreneurship. Individuals may also be driven to survivalist entrepreneurship in reaction to a certain disruptive event, for example, retrenchment and unemployment (Veheul *et al*, 2010: 6)

According to Valenzuela (2000:338), a lack of resources is also a driving factor towards survivalist entrepreneurship. Valenzuela further mentions that people engage in economic activities in the informal sector because starting a new firm in the informal sector is less expensive than in the formal sector. A lack of resources and labour market detriments are identified as the key to self-employment. Light and Rosenstein (1995: 22-25) mentioned that the reality is that those with sufficient resources normally avoid the informal sector, as their resources allow them entry into the mainstream.

2.6.2 Pull factors

Pull motivations include the need for achievement, the desire to be independent and social development possibilities (Veheul *et al*, 2010: 4). Bates (1987) in Valenzuela (2000: 345) argues that a large number of survivalist entrepreneurs are women who are attracted by the benefits of self-employment such as the ability to balance work and home which is more flexible in self-employment than in wage employment, as well as independence, and social status. This same view is supported by Gold (1992) in Valenzuela (2000: 345) who mentions that the attraction to entrepreneurship is the level of independence, prestige and flexibility, which is unavailable when one is under conditions of employment.

Light and Rosenstein (1995) in Valenzuela (2000:339) reveal two useful types of survivalist entrepreneurs, which are value entrepreneurs and disadvantaged entrepreneurs. Value entrepreneurs are those who choose self-employment rather than low wage jobs owing to a number of reasons, which include independence, autonomy, social status and flexibility (pull factors). Whilst disadvantaged survivalist entrepreneurs are those who undertake self-employment owing to labour market disadvantages, earning higher returns on their human capital in self-employment rather than in wage and salary employment, or not having other options of employment (push factors) (Light, 1979; Min 1988) in Valenzuela (2000:339).

Veheul *et al*, (2010: 7) assert that a combination of both pull and push factors can influence individuals to start business ventures. In the same notion, Birley and Westhead (1994:14) argue that starting a business is a multifaceted process, which involves a variety of motivation and stimuli.

2.6.3 Maslow's hierarchy of needs

In addition to the push–pull theory, Maslow's theory of needs was also utilised in this study to identify what motivates the two categories of survivalist entrepreneurs to venture into business. Disadvantaged survivalist entrepreneurs fall into the lower level needs of Maslow's hierarchy of needs. Lower level needs are physiological needs and safety needs. Reid-Cunningham (2008:16) identifies physiological needs as the basic requirements of life: food, and breathing. Safety needs includes a desire for steady employment, health care, safe neighbourhoods, and shelter from the environment, as well as security stability (Maslow, 1934:370-96). From the above definition of survivalist entrepreneurs, we realise that people are motivated to be in business owing to unemployment and the need to sustain family needs; hence, they seek the basic requirements of life and safety needs.

Value survivalist entrepreneurs are motivated by monetary rewards, but they seek and are motivated by other things other than money (Valenzuela, 2000:345), (Gold, 1992). Value

survivalist entrepreneurs fall into the higher level needs of Maslow's hierarchy, as they are motivated into self-employment by their values, the need to achieve, the need to independent, the need to maintain social status and the need for love. Light and Rosenstein (1995) in Valenzuela (2000:345) mention that others seek entrepreneurial independence, social status, life-style or self-concept in comparison to the lower paid jobs.

Zalenski and Raspal (2006: 1121) state that the first level of Maslow's hierarchy are physiological needs, which include food, shelter, air and water, amongst others, and these are the basic requirements of life. Safety needs are the needs for security, stability, protection and freedom from fear. These lower level needs best identify with disadvantaged survivalist entrepreneurs, as they do not choose entrepreneurship as a career choice, but owing to desperation and a need for survival.

Figure 2.2 below indicates where value survivalist entrepreneurs and disadvantaged survivalist entrepreneur's fall in Maslow's hierarchy of needs, based on what motivates them to be survivalist entrepreneur.

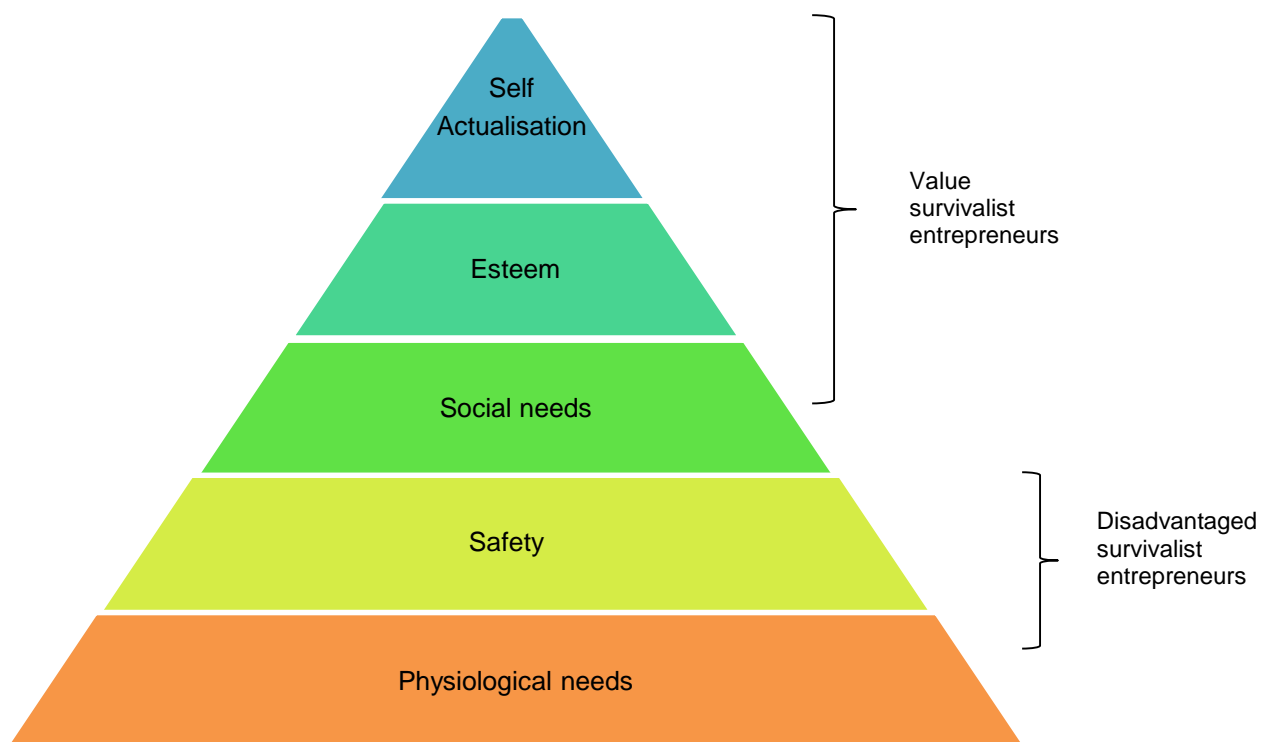


Figure 2.3: Maslow's Hierarchy of needs

Source: Maslow (1934:370)

The top level needs on Maslow's hierarchy are social needs, esteem needs and self-actualisation. Social needs are needs for love and belonging, while esteem needs include prestige and societal recognition, and self-actualisation is reached when one realises self-

fulfilment (Cunningham, 2008:19-20). Top level needs best identify with value survivalist entrepreneurs.

Although some survivalist entrepreneurs venture into business owing to desperation, they still contribute towards reducing unemployment by creating jobs for themselves (Tengeh, 2013:352). Previous research mainly focused on large entrepreneurial ventures, and did not focus much on survivalist entrepreneurs; therefore, a research gap exists in survivalist entrepreneurship, its contribution towards the economy, and the business support services that are available for survivalist entrepreneurs.

2.7 Challenges faced by survivalist entrepreneurs in their business ventures

According to the GEM report (2006), an individual's ability to respond to opportunities of starting a business is affected by business conditions and the entrepreneurial framework in which they operate. These entrepreneurial conditions affect decision making and the rate of response to opportunities are: access to finance; education and training; government regulations; legal and financial infrastructure; research and development, amongst others.

Figure 2.3 below summarises the challenges that survivalist entrepreneurs face in running their business ventures, as identified by the GEM (2010) and InfoDev (2010:9) in the previous chapter.



Figure 2.1: Challenges faced by survivalist entrepreneurs in their business ventures

Source: InfoDev (2010:9)

2.7.1 Education and training

According to Isaacs, Visser, Friedrich and Brijlal (2007: 613), education is crucial to establishing a culture of entrepreneurship in South Africa. Entrepreneurship education is the purposeful intervention by the educator to impart entrepreneurial qualities and skills in the life of a learner in order to enable the learner to survive in the business world (Isaacs, *et al*, 2007: 614). The GEM report (2001) indicates that problems with education and training are a major inhibitor of entrepreneurial growth in the economy. According to the Western Cape Status of the Youth Report (2008:11), the Apartheid era influenced access to basic education, one in four black adults in 1996 was affected, and only 6% of South African adults had tertiary education, which affected their ability to interact with mainstream economy.

The Western Cape Status of the Youth Report (2008:11) further maintains that peoples' confidence and self-esteem have been damaged, while critical thinking and questioning were not encouraged during the Apartheid period, and entrepreneurial education was not encouraged. Apartheid education deliberately instilled in many South Africans that it was unfavorable to run successful entrepreneurial ventures.

Education systems influence entrepreneurial success. This view has been supported by the GEM report 2002, which shows that there is a positive and strong relationship between educational levels and business success. Findings from the Western Cape Status of the Youth Report (2008:11) included that the average level of education of a formal business entrepreneur was significantly higher than their informal counterparts.

Largely, there is a gap in entrepreneurial training, as education systems in South Africa do not encourage entrepreneurship as a career, because entrepreneurship is seen as something that people can do when they fail to secure a job and when they do not have a career (InfoDev, 2010:8). Thus support levels are low. The GEM Report 2004 in Western Cape Status of the Youth Report (2008: 11) suggests that entrepreneurship education can have a significant influence on entrepreneurial self-confidence, help entrepreneurs to understand financials, create a desire to start own business not solely for employment purposes and create a desire to undertake higher education.

2.7.2 Limited resources

Entrepreneurs are generally faced with limited resources, which challenge their business ventures regardless of the sector in which they operate. This is a major challenge for survivalist entrepreneurs and a push factor for them to be involved in entrepreneurial activities. According to InfoDev (2010:8), there are limited resources available to support entrepreneurs in starting

their business ventures; the availability of resources determines the capacity in which they operate on.

Access to finance is the most widespread problem, which faces many entrepreneurs; however, the Gem Report (2001) showed low reports on financial problems. South Africa is experiencing the same problem as other developing countries in terms of a lack of access to finance (GEM, 2003).

In support of this view, Light and Rosenstein (1995:26) maintain that although entrepreneurship is still so significant to economic development, the availability of entrepreneurial resources affects the level of entrepreneurial contribution to society, whilst retracting equal economic opportunities of individuals in their business ventures.

Furthermore, GEM (2003) states that the most important funding for entrepreneurial ventures, is the entrepreneurs themselves with 50% of all South African entrepreneurs reported to have used own savings and income as a source of funding for their businesses.

According to the Western Cape Status of the Youth Report (2008:12), studies show that a lot of small businesses could benefit financially from adopting a few relatively simple administrative and managerial practises and in order to adopt these managerial and administrative skills there is a need for mentoring and coaching from business incubators.

Although these skills are mentioned to be adopted by entrepreneurs to ensure their survivability little research has been done to show the link between these administrative skills and managerial skills for the financial health of an entrepreneurial venture (The Western Cape Status of the Youth Report, 2008: 12).

2.7.3 Government regulations

Regulations implemented by the South African government create huge administrative burdens and high costs when starting a business, which discourages entrepreneurs from starting a sustainable business venture (InfoDev, 2010:8). International evidence has shown that the regulatory environment has a greater stimulus on the survival and growth of new entrepreneurial ventures. More so research in ten countries (Ghana, South Africa, Tanzania, Uganda, Kenya, Zambia, Poland, Hungary and Latvia) shows that the most important action towards stimulating growth for SMEs is the elimination of inappropriate regulations (Bannock, Gamser, Juhlin & McCann (2002) in the Western Cape Status of the Youth Report, 2008:13).

It has also been noted that small businesses face higher costs in terms of government regulations. A study by the Strategic Business Partnerships (SBP) (2004) found out that the compliance cost for small businesses represents 8.3 % percent of turnover for enterprises with

annual sales of less than R1 million, and 0.2 of turnover for corporations with sales of R 1 billion or more. The average cost per person employed by firms with less than five employees are ten times higher than for firms with between 200 and 499 employees (SBP, (2004) in Western Cape Status of the Youth Report, 2008:13).

Due to the existence of these onerous regulatory requirements in South Africa, entrepreneurs find it challenging to register a business, hence the existence of survivalist entrepreneurs. The Western Cape Status of the Youth Report (2008:13) mentions that it is ideally easy to start a business, but in South Africa starting a business involves 9 procedures, while it takes about 38 days to register a new business.

2.7.4 Infrastructure

According to InfoDev (2010:8), the infrastructure and other necessary skills, which are required for entrepreneurship development are lacking. Infrastructure refers to the basic physical and organisational structures that are needed for successful operation of an enterprise or services and facilities that enables an economy to function (Soji & Hannah, 2009:19).

Infrastructure facilitates the production of goods and services, as well as the flow of the goods and services to the final consumer (Soji & Hannah, 2009:19). Ekeledo and Bewayo (2009:1) believe that basic physical infrastructure, which necessitate's economic development are of poor shape in most African countries, examples being poor transportation systems and power supply, which makes small business operations difficult.

Ekeledo and Bewayo (2009:1) concludes that poor transportation facilities result in high costs being incurred by entrepreneurs for their goods and services to reach the final user, and damage to equipment owing to power cuts, which results result in high replacement costs.

Cogburn and Adeya (2000) in Ekeledo and Bewayo (2009:1) identify information and communication infrastructure as a challenge to entrepreneurial operations, as poor communication infrastructure results in poor access to important information, and poor communication networks, which are essential for the success of an entrepreneurial venture.

2.7.5 The negative individual mind-set

The Western Cape Status of the Youth Report (2008:12) identified an entrepreneurial mind set built on three characteristics, namely individual drive, passion, self-confidence, initiative and perseverance, whilst survivalist entrepreneurs lack the ability to sustain the level of drive and determination, which is required for entrepreneurial success, because they see themselves being unable to influence the outcomes of their lives. Hence, there is a need for business incubators to chip in to assist survivalist entrepreneurs in building an entrepreneurial mind-set.

2.7.6 Isolation from markets

Survivalist entrepreneurs suffer from being isolated from markets. Naude (2010:1) believes that promoting entrepreneurial activities in the informal sector is not worthwhile owing to ambiguous statistical evidence on whether they contribute to economic growth. Survivalist entrepreneurs are viewed as having little or no significant impact on economic development, as they are excluded from markets and they receive little support.

Naude (2010:1) further mentions that the seeming irrelevance and importance of entrepreneurs is the danger that well-intended support policies may have unintended negative consequences such as patronage, corruption, rent seeking and prolonging the life of inefficient and low productivity firms.

2.7.7 Unaware of their potential

Survivalist entrepreneurs face the challenge of being unaware of their potential, and do not understand the broader ideas that are required for enterprise sustainability, and they have a narrow and short term view of business development (InfoDev, 2010:8).

2.7.8 Few income generating activities

Due to operating on a small scale, the activities of survivalist entrepreneurs are usually low income generating activities; hence, they do not make sufficient funds for growth.

Resolutions to these identified challenges have been proposed by Kroon (2002:221) who suggests that in order for successful entrepreneurial development in South Africa, focus should be on improving small business support infrastructure, building networks, establishing government policies that focus on small businesses and entrepreneurship development.

2.8 What is a business incubator?

The National Business Incubation Association, in Wilber and Dixon (2003:1), defines a business incubator as an economic development tool, which is designed to accelerate the growth and success of entrepreneurial ventures by providing a range of business resources and support services. Buys and Mbewana (2007:356) define business incubators as providers of protected environment for business during their start up stage; there are organisations that are established to help entrepreneurs to develop their ideas.

Allen and Rahman (1985:1-2) believe that even if entrepreneurs have specialised knowledge, they often lack a number of business skills, which are provided by business incubators through their support network. Wilber and Dixon (2003:5) argues that business incubators are providers

of rental space, business consultancy services, shared office services, office equipment at little or no cost, and a number of administrative services for small businesses.

Said, Adham, Abdullah, Hannien and Walsh (2012:71), state that business incubators evolve through three important stages, which are depicted in the following figure, Figure 2.4.

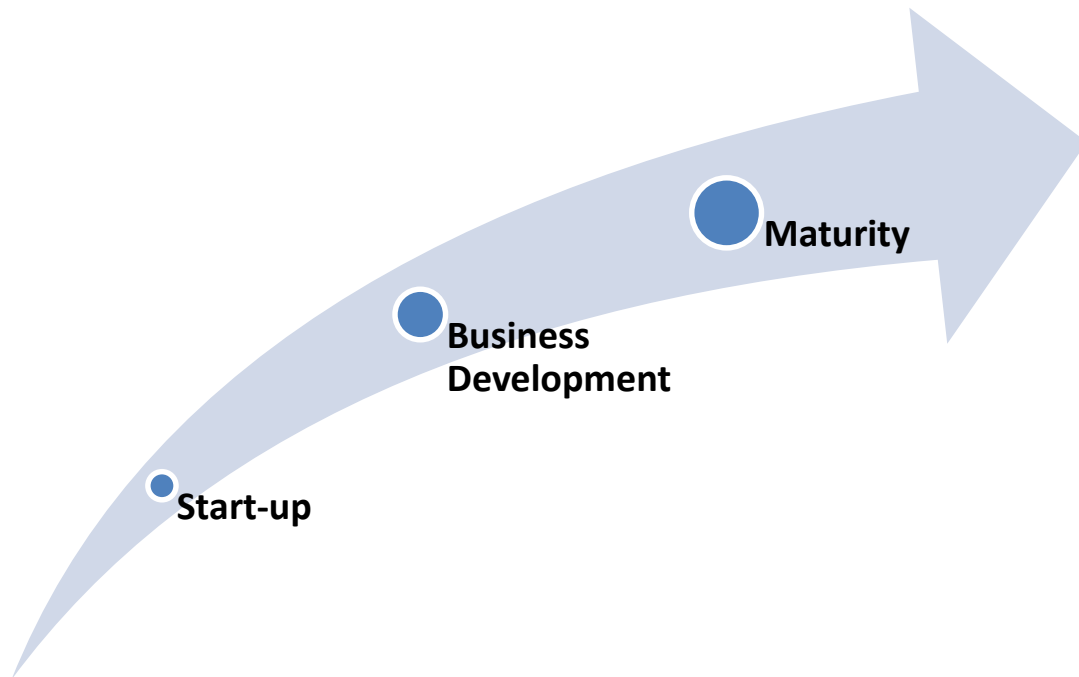


Figure 2.2: Evolution of business incubators

Source: Said *et al* (2012:71)

These identified stages are essential to determine the effectiveness of a business incubator. Different stages in the life cycle enable the business incubator to resolve certain problems; hence the services that are offered depend on the stage where the incubator is at in the life cycle while they perform better as they reach maturity stage (Allen & McCluskey, 1990 in Said *et al*, 2012:71). Therefore, examining the impact of a business incubator should be measured based on the incubators goals, addressing the stakeholders' needs and the stage of the business incubator's the life cycle stage (Said *et al*, 2012:71).

2.9 The history of business incubators

The history of business incubators dates back to 1959, with the first incubator established in New York, the Batavia Industrial Centre (Hackett & Dilts, 2004:57). In the United Kingdom only ten (10) incubators were established by 1980, and by 1995 the number had risen to about 500 (Buys & Mbewana, 2007:356).

In South Africa business incubation began in 1995 when hives of businesses were set up by the Small Business Development Corporation (Lalkaka & Abetti, 1999) in Meru & Struwig (2011:113), (InfoDev, 2010:14). According to Mbewana (2006) in Meru and Struwig

(2011:113), the hives of industries comprise of independent workstations that are put together to constitute a cluster of workshop, for example, Ntsika, Khula and the Council for Scientific and Industrial Research, which embarked on a number of incubator programs. InfoDev (2010: 15) reports that a number of business hives still exist, and amongst these are Maxum at The Innovation Hub, Sedichem and Bandwidth Barn, which are public sector supported incubation centres in the country.

In order to increase small business support, the government initiated about nine new incubators in 2011 in order to increase the number of Small Enterprise Development Agency (SEDA) incubators to 44 (Timm, 2013) (GEM, 2012). According to the Department of Trade and Industry, in 2012 forty-two 42 incubation centres had been established (DTI).

Niammuad, Mapompech and Suwanmaneepong (2014:199) assert that incubators offer different types of resources, some incubators are technology based incubators whilst some are business development based. The OECD (2010:1) defines technology business incubators as business incubation schemes that assist entrepreneurs who are technology-oriented in their start-up and early development stages of their firms through the provision of workspace, shared facilities and a range of business support services.

According to Goldmark (1996) in Meru and Struwig (2011:113), business development services, which include training, transfer of technology, mentoring, business advice and information, are aimed at small and micro entrepreneurs to improve the performance of their business.

Although there is previous research on business incubators, little has been reported on the incubation process, business incubator services and how entrepreneurs perceived services, which are offered by business incubators (Hannon, 2005 in Meru & Struwig, 2011:114). Therefore, a research gap exists between business incubator support services, and how they are perceived by entrepreneurs.

Research shows that entrepreneurship education is essential, for it leads to entrepreneurship development through enhancing one's self efficacy, increasing passion for entrepreneurship, as well as entrepreneurial intentions (Basu & Virick 2008 in Turton, Kew & Dyring Christensen, 2012). Research also found out that identifying new business opportunities, new product creation and creativity led to greater chances of entrepreneurial activity (Zhao, Seibert, and Hills, 2005 in Turton *et al.*, 2012).

The Gordon Institute of Business Science (GIBS) and First National Bank (FNB) (2009:23) in their publication, the State of Entrepreneurship in South Africa, mention that effective incubation requires selection of the right entrepreneurs by targeting high impact business and

high impact entrepreneurs. This alone gives a clear indication that the survivalist entrepreneurs are being left out of incubation programmes, as they are considered to have an insignificant impact on the economy.

In 2011 a Small Business Review was conducted by the Department of Trade and Industry, which proposed support for new businesses, including the launching of more incubators and incentives the involvement of other actors in incubation. The review indicates that incubators in South Africa focus more on quantity rather than quality, in reference to ideas and people with high potential. According to Timm (2013), South African state-run incubators create an average of less than one job.

Despite the opportunities that SMEs present to the South African economy, a number of researchers have noted that entrepreneurship levels in South Africa are very low (InfoDev, 2010:7). A survey was conducted to determine positive and negative effects of supporting entrepreneurship, and the findings were that entrepreneurs lack the skills and the mind-set to become true entrepreneurs (GEM, 2006).

The GEM Report 2006 study advocates that although there is a positive entrepreneurial culture at other macro level, the reverse is true at the micro level, where there are low signs of growth and the level of innovation is low. This study, therefore, aims to look deep into identifying reasons why entrepreneurial levels in South Africa remain low, even though there are a number of incubators, which offer support to entrepreneurs.

In collaboration with the above notion, GEM (2008) articulates that the frequency in low business growth rate has remained a major concern in South Africa. Poor sustainability of start-up ventures in South Africa, as compared to other countries, call for policy intervention that aim to support and mentor entrepreneurs, especially in the start-up phase (GEM, 2001:3).

The DTI (1995) states clearly that support that is offered is often provided to those entrepreneurs who provide generic business plans and survivalist entrepreneurs lack the skills of compiling a business plan, hence they receive less support in their ventures.

Previous research has highlighted that business incubators play a critical role in SMEs. It was recommended that instead of replicating existing SMEs, incubators should inspire upcoming entrepreneurs to find their unique selling point, encourage business growth and find a niche in the market (Meru & Struwig, 2011:114). According to the Entrepreneur Magazine (2012) survivalist entrepreneurs denote a significant portion of emerging SMEs in South Africa, though their growth is suppressed by a lack of support.

The GEM Report (2012) suggests for South Africa to create much needed employment, support must be channelled towards entrepreneurs who are motivated by opportunities rather

than those who are motivated by necessity or a need to survive, which alone indicates how survivalist entrepreneurs are excluded from business support.

Despite of the long existence of business incubators in South Africa, there is still contradictory evidence as to whether incubation works or not. Hackett and Dilts (2004) in Isabelle (2013: 17) mention that firms associated with incubation have a high survival rate and achieve higher growth rates in terms of employment creation and sales in comparison to non-incubated firms. Conversely Scillitoe and Chakrabarti (2010) in Isabelle (2013:17) believe that view that incubation has little or no effect on business success.

2.10 Business incubator operational models

The Global Forum (2013: 3) mentions that there is no one model that “fits all” for business incubation, and hence the models vary depending on objectives, the business environment, their owners and the funders. Scaramuzzi (2002:6-7) cited five (5) incubator models which are first generation incubators, university incubators, virtual incubators, international enterprise centres and dot.com incubators. Aranha (2003:5) identifies four (4) incubator models, which are bricks and mortar, eggubator, virtual or without walls, as well as the hub also known as venture incubators.

2.10.1 Bricks and mortar

The bricks and mortar is a historical model, which focuses on physical facilities, office support and on-site services (mainly administration support). The bricks and mortar model, simply provides a physical gathering place where entrepreneurs can work, without funding (Aranha, 2003:13). The SEDA Construction Incubator in South Africa for instance, provides business support services and office infrastructure (Tambudze, 2012).

2.10.2 Virtual, portal or without walls

These are a new model of business incubators in their start-up phase with no solid track record, while provide a range of services electronically, while they also give access to a limited amount of funding (Aranha, 2003:13). Bodibeng Technology Incubator and Soft –Start Business and Technology Incubator in South Africa offer support in information technology (Tambudze, 2012). Virtual models offer easy access to a range of services with no administrative costs associated with physical facilities (Aranha, 2003: 14).

2.10.3 Hub or venture incubator

Aranha (2003:14) describes the hub as a combination of the brick and mortar and the virtual incubators, which offer a specialised range of services, but provide a limited amount of funding to their clients, while their network with the outside world is underdeveloped, informal and

inconsistent. Shanduka Black Umbrellas is a good example of this model in South Africa (Tambudze, 2012).

2.10.4 Eggubator

The eggubator builds dedicated business alliances both internally and externally which offers good sources of funding, and a total range of services, which provide high quality information and acts as the parent company, the service provider, the source of networking and support, the cradle and the hatchery, and incorporates all the other models (Aranha, 2003:15). In South Africa, Raizcorp provides full business support services (Tambudze, 2012).

2.11 The relationship between incubators and entrepreneurship

Triantafyllopoulou (2006:9) describes the concept of business incubation as how hospitals and maternity clinics nurture a prematurely born child, providing a simulated environment, whilst monitoring the life systems of the child until they reach a stage of being brought up like a normal child. This concept is much similar to what business incubators are to entrepreneurs in terms of how they relate to each other, where the business incubator is the hospital and the entrepreneurial venture is the prematurely born child.

In the same notion, Buys and Mbewana (2007:357) mention business incubators as helpers of companies to grow and survive when they are most vulnerable in their start-up stage. Incubators are identified as support givers to entrepreneurs, hence their performance and success are ultimately dependent on the number of entrepreneurs or clients they have assisted, and how they perform in their business ventures (Centre for Strategy and Evaluation Services (CSES), 2002: 38).

In order for business incubators to fully contribute towards entrepreneurship, it is essential to establish the relationship between the two, and how they all fit into one another.

2.11.1 Mission and purpose

The mission and purpose of the business incubator should be linked, and should address the needs of the incubatees. According to Naude (2010:3), incubator support is more appropriate in the early stages of an entrepreneurial venture. Entrepreneurial firms can either be in start-up mode, business development mode and others in the maturity stage. Therefore, it is essential for business incubators to identify and understand the stage of the incubatees.

Isabelle (2013:19) mentions that incubators are most successful when their mission and goals are in line with or correspond with the entrepreneur's needs, as well as sponsoring organisations. In other words, it is important for entrepreneurs and business incubators to understand each stakeholders need.

In order for entrepreneurs to gain fully from incubator programs, (Isabelle, 2013:19) recommend that it is essential for entrepreneurs to look at the core activities of a business incubator before signing up for the program.

Entrepreneurs should also consider the reputation of the business incubators that they are signing up with, and if the entrepreneur's industrial sector is also the focus area of the business incubator. Furthermore, entrepreneurs should consider performance measures of the incubator's company like number of clients, the survival rate of clients, occupancy rate, management effectiveness, royalties, and investments raised (Isabelle, 2013:19). The reputation of the incubator organisation is a critical factor for the entrepreneur in deciding the incubators to be involved with, because it determines the visibility of the entrepreneurial firm and the ability to attract capital, resources and talent (Isabelle, 2013:20).

2.11.2 Incubators selection and graduation policies

According to Isabelle, (2013:20), incubators apply certain criteria regarding who to include in their incubation program, while they carry a needs assessment and evaluate each candidate's business based on their mission, industrial sector, location and coach ability of the entrepreneur. In addition to these criteria, high growth potential, and market opportunities can also be evaluated. In the same notion, Dee, Gill, Lacher, Livesey and Minshall (2012:9) states that instead of catering for all types of firms, business incubators should introduce their own selection process to target a selected number of firms.

One may, therefore, suggest that by diligently defining and aligning their selection policies, business incubators will impact positively on their clients.

2.11.3 Nature and extent of services

Carayannis and Von Zedtwitz (2005) in Isabelle (2013: 20) argue that the services that are offered by business incubator models are as shown below in Fig 2.5.

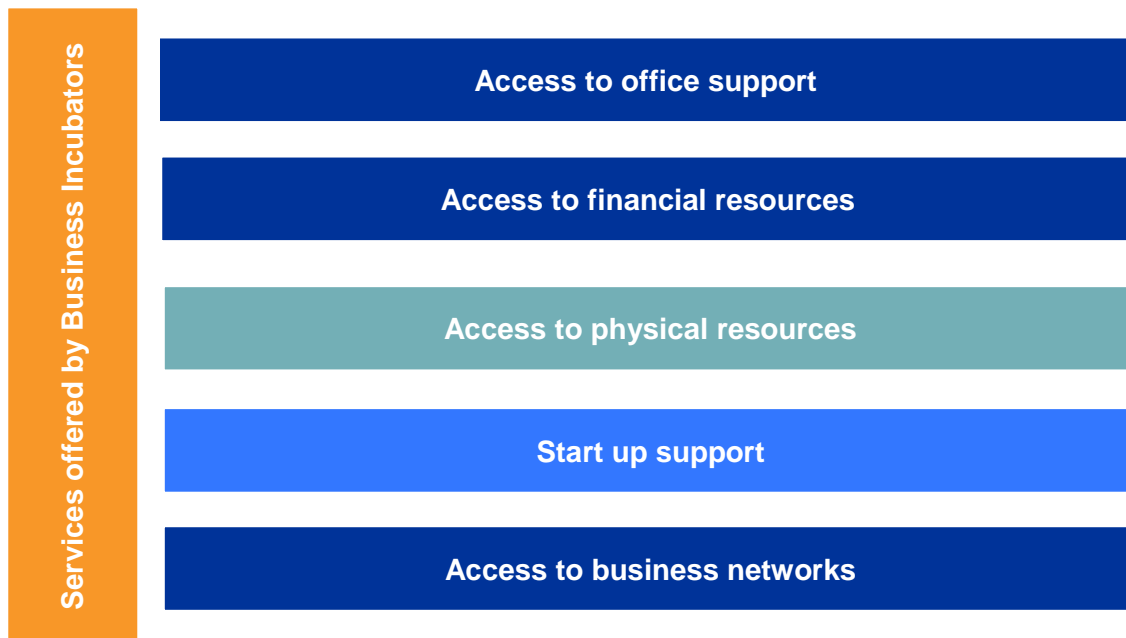


Figure 2.3: Services offered by business incubators

Source: Carayannis and von Zedtwitz (2005) in Isabelle (2013: 20)

According to Carayannis and Von Zedtwitz (2005) in Isabelle (2013: 20), the identified services above are the most important activities that a business incubator can offer. If an incubator offers fewer than four of these services it means that they lack too many elements to be considered as an incubator.

2.11.4 The network of partners

Isabelle (2013:20) identifies extensive network advisors as a critical component amongst the services that are offered by business incubators. It is through these networks that the business incubator can facilitate access to funding for the entrepreneur, access to technology, as well as access to expert skills, which are required in their business ventures. Thus, it is crucial for entrepreneurs to consider the availability of extensive network advisors when choosing an incubation firm to nurture them.

The relationship between business incubators and entrepreneurship enabled the researcher to clearly understand the importance of business incubators to entrepreneurs. To sum up, business incubators give entrepreneurs access to business networks, access to finance, and the necessary support that entrepreneurs need to achieve their goals. This notion has been supported by Van der Zee (2007:14 - 16) who outlines the value of business incubators as giving incubatees access to finance, access to shared office services, access to business assistance and access to business networks.

2.12 Factors that motivate survivalist entrepreneurs to be in incubators programs

In order for business incubators to provide services that match the needs of entrepreneurs and to ensure satisfaction of entrepreneurs, it is essential for incubators to understand the motivation behind entrepreneurs' involvement in their incubation programs. The Bandwidth Barn Impact Report (2012:8) found out that 22% of the entrepreneurs in the Cape Metropolitan do not participate in their programs because of a mismatch of needs; the entrepreneurs mentioned the inappropriateness of the services in respect of their needs.

2.12.1 Lack of skill and expertise

Kirsty (2010:3) believes that in order to be successful in their entrepreneurial ventures, survivalist entrepreneurs should have skills and expertise in the industry in which they operate, while they should also be able to find gaps and opportunities in the market and take advantage of them. Spotting and taking market opportunities requires that someone has knowledge of the ins and outs of the industry, and has a clear understanding of how to exploit the identified gaps, and apparently this skill is lacking amongst entrepreneurs and hence the need to be involved in incubation programs (Kirsty, 2010:3).

2.12.2 The challenges of obtaining funding

Kirsty (2010:3) mentions that access to finance is the greatest challenge that entrepreneurs face which has contributed to them being involved in incubation programs. Financial institutions are quite nervous to lend money to new businesses owing to the risk of failure associated with them; entrepreneurs should find a founding partner who will act as a mentor, as well as give access to funding (Kirsty, 2010: 5). This can be achieved through business incubator support, as it is easy for them to obtain funding from investors, banking institutions and the government.

2.12.3 Technology

Business incubators give survivalist entrepreneurs access to better and improved technology, as it is always changing. In order to stay competitive in their ventures, there is a need to be abreast with new technologies (Kirsty, 2010:4).

2.12.4 Access to business network

According to Kirsty (2010:4), the market is not merely an economic institution; it is also governed by social networks, which enable information sharing, resulting in new innovation ideas. Access to business networks enables entrepreneurs to succeed even if they have limited access to funders (Kirsty, 2010:4). Business incubators have established networks that

they can connect survivalist entrepreneurs to, and they also run workshops where social interaction is encouraged.

Although these factors motivate entrepreneurs to enrol in incubation programs, not all of them complete the programs (Beats, 2013 & Falkena *et al*, 2001). Most of the business incubators are partly or fully publicly funded (Dee *et al*, 2012:9). Incompletion of incubation programs, therefore, implies publicly funded resources being wastage, which could be channelled towards other needs.

2.13 Challenges faced by business incubators in servicing survivalist enterprises

Business incubators also face challenges in servicing entrepreneurs, in order to carry a rational assessment of why incubation programs are not completed, hence, there is a need to look at it from all perspectives that is the entrepreneur's side and the business incubator's side.

2.13.1 Geographic area

Entrepreneurs are located in different geographic areas, which have presented incubators with the challenge of being unable to reach some of the people in need of their services, and some of these survivalist entrepreneurs are located in remote and rural areas (InfoDev, 2010:28). In the same view, Buys and Mbewana (2007:357) mention that a good location for business incubation is where there is access to scientific and technical knowledge and services, as well as supporting infrastructure.

2.13.2 Skills

Some business incubators have a mindset of providing educational programs based on what they offer rather than what the entrepreneurs require; they lack the skills to adapt to the needs of entrepreneurs (Jordan, 1998 in Information for Development Program (InfoDev), 2010:29). Wilber and Dixon (2003:1) also mention that business incubators face the challenge of equipping small business owners and managers with the necessary skills in order to survive in a competitive market.

2.13.3 Lack of funding

Business incubators also face a challenge of fund shortages when servicing survivalist entrepreneurs, as most business incubators do not have in-house seed funds and most start-ups require about R500 000 (InfoDev, 2010:29).

2.13.4 Quality of entrepreneurs

Buy's and Mbewana (2007:358) believe that the success of an incubation program depends on the quality of the entrepreneurs that are incubated, while entrepreneurs must have a desire to succeed, willingness to learn, and be prepared to take calculated risks.

2.13.5 Inconsistent stakeholder support

Consistency, clarity and cooperation from stakeholders who necessitate the functionality of business incubators are essential. Stakeholders such as the government, the broader community, venture capital providers, local business and incubators management should be consistent with the needs and capacities of the clients that the business incubators are aiming to serve, and the support offered should be in line with the roles and objectives of the business incubator (Buys & Mbewana, 2007:358).

2.13.6 Supportive government policies

The success of business incubation services towards entrepreneurship is largely dependent on favorable economic and industrial policies; the government policies in place should in support incubator services and not limit their operations in order to fully support entrepreneurs (Buys & Mbewana, 2007:358).

2.13.7 Competent and motivated management

According to Buys and Mbewana (2007:358), business incubators face a challenge of competency and motivation issues in servicing entrepreneurs. Regarding the quality of the management team appointed to operate with them, the appointed management team should have a business background and skills in entrepreneurship, leadership, organisational skills, and also have established networks in the community.

2.13.8 Lack of commitment

Survivalist entrepreneurs lack commitment in their business ventures, and view going into business as a way of generating minimal income, whilst they wait for formal sector job opportunities, thus only a selected group creates lasting business (Rolfe, Woodward, Ligthelm, & Guimaraes, 2010: 6). Business incubators are faced with this challenge of investing their resources in entrepreneurs with a short term view of business. The Bandwidth Barn Impact Report (2012:8) findings were that 8% of the entrepreneurs do not have time to attend their programs, which is a clear indication of a lack of commitment.

2.13.9 Mentorship

Kirsty (2010: 19) believes that the success or failure of entrepreneurs is depends on them; mentorship guarantees a greater chance of survival in their business, therefore, the need to seek incubator's support.

Previous research suggests that there is a need for further research regarding the selection of incubator business models, which are appropriate in different and changing contexts, whilst linking the activities of business incubation with those of new ventures in emerging industries, to consider other bodies of knowledge relating to entrepreneurship and firm growth (Dee *et al*, 2012: 30).

2.14 Summary

To sum up, survivalist entrepreneurs operate on a small scale, they lack support in their business ventures, hence they have a small chance of survival. Apart from this their own mind-set also influences the success rate of their business. They face a number of challenges in their business ventures, and some of these include a lack of skills and a lack of access to funding, hence the need for support. Business incubators conversely have been identified as vehicles to entrepreneurial success, as they grant solutions to entrepreneurs regarding the main problems that they face in their businesses. There is a need for business incubators to fully understand what the entrepreneur requires to avoid a mismatch of support that is offered, while survivalist entrepreneurs should be fully committed to the incubation programs. The next chapter consider the research methods that were utilised for the study.

CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

The previous chapter examined the literature review; this chapter focuses on the research methods, which were applied in order to obtain results to the research questions.

Research design is of vital importance since it determines the success or failure of a research, while it guides the logical arrangements for data collection and analysis so that a conclusion can be drawn (Phoofolo, 2006:36). It is a plan to conduct research with maximum control over any factor that may hinder or affect the validity of the findings (Burns & Grove, 2003:195). Schwardt (2007:195) describes a research methodology as a theory of how an inquiry should progress, involving analysis of assumptions, principles and procedures in a particular approach of inquiry.

This chapter describes how research design and methodology were utilised in this study to enable the researcher to come up with a conclusion to the research problem. The field work was conducted during the period of July 2014 to September 2014. The researcher maintained sound correspondence with the informants in order to query any further matters that may arise in the research. The study is a descriptive, which utilises both quantitative and qualitative research methods. The main techniques utilised for data collection were semi structured interviews and questionnaires.

According to Burgess (2001:1), the basic research process comprises of 7 steps, which are as follows: defining the research aims, identifying the population and sample, deciding on data collection methods, designing a questionnaire, conducting a pilot study, carrying out the main survey and analysing the data. The chapter will discuss these 7 steps of the research process. The research process is shown below in Figure 3.1.

In addition to the research process, prevention of bias, reliability and validity of data will also be considered. The data was analysed by using the SPSS software. The last section of this chapter covers ethical issues and ends with a brief summary of the chapter.

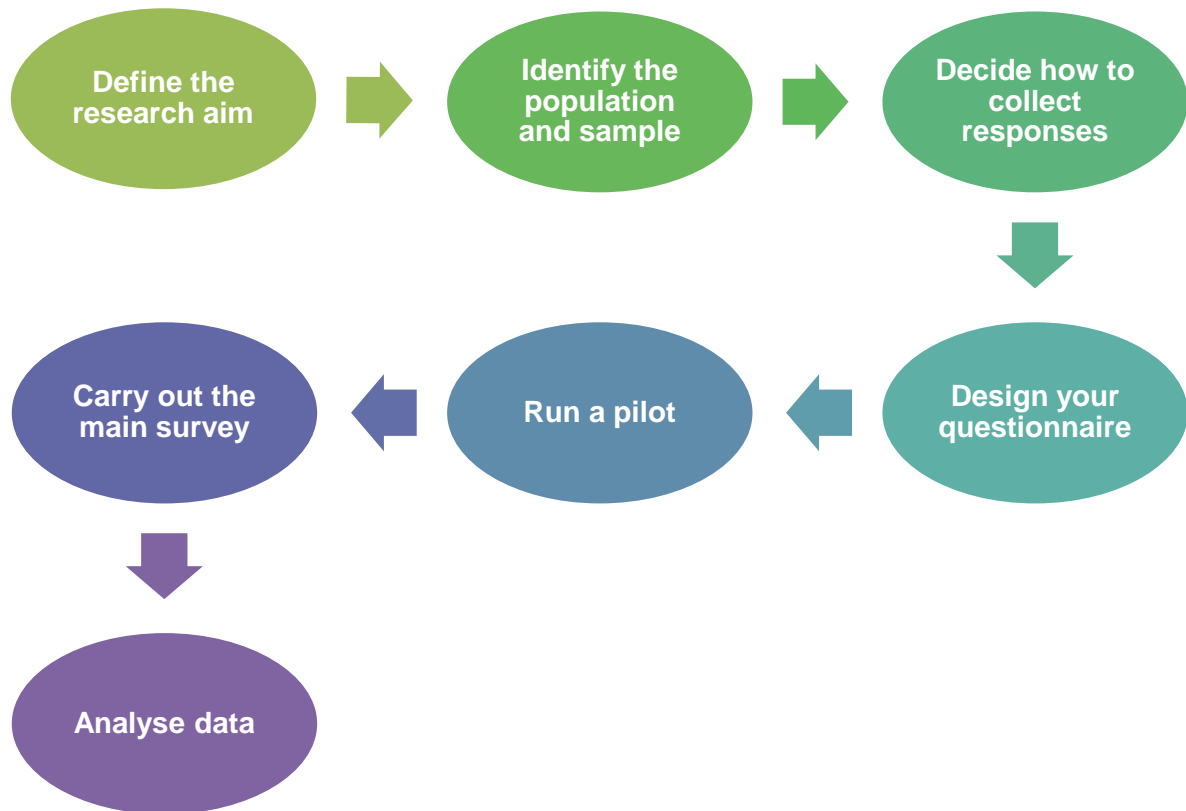


Figure 3.1: The research process

Source: Burgess (2001:1)

3.2 Research problem

As discussed in the introductory chapter, although business incubation programs are being introduced to support SMEs, small business failure remains a challenge in South Africa. Zaaiman and Zaaiman (2012:2) and Beats (2013) note that not all entrepreneurs receive support from business incubators and not every entrepreneur who get involved in the business incubation programme completes it. Incompletion or withdrawal from a business incubation program results in wastage of resources that the national government invest in the programs, as well as the time invested.

From the literature that was reviewed in the previous chapter, the researcher noted that owing to being viewed as having an insignificant contribution towards employment creation, economic growth and development, survivalist entrepreneurs lack the much needed support to successfully run feasible business ventures that will help to reduce the small business failure rate in South Africa.

Kay (2012) concludes that survivalist entrepreneurs receive little attention and support. This notion is supported by Beats (2013) who maintains that entrepreneurial support should be focused on well-established and high impact firms, and not on survivalist entrepreneurs.

3.3 Research aims or objectives of the study

The research study's main aim is, therefore, to determine the impact of business incubators on survivalist enterprises in the Cape Metropolitan area by investigating whether survivalist entrepreneurs are included in business incubation programs or not.

3.3.1 Subsidiary aims

- In order to examine whether small business failure is owing to incompleteness of business incubation programs, the study also aimed to determine the effects of completing or incompleteness of a business incubation program.
- To identify factors that motivates entrepreneurs to enrol in business incubation programs.
- To determine the challenges that business incubators face supporting survivalist entrepreneurs

3.4 Research questions

In order to achieve the aims identified above, the following research questions were employed, and are outlined below.

3.4.1 Main Research question

- What is the impact of business incubators on survivalist entrepreneurs in the Cape Metropolitan Area?

3.4.2 Sub research questions

- What challenges do survivalist face entrepreneurs in their business ventures?
- What factors motivate survivalist entrepreneurs to enrol in incubation programs?
- What challenges do business incubators face in servicing survivalist enterprises?

3.5 Research population

Haralambos and Holborn (2008:815) define a population as any group of people that has one or more characteristics in common that are of interest to the research. It is the number of the people or unit from which research information is obtained (Parahoo, 1997:218). The study objects of this research comprised of business incubators and survivalist entrepreneurs in the

Cape Metropolitan Area. The participants in this study were identified by the incubation firms from their records, clients' database and referrals.

The participants in this research are classified as follows:

- Business incubators in the Cape Metropolitan area who offer support to entrepreneurs;
- Survivalist entrepreneurs who enrolled and completed incubation programs;
- Survivalist entrepreneurs who enrolled but did not complete the incubation program; and
- Survivalist entrepreneurs who did not enrol in incubation programs at all.

The business incubators in this research study were Shanduka Umbrellas, Bandwidth Barn, Hubspace, Springlab, Start-up 90, and Daddy O. The survivalist entrepreneurs in this study focus on different types of businesses which include cleaning services, catering, tailoring, hair dressing, and plumbing services as well as spaza operators, to mention a few.

3.6 Research location

The research was undertaken in the Cape Metropolitan area of the Western Cape. The researcher found it convenient to conduct the study in locations that are in the same suburbs. The research was conducted in the following suburbs: Woodstock; Observatory; Mowbray; Rondebosch; and Claremont.



Figure 3.2: Map of the research location
Source: Cape Metropolitan Maps

3.7 Sampling techniques

Latham (2007:1) cited sampling as involving taking a representative selection of the population and using the data that was collected from the selection as research information. A sample is a subgroup of the population and a relatively true representative of the unit of analysis (Berinstein, 2003 in Latham, 2007:1). According to Sekaran and Bougie (2010:296), a sample size larger than 30 and less than 500 is appropriate for most research studies.

Hair, Wolfinbarger, Ortinau and Bush (2008:138) argue that when one determines a sample size, cost and times should be taken into consideration, as data collection is the most expensive component of research studies. Hair *et al* (2008:131) acknowledge two categories of sampling methods, which are probability sampling and non-probability sampling. This study utilised non-probability sampling.

3.7.1 Probability sampling

Barreiro and Albandoz (2001:4) define probability sampling as the one in which each sample has an equal chance of being chosen. Latham (2007:2) identified four types of probability sampling, which are simple random sampling, stratified random sampling, systematic random sampling, and cluster sampling.

Probability sampling has the merits of enabling the researcher to calculate specific bias and error with regards to data collection, and it gives everyone an equal chance of being selected, whilst eliminating selection biases (Latham, 2007:2).

3.7.2 Non probability sampling

Non probability sampling methods do not use samples with known probabilities, for example, snowball sampling (Wretman, 2010: 31). It is a convenient way for researchers to assemble a sample at little or no cost (Latham 2007:7).

Latham (2007:8) outlines various non-probability sampling methods, which are purposive or judgemental sampling, quota sampling, convenience sampling, volunteer sampling and snowball sampling.

The choice of choosing between using probability sampling or non-probability sampling depends on the research goals (Latham,2007:2). This study utilised non probability sampling technique, which utilised the snowball sampling method.

3.7.3 Snowball sampling

Mashaba (2005: 38) mentions that snowball sampling is a non-probability sampling method in which the researcher approaches one member and the member in turn refers the researcher to another member.

Snowball sampling is used mainly when the population of interest for the research cannot be easily identified other than by someone who knows that a certain person matches the characteristics and has the experience of what is being researched to be included in the study, as one participant identifies another (MacNealy, 1999: 157).

The snowball sampling method was the most appropriate method for this study, as the researcher had a few individuals to participate in the study who helped to identifying other participants who best matched the research. The researcher approached two business incubators in the Cape Metropolitan area, namely the Bandwidth Barn and Shanduka Black Umbrellas, who helped to identify other business incubators and the incubatees that they have assisted.

A sample of 100 survivalist entrepreneurs was drawn. In order to avoid bias associated with snowball sampling, the identified informants were asked to identify at least five other relevant participants for the research study within the same suburb, while the researcher then randomly selected two participants for an interview. Out of the five identified potential respondents, the researcher randomly selected three participants to be part of the survey by allocating an alphabetical letter to the identified participants.

In order to justify whether the selected sample size would provide satisfactory results, the Raosoft sample calculator was utilised to arrive at a sample of 100 with a confidence level of 95%.

3.8 Research design and methodology

Research design and research methodology are often used interchangeably, but there is dissimilarity between the two terms. Cant, Gerber-Nel and Kotze (2009:115) define research methodology as a way of coming up with a conclusion for a research problem and research design being a preliminary way of conducting research, which outlines what the researcher will do, from writing the hypothesis and their operational implications to the final analysis of data.

Hofstee (2009:115) describes research methodology as the rudiments of the matter, and describes how the research design will be employed in terms of how the methods will be used to gather data, which is usually broken down into three sections, which are; research

instruments (questionnaires, laboratory tests); data (quantitative, qualitative); and analysis (statistical, textual analysis).

According to Zikmund (2003:65), research methodology is the framework, which outlines the methods and procedures that should be followed when collecting and analysing information, collected and a research design is a master plan, which specifies the methods and procedures for collecting and analysing information. Welman, Kruger and Mitchell (2005:8-9) add that research methods and procedures should not rely on personal feelings or opinions. Rather, they should be systematic, purposeful and obtained through valid and reliable procedures (Ruhode, 2011:37).

There are numerous research designs, with each having its strengths, as well as its weaknesses. Zikmund (2003:68) and Marczyk *et al* (2005:123) suggest two basic types of research designs, namely qualitative and quantitative and a hybrid of the two.

3.8.1 Qualitative research

Qualitative research aims to understand aspects of social life and generate words rather than numbers as a means of analysing data; it answers the what, why and how questions, rather than the how many or how much questions, which are answered by the quantitative methods (Bricki & Green, 2007:2).

In qualitative research the hypotheses are frequently undeclared or merely stated in the form of research objectives (Burger, 2003:32). Qualitative research is conducted in a normal setting, whereby the researcher goes to the home, office or organisation of the participants in order to obtain a detailed analysis of the individual, place and the actual experiences. In the same notion Punch (1998: 2) defines qualitative research as empirical, and data that is utilised is not in the form of numbers.

3.8.2 Quantitative research

Gray (2009:165) in Ruhode (2011:38) defines quantitative research as a disengaged approach, whereby the researcher is not part of the research process, which focuses on examining the phenomena. In quantitative research a hypothesis is stated and formulated beforehand, data is in the form of numbers from precise measurements, and it is analysed by using statistical methods (Burger, 2003:32).

According to Creswell (2003:18), in quantitative research the investigator primarily uses post positivist claims for developing an understanding through the use of cause and effect thinking, reduction of specific variables, hypotheses and questions whilst employing strategies of inquiry such as experiments and surveys and collecting data, which is pre-determined.

Denzin and Lincoln (1998), as well as Hoepfl, (1997) in Golafshani (2003:597) conclude that researchers who utilize quantitative or logical positivism use experimental methods to test hypotheses and also emphasize the measurement and analysis of causal relationships between variables.

3.8.3 Mixed methods

This study adopted the mixed methods research approach, which comprises of both qualitative and quantitative research methods. The research primarily used the qualitative research, as it allows for in-depth analysis of the participants' knowledge of the field of study, as well as their experience. Ruhode (2011:38) argues that by using qualitative research, the study objects can freely express their views, unlike quantitative research where participants are controlled.

Creswell (2003:18) states that the mixed methods approach involves collecting data simultaneously or sequentially to best understand the research problems. It employs both numerical and text information that is quantitative and qualitative research methods, whilst the researcher bases knowledge on practical ground.

Quantitative data was also utilised in order to provide supporting data to the qualitative techniques that were utilised. The researcher observed that each method has its pros and cons, hence utilised both research methods.

3.9 Data collection methods

Primary sources and secondary sources were both utilised as forms of data collection. The researcher employed semi structured in-depth interviews, questionnaires as primary sources of data, with supporting data being collected through observations on how survivalists operate. Secondary sources of data mainly covered annual and impact reports of the business incubators, journals and surveys, which were previously conducted by other researchers and newspaper articles on survivalist entrepreneurs.

Secondary sources of data also aided the researcher on how to prepare for interviews, identifying key players of the incubation organisation, and by obtaining background information of the business incubators by reading their websites. This enabled the researcher to explore particular responses that were provided during the interviews.

Lamb, Hair and McDaniel (2014:162) explain primary data as data, which is collected for the first time to solve the particular problem under investigation. Secondary data is information that has already been collected and, which is usually available in the form of published or electronic material (Curtis, 2008:1).

3.9.1 Interview techniques

Remenyi (2011:1) defines an interview as a formal way of the researcher obtaining verbal evidence from a knowledgeable informant. Interviews fall within the qualitative research paradigm. They are an effective way of obtaining required information on the matter to be investigated; they give room for the researcher to access through word of mouth to an individual's accumulated reality and interpretation based on their own experience (Fontana & Frey, 2000; Minichiello, Aroni, Timewell & Alexander, 1995).

Woods (2011:1) states that interviews are mainly used to complement and elongate our understanding of an individual's opinions, feelings, actions, values and interpretations by collecting detailed information through the use of face-to-face contact by using oral questions. Interviews that are used for research purposes can be structured, unstructured and semi structured.

3.9.1.1 Structured interviews

According to Woods (2011:1), structured interviews are characterised by pre planning of questions, which allows for replication of interviews with others, and they are conducted in various ways such as face-face, telephonically, by videophone and the Internet, with questionnaires and surveys as examples of structured interview tools.

Structured interviews allow for attention to be focused on a given issue, high reliability, obtaining detailed information, gaining insight into declarative knowledge, and general rules and problem solving strategies can be covered. However, they may provide weak insight into procedural knowledge, and concepts not contained in the focus of the interview may not be found, and full understanding of the important is needed to direct the interview, cannot be provided (Klenke, 2005:125).

3.9.1.2 Unstructured interviews

Punch (1998) in Zhang and Wildemuth (2009:1) defines unstructured interviews as a way of understanding the complex behaviour of individuals without imposing any prior categorisation, which might act as a limit to the field of inquiry.

Unstructured interviews are aimed at exploring deep beneath the surface of shallow responses in order to obtain true meanings that the interviewees assign to their experiences and the intricacies of their attitude and behaviours by utilising open-ended questions instead on following a predetermined sequence (Klenke, 2008:125).

Klenke (2005:126) mentions that using unstructured interviews for important issues can guide to further or future inquiries, while a general understanding of the problem is provided when

very little is known about the problem and insight into general problem solving method is also provided.

However, utilising unstructured interviews can be time consuming, not focusing attention on the problem under research, less detail is provided for general concepts and little factual information is provided (Klenke, 2008:126).

3.9.1.3 Semi-structured interviews

Semi-structured interviews involve partial pre-planning of questions, they are less controlled and can be done telephonically, videophone, with face-to-face being the best methods of conducting them (Woods, 2011:2).

Klenke (2005:126) maintains that semi-structured interviews combine the use of closed-ended and open-ended questions. It allows for greater flexibility, the researcher uses the topic as a guide to questions that are asked, but the mode of asking is in an unstructured way and further inquiries can be added based on the interviewee's answers and conversation that follows.

This study utilised in depth semi-structured interviews (Appendix B). Although they are time intensive and prone to bias, they allow the researcher to seek interviewees' standpoints of their experiences and situations through repetitive face to face encounters (Taylor & Bogdan, 1984). The researcher also took note of non-verbal language. The interviewer also asked probing questions in order to allow interviewees to discuss issues that are critical to them, but mainly focusing on collecting relevant data that will ensure that research questions can be answered following the interviews (Minichiello *et al*, 1995).

3.9.1.4 The interview process

The researcher did a preliminary interview with the Head of Marketing, Communications and Events at the Bandwidth Barn in order to explore the feasibility of the questions and whether the questions would help the researcher to obtain appropriate responses for the study.

The initial interview results and recommendations made by the interviewee allowed the researcher to adjust the questions before interviewing other participants. The initial participant was asked to suggest other participants that the researcher could utilise. Once more participants were suggested; the researcher went ahead and conducted the rest of the interviews. Interviewees were called to request permission and in order to setup appointments. Interview meeting appointments were sent via email for confirmation in writing.

Upon arrival, the researcher introduced herself and gave a brief background to the study and how it would benefit the interviewee and the economy at large. The researcher also provided

a letter from the institution as proof that the research is for academic purposes, and not for personal or other purposes.

The researcher ensured that the interviews were conducted in comfortable, secure and in surroundings that the interviewees preferred. Furthermore, all interviews were conducted in English, as it is a common language, which is used by many people regardless of where you come from. The interviews took about 20-30 minutes and a digital recorder was utilised to record the interview proceedings. To complement the digital recording, notes were also taken by the researcher during the interviews. At the end of each interview session the researcher thanked the interviewee and requested if they could recommend at least five (5) other participants in their business circles that the researcher could utilise for the study.

The information that was gathered was subjective, and the researcher made attempts to observe the present account of the organisations.

3.9.2 Questionnaires

Adams and Cox (2008:18) argue that questionnaires, as a research tool, should be designed in such a way that the reader can easily understand, interpret and complete it. The use of questionnaires falls within the quantitative research paradigm. Questionnaires can reach a lot of people within a short space of time, and when data is collected it is easy to code and analyse data. They offer great anonymity because there is no face to face contact between the researcher and the respondent hence they increase the distribution of required information. The researcher can easily leave questionnaires with the respondents and collect them after an elapse of an agreed time (Adams & Cox, 2008:18).

Acharya (2010:2) explains that there are different types of questionnaires, which are structured, unstructured and a mixture of both, which is normally used in social sciences, namely the quasi-structured.

3.9.2.1 Structured questionnaires

Structured questionnaires utilise pre-coded questions with well-defined skipping patterns to follow the sequence of questions that are mostly used in quantitative data collection methods and there are fewer discrepancies, easy to administer, and they ensure consistency of answers and data is easy to manage (Acharya, 2010:2). The researcher made use of both structured and unstructured questionnaires. Structured questionnaires were utilised for interview purposes (Appendix B).

3.9.2.2 Unstructured questionnaires

Acharya (2010:2) states that unstructured questionnaires include open ended questions and closed ended questions that normally result in vague opinions, which are not in the interrogative sentences and require the researcher to elaborate in order to make sense of it.

The researcher made use of questionnaires, which included both closed and open-ended questions (Appendix C). According to Leedy (1983), the use of a questionnaire for data collection is beyond the physical reach of a researcher, hence it becomes creditable.

The researcher made use of referrals from the Bandwidth Barn and Shanduka Black Umbrellas to identify other incubators and incubatees to whom to distribute questionnaires. The questionnaires were distributed as participants were identified.

3.9.2.3 Design of the questionnaire

In accordance with the focus of the study, which among other things aimed to solicit the views of survivalist entrepreneurship and incubators with regards to the service offered by the latter, two different sets of questionnaires were designed and completed. The first set was directed at survivalist entrepreneurs enrolled in business incubation programs regardless of whether they completed the program or not, and those who did not enrol in the programs (Appendix C). The second set of questionnaires was aimed at business incubators (Appendix D).

The two questionnaires were divided into three sections, and while the sections of both questionnaires had similar headings, but differ with the types of questions included, and the three sections had the following headings:

- Section A: Demographics;
- Section B: Background information; and
- Section C: Impact and operations (business incubators and survivalist entrepreneurs)

Section A of the questionnaire covered the demographics of the respondents, considering the respondents' age, gender and their roles. Demographics were also important to the study because this is where the researcher would establish a general profile of the respondents and identify their roles. The demographics data also aided the researcher contextualise the findings and the formulation of appropriate recommendations for the study.

The demographics section was designed in such a way that the survivalist entrepreneurs would easily identify their roles from the provided options (survivalist entrepreneurs who completed incubation program; survivalists who did not complete the program; and the other option for those who did not attend at all). Section B aimed at understanding the background of both

survivalist entrepreneurs and business incubators; and Section C considered the impact and operation of the study objects.

3.10 Prevention of bias

Bias is any tendency, which prevents unprejudiced consideration of a question (Pannuci & Wilkins, 2011). Bias can be a systematic error or random error, which can occur at any phase of the research. In order to prevent bias, the research will not employ sampling or testing methods that will encourage one outcome over the other, as this might influence the research findings and conclusions.

3.11 Reliability and validity

According to Adams and Cox (2008:18), reliability refers to the consistency of a measure, which is the ability of an instrument to obtain uniform results each time that it is used, whilst validity refers to the ability of the instrument to measure what it is supposed to measure.

3.11.1 Pilot study

In order to ensure validity and reliability, the questionnaires were reviewed by the Cape Peninsula University of Technology's Research Committee. A pilot study was conducted to identify potential sources of misinterpretation and measurement error. The pilot study enabled the researcher to eliminate such measurement errors. It also allowed for the restructuring and modification of the survey questions and the interview questions in accordance with the feedback from the pilot phase, thereby improving reliability and validity.

3.11.2 Triangulation

Bryman (2004:1) defines triangulation as the use of two or more approaches to investigating research questions in order to enhance the findings. Denzin (1970) in Bryman (2004) identifies four forms of triangulation, namely data triangulation, which entails adopting several sampling methods in data collection, investigator triangulation, which entails use of more than one researcher to gather and interpret data, theoretical triangulation, which uses more than one theoretical position for data interpretation, and methodological triangulation, which involves the use of more than one method for gathering data.

Webb *et al* (1966) in Bryman (2004:1) state that when a proposition has been confirmed by two or more independent measurement methods, the uncertainty of its interpretation is greatly reduced. In other words, a triangulation exercise yields eminence results. This study utilised methodological triangulation, as the methods that were utilised were both qualitative and quantitative.

The researcher also utilised three sources for data collection, where each source provided a logical starting point for the other data sources.

3.11.3 Peer review

Peer review is the assessment of the data and research by someone who is familiar with the study area and the topic that is examined (Ware, 2008:6). The research was reviewed by peers and experts in the field of entrepreneurship. These included the HOD of Entrepreneurship Department, and peers at the advanced stages of their Masters and PHD studies. Their support and critique provided valuable inputs for the research.

3.12 Data analysis

The study utilised both primary and secondary data sources. Interviews and the survey questionnaires served as primary sources, while the literature review of journals, newspaper articles and previous studies formed part of the secondary sources of data.

Data analysis, according to Marshall and Rossmall (1990:111), is the process that aims to bring order, structure and significance to the mass of data collected. In this research order and meaning to data was presented in the form of graphs, tables and pie charts. The SPSS statistical package was utilised for data analysis. SPSS is a windows based program that can be used to perform data entries and analysis of data by creating tables and graphs (Field, 2009).

3.13 Ethical Issues

Ethics form the basis of conducting effective and meaningful research. Hence, the ethical behaviour of individual researchers is under unprecedented scrutiny (Best & Kahn, 2006; Field & Behrman, 2004; Trimble & Fisher, 2006). Where human beings are involved, ethics should be considered. Rules and regulations, which govern the relationship of parties in the research, should be set in order to protect subjects involved in the research.

Williams (2006) identified five ethical concerns to be addressed when conducting research, which are voluntary participation, informed consent, no risk or harm to the respondents, confidentiality, and anonymity.

3.13.1 Permission

The researcher obtained permission from the Head of Group Marketing, Communications and Events at Bandwidth Barn, and the Regional Manager of Shanduka Black Umbrellas to conduct research in their organisations (Appendix D). Permission was also granted by the Head of

Department of Entrepreneurship and Business Management, and by the Research Committee of the Cape Peninsula University of Technology.

3.13.2 Voluntary participation

Voluntary participation requires that people should not be coerced or forced to be part of the research. The researcher interviewed respondents based on their willingness to participate, and no form of coercion or bribes were used to convince them to participate in the study.

3.13.3 Informed Consent

Informed consent refers to the respondents being fully informed of the risks associated with the study and the procedures. A clear explanation of the purpose and the benefits of the research was given so that the subjects of the research especially business incubators, would not feel threatened, as they might think that the researcher wants to steal their business concept. The questionnaires were submitted to CPUT Ethics Committee before they were administered in order to ensure that there was no harm associated with the research (Appendix E).

3.13.4 Confidentiality and anonymity

In order to ensure confidentiality and anonymity the respondents were not asked to provide their names and the information provided would not be made available to anyone who is not directly involved with the study.

3.14 Summary

The research design and methodology was discussed in this chapter, highlighting the population size, research location, the research problems and the data collection methods that were utilised. The researcher applied both quantitative and qualitative research methods. Qualitative research methods were employed in order to obtain an in depth analysis of the participants' knowledge of the field of study, as well as their experiences, whilst quantitative methods were utilised in order to provide supporting data. Interviews and questionnaires facilitated data collection, utilising snowball sampling in selecting the participants to the study. Ethics, reliability and validity were also discussed in this chapter, whereby the researcher utilised various mechanisms to ensure that informants are not exposed to any harms or risk, and that the data that is collected is valid and reliable. The next chapter presents and discusses the results of the study.

The next chapter is a presentation and discussion of the research findings.

CHAPTER 4: PRESENTATION AND DISCUSSION OF THE RESEARCH FINDINGS

4.1 Introduction

The preceding chapter identified the research methods, which were employed for the study. The purpose of this chapter is to present, analyse and discuss the findings of the research study. The findings will enable the researcher to conclude on the topic and provide recommendations, as well as suggest areas for further research.

Twenty (20) participants were drawn from interviews and ninety-eight (98) participants who completed self-administered questionnaires. Of the 98 respondents, (94) were survivalist entrepreneurs and four (4) were business incubators in the following suburbs of the Cape Metropolitan: Woodstock; Observatory; Mowbray; Rondebosch; and Claremont.

The purpose of this study was:

- To determine the impact of business incubators on survivalist entrepreneurs in terms of whether survivalist entrepreneurs are included in business incubation programmes in the Cape Metropolitan area.
- To determine the effects of completing, in completing or not attending a business incubation programme.
- To identify factors, which motivate entrepreneurs to be involved in incubation programmes.
- To determine challenges which business incubators face in survivalist supporting entrepreneurs.

The results from the questionnaires are discussed according to the sections of the questionnaires and purposes of the study. The researcher made use of chi square tests and crosstabs as statistical tools for data analysis and interpretation. Cross tabs were utilised in order to determine the correlation between variables, and chi square tests to justify the statistical significance.

The first section of this chapter is a brief summary of how statistical tools (cross tabulation and chi square test) are used in data presentation and analysis. This will be followed by a presentation and analysis of results, which were obtained from questionnaires, which is a quantitative analysis.

The third part of the chapter presents a discussion of the findings from interviews with both survivalist entrepreneurs and business incubators. Analysis of the results in this section comprises a qualitative analysis.

The fourth part of this chapter consider at interpretation of data from interviews in relation to the research questions and research objectives. The last part concludes the chapter.

4.2 Statistical tools

This study made use of cross tabulations and chi squares as statistical tools, which described below.

4.2.1 Cross tabulation

Michael (2002) defines cross tabulation as a joint frequency distribution of case based on two or more categories, which can be analysed. Petrovics (2012:30) describes cross tabulation as a process of creating contingency tables from the multivariate frequency distribution of statistical variables.

4.2.2 Chi square tests

A chi-square test is a statistical test that ascertains if a relationship exists between variables, which can be used with nominal, ordinal and scale variables, and is a flexible test, but is sensitive to sample sizes (Garczynski, 2011:1). Chi square tests are utilised to justify the significance of variables. A chi-square value of 0.05 or less indicates whether it is significant or variance related or unrelated to the column variance.

A chi-square value of less than 0.05 indicates that there is a significant difference in the variables under investigation, and a chi square value of more than 0.05 indicates that there is no significant difference.

In this study, chi square tests were utilised to determine the statistical difference between variables such as the role of respondents, age and gender (Appendix G). The p-value was used as a determining factor. A p-value greater than the 0.05 indicates that there is no statistical significance, conversely, a p value less than 0.05 would indicate that there is a statistically significant difference. In other words, this could indicate that one or more variable has a greater chance of occurrence than the other.

The chi square tests were performed in SPSS 22, using descriptive statistics and cross tabs. The enrolment and completion of an incubation program was identified as the dependent variable which the researcher measured to see the effects of the identified independent variables such as age, gender, role and objectives of enrolment in incubation programs. The expected value was calculated by comparing the enrolment and completion of an incubation program with the rest of the independent variables.

4.3 Treatment of missing data

In order for a sound data analysis, proper handling of missing data is critical. For this study, the researcher adopted the listwise deletion (or complete case analysis conventional method to deal with missing data. According to Briggs, Clark, Wolstenholme & Clarke (2003) with this method, if a case has missing data for any of the variables, then simply exclude that case from the analysis. Although this method has its draw backs like not using all information and reducing statistical power, it allows for comparability across analyse (Humphries, 2012). The research utilised this method because the missing data were not functions of the outcome variable, hence not effect on the results obtained.

4.4 Results of the survey questionnaire

The survey questionnaire was the main data collection tool that was utilised in the study and complementary data was collected via interviews. The results are discussed below, according to the different sections in the questionnaires.

4.4.1 Survey of Survivalist Entrepreneurs

A survey was conducted with survivalist entrepreneurs and the results are presented below.

4.3.1.1 Section A: Demographics

In this section the demographics of the respondents are discussed, which include respondents' age, gender and their role.

4.4.1.1.1 Respondents' ages

In order to identify the respondents' ages, the questionnaires had age categories that the respondents could choose from. Table 4.1 below depicts how the age was categorised and how many respondents' fell within each category.

Table 4.1: Age of survivalist entrepreneurs

		Frequency	Valid Percent
Valid	18 – 25	16	17.0
	26 – 35	31	33.0
	36+	47	50.0
	Total	94	100.0

The majority of the survivalist entrepreneurs were aged 36 plus, with a frequency of 47 (50%); the second popular group was the 26-35 category, with a frequency of 31 (33%); 16 (17%)

respondents were aged between 18 and 25; and no respondents were in the 17 or less category. The results show that the majority of survivalist entrepreneurs were older rather than younger. This finding correlates with Gwija, Ike and Iwu's (2014:14) views that young people during their early years of life are still studying, and are not much involved in entrepreneurial activities; however, their age should not limit from being involved in entrepreneurial activities. Encouraging youth entrepreneurship could be the solution to the problem of youth unemployment, which most countries face. Schoof (2006:11) observes that about 88 million young women and men, globally, are unemployed and hence the effort to focus on youth to create employment is undeniable.

4.4.1.1.2 Gender

Twenty-eight (28%) percent of the respondents are female survivalist entrepreneurs, while seventy-two (72%) percent are male survivalist entrepreneurs; the gender distribution is depicted below in Figure 4.1.

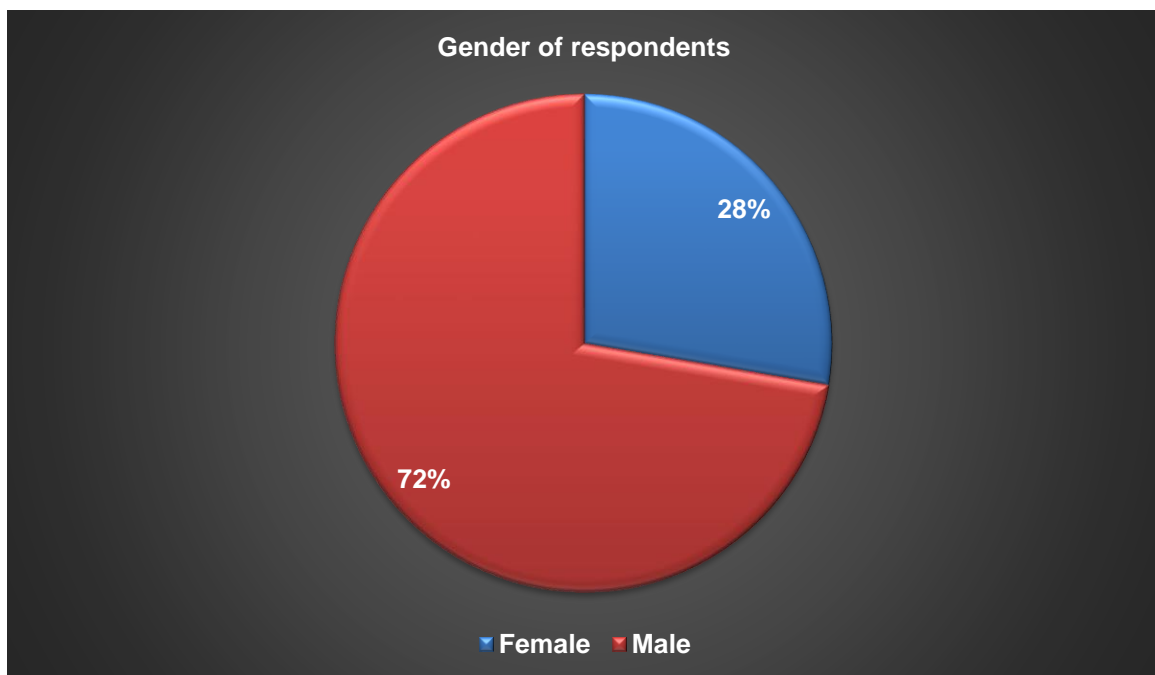


Figure 4.1: Respondents gender

The study shows that a large percent of the survey survivalist entrepreneur respondents are males. This finding can be related to Verheul, Van Stel and Thurik's (2004:4) observations that even though female entrepreneurship is becoming increasingly important, the number still lags behind that of male entrepreneurs. This might be owing to the fact that female entrepreneurs face gender related discrimination and experience more difficulties in starting and running a business venture than their male counterparts (Popescu, 2014). Wube (2010:14) observes that in many societies women are not presented with the same opportunities as men, since a lot

focuses on education and protection of women, but on the economic and political side opportunities for women remain limited.

Furthermore, family, households and childcare responsibilities of women present them with difficulties in balancing work and family (Stoner, Hartman & Arora, 1990). There is a need to implement programs that encourage and support female entrepreneurship. This notion is supported by El-Hamidi (2011:14) believes that efforts should be made towards encouraging women to create entrepreneurial ventures in high value and high growth sectors. In addition, Gwija *et al* (2014:42) maintain that there is a need for measures that address this entrepreneurial gap between male and female entrepreneurship.

4.4.1.1.3 Role of respondents versus enrolment and completion of an incubation program

Figure 4.2 below presents the roles of the respondents who participated in the survey.

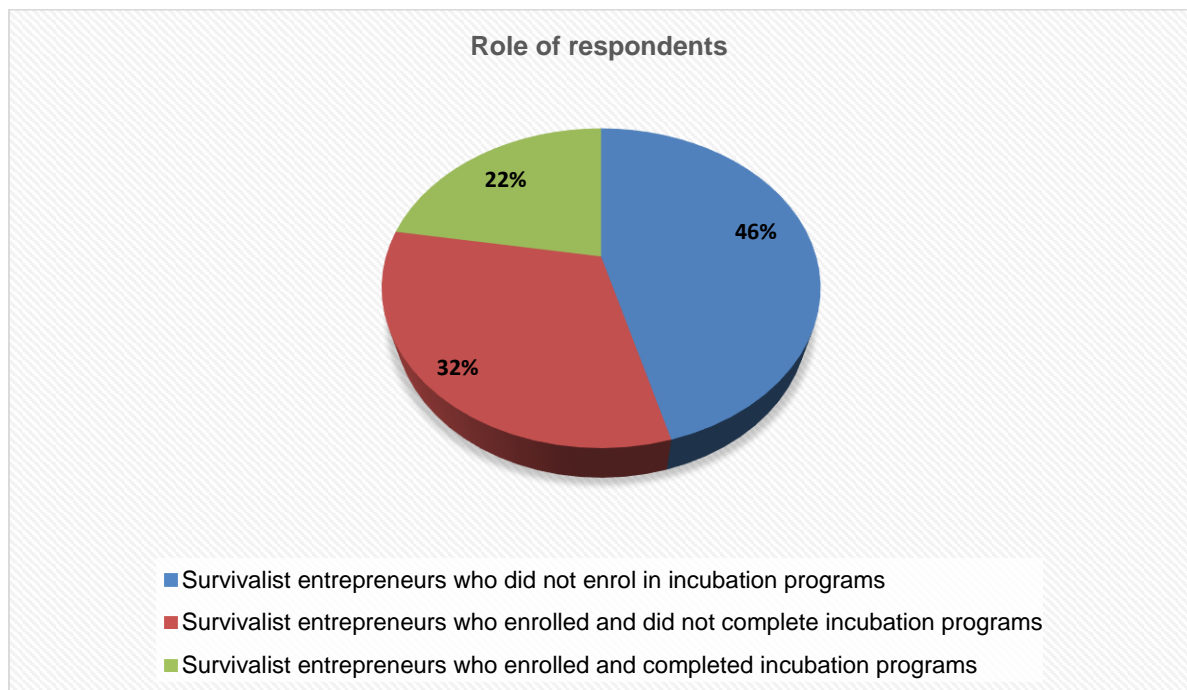


Figure 4.2: Role of respondents

The roles of the respondents were as follows: 43 (46 %) survivalist entrepreneurs who did not enroll in incubation programs at all; 30 (32%) of the respondents were survivalist entrepreneurs who enrolled and did not complete; and 21 (22 %) percent were those who enrolled and completed the incubation programs. The study showed that the majority of survivalist entrepreneurs in the sample did not attend incubation programs and only two of the surveyed incubators provide support to survivalist entrepreneurs. Most of them indicated that they were not aware of the existence of such programs. The finding concurs with Berry, Von Blottnitz, Cassim, Kesper, Rajaratnam and Van Seventer's (2002:39) observations that emerging

businesses and established SMMEs are uninformed about support initiatives that are available to support them in their business ventures. Apart from this, the support provided to survivalist entrepreneurs is limited, as other business incubators target high impact firms, which are already established. These results could be related to Beats (2013) views that business schools should exclude survivalist entrepreneurs in their programs; they should focus on supporting high impact businesses. Exclusion from incubation programs could be owing to the high risk that is associated with small businesses, as business incubators would not want to invest their time and resources in ventures that are not viable.

Contrary to Beats view, Tengeh (2013:352) argues that though survivalist entrepreneurs may not employ enough people, the poverty level in the country is reduced all the same, since they at least provide employment for themselves. In addition, Lesakova (2012:86) believes that supporting the development of business ventures in local communities' increases employment opportunities, as well as revenue.

In order to analyse whether a statistical relationship exists between the role of respondents versus enrolment and completion of an incubation program, cross tabulation conducted. Table 4.2 below shows the results that were obtained which, shows the existence of a relationship between the two variables. Of the 94 respondents, 21 enrolled and completed incubation programs, 30 did not complete, and 43 did not enrol at all.

Table 4.2: Cross tabulation role versus enrolment and completion of an incubation program

		Role			Total
		Survivalist Entrepreneur (Enrolled and completed incubation course)	Survivalist Entrepreneur (enrolled and did not complete incubation course)	Survivalist Entrepreneur who did not enrol in incubation course at all.	
Did you attend an incubation program and did you complete it?	Yes (completed)	21	0	0	21
	Yes (did not complete)	0	30	0	30
	No	0	0	43	43
Total		21	30	43	94

A chi square analysis was conducted to justify the extent of this relationship between the role versus enrolment and completion of an incubation program. A p-value of $p < 0.001$ was obtained, which is less than the critical determining value 0.05. Table 4.3 below illustrates the results that were obtained.

Table 4.3: Chi-square on role versus enrolment and completion of an incubation program

	Value	Df	Asymp. p-value (2-sided)	Exact p-value (2-sided)	Exact p-value (1-sided)	Point Probability
Pearson Chi-Square	177.834 ^a	4	.000	.000		
Continuity Correction						
Likelihood Ratio	182.371	4	.000	.000		
Linear-by-Linear Association	89.965	1	.000	.000		
N of Valid Cases	94			.000	.000	.000

- a. 1 cell (11.1%) has expected count less than 5. The minimum expected count is 4.69.
- b. The standardized statistic is 9.485.

4.3.1.2 Section B: Background information

Section B for survivalist entrepreneurs looked into when the business venture was established, how many people they employ, and how they raised start-up finance. The responses obtained in this section are presented in the graphs, tables and pie charts below.

4.4.1.1.4 Years in operation

The majority of the respondents indicated that they have been in business for a period of 5 years with a frequency of 57 (61%) and more, with 23 (24%) respondents who were in operation for 4 to 5 years and 9 (10%) respondents in the 2 to 3 years category and a s well as a frequency of 5 (5%) who were in business for a period of 1 year or less. Figure 4.3 below presents the data obtained.

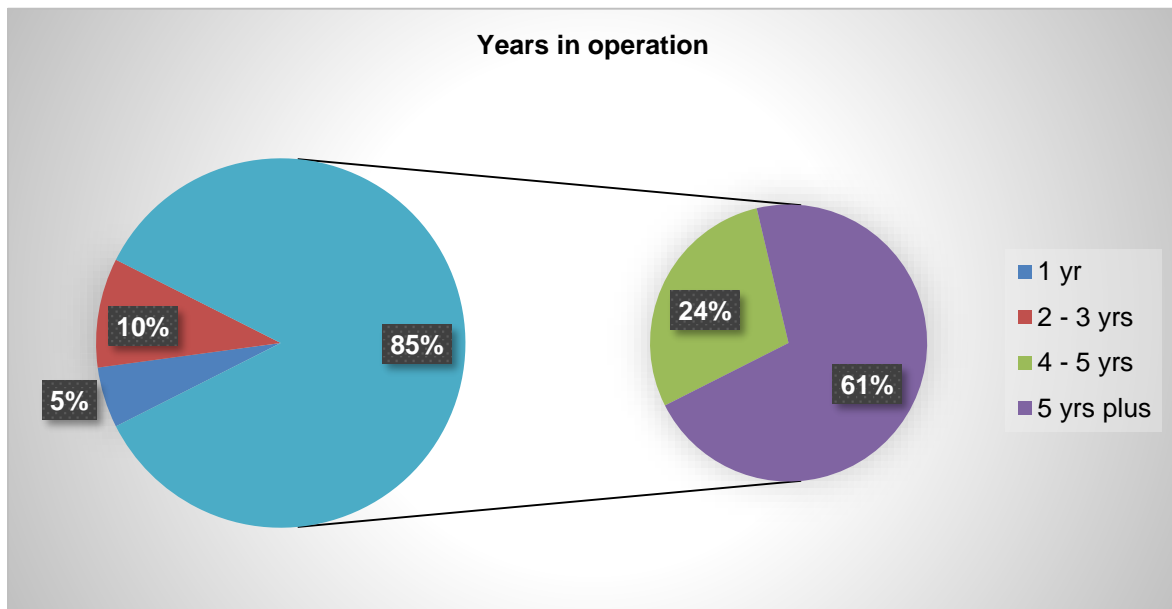


Figure 4.3 Years in operation

The study shows that the majority of survivalist entrepreneurs have been in operation for quite some time, with a frequency of over 60 % being in operation for 5 years. Although they have

been in operation for quite some time, no growth was achieved as they are still operating within the same sector. This could be any indication of a lack of support towards growing their business ventures.

Previous studies viewed survivalist entrepreneurs as being insignificant and supporting them as a waste of resources (Fisher, 2011; Beats, 2013). Survivalist entrepreneurs deserve the same support that is received by other entrepreneurs in other categories. Berry *et al* (2002:1) describe survivalist entrepreneurs as those people from the poorest layers of the population, which clearly shows that they cannot afford all the necessary resources that they need to take their businesses to the next level.

In an attempt to understand whether years of operations determine the enrolment and completion of an incubation program, cross tabulation was done. The results showed that the older their business is, the less likely it is that the respondents enrol in business incubation programs. Furthermore, survivalist businesses that were older than 5 years were more likely to complete the incubation program than their younger counterparts. Table 4.4 below shows the results that were obtained.

Table 4.4: Cross tabulation on years of operation versus enrolment and completion of an incubation program

		Did you attend an incubation program and did you complete it?			Total
		Yes (completed)	Yes (did not complete)	No	
When was the business established?	+ - 1 year	0	5	0	5
	2 - 3 years	4	4	1	9
	4 - 5 years	5	18	0	23
	5+	12	3	42	57
Total		21	30	43	94

To determine the extent of the relationship, a chi square test was done. Table 4.5 below shows the results obtained from the chi-square test. There is a statistical difference between the four groups (age of business) as to whether they enrolled and completed an incubation course or not, or never enrolled in one at all (since the p-value < 0.001).

Table 4.5: Chi-square test on the age of business versus enrolment and completion of an incubation program

	Value	Df	Asymp. p-value (2-sided)	Exact p-value (2-sided)	Exact p-value (1-sided)	Point Probability
Pearson Chi-Square	63.898 ^a	6	.000	.000		
Continuity Correction						
Likelihood Ratio	76.566	6	.000	.000		
Fisher's Exact Test	68.308			.000		
Linear-by-Linear Association	13.000 ^b	1	.000	.000	.000	.000
N of Valid Cases	94					

a. 7 cells (50.0%) have expected count less than 5. The minimum expected count is 1.12.

b. The standardized statistic is 3.606.

4.4.1.1.5 Number of employees

Figure 4.4 below shows the number of employees that the respondents in this study employed in their business ventures.

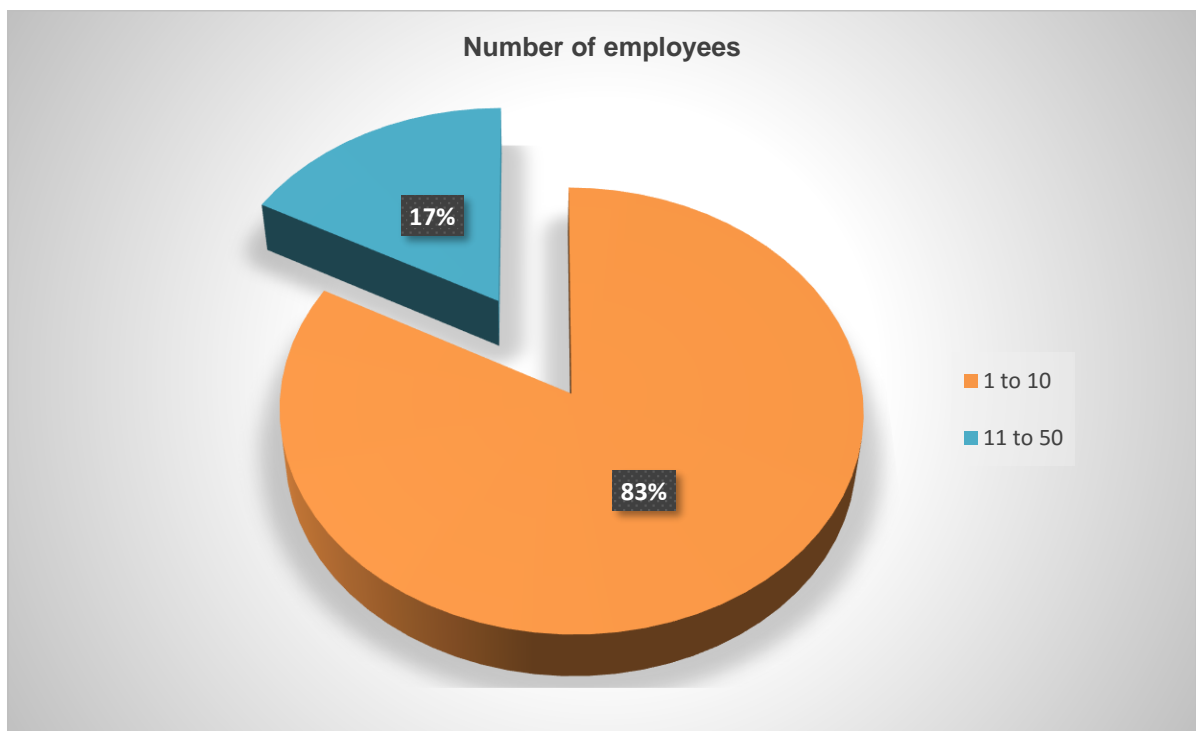


Figure 4.4: Number of employees

The results show that most of the survivalist entrepreneurs employ between 1 to 10 people. The frequency in this category was 78 (83%) and 16 (17%) of the respondents highlighted that they employ between 11 and 50; there were no respondents for the other categories. Operating on a small scale could be the reason why the majority of the survey survivalist entrepreneurs employed between 1 to 10 people. Expansion of their business ventures could be a solution to creating more employment opportunities.

Even though they operate within the informal sector, survivalist entrepreneurs have the capability of creating employment opportunities. In relation to this finding, Jesselyn (2006:12) argues that even though survivalist entrepreneurs operate on a small scale, they create employment opportunities for about 3 million people.

This finding contradicts previous researchers who state that survivalist entrepreneurs only create employment for themselves (Jocelyn, 2006, Beats, 2013). Even though they create employment for themselves, according to Jennings (1994:298), self-employment is perceived as the driving force of economic growth and development in developing countries.

In order to ascertain whether the enrolment and completion of a business incubation program correlated with the number of employees employed by survivalist entrepreneurs, a cross tabulation was conducted. The results are presented below in Table 4.6.

Table 4.6: Cross tabulation on number of employees versus enrolment and completion of an incubation program

		Did you attend an incubation program and did you complete it?			Total
		Yes (completed)	Yes (did not complete)	No	
How many people do you employ?	1 – 10	6	29	43	78
	11 – 50	15	1	0	16
Total		21	30	43	94

The results show that there is a relationship between the number of employees and enrolment and completion of an incubation program. Those who enrolled and completed business incubation programs have the potential of employing between 11 and 50 people compared to those who do not enrol in the programs and who employ between 1 and 10 people.

A chi square analysis was also done to determine the extent of the relationship between the number of employees employed versus enrolment and completion of an incubation program. The p-value obtained is less than 0.005 (the p-value < 0.001) - an indication of its significance.

Table 4.7: Chi-square test on the number of employees and enrolment and completion attendance of an incubation programs

	Value	Df	Asymp. p-value (2-sided)	Exact p-value (2-sided)	Exact p-value (1-sided)	Point Probability
Pearson Chi-Square	56.812 ^a	2	.000	.000		
Continuity Correction						
Likelihood Ratio	51.874	2	.000	.000		
Fisher's Exact Test	47.305			.000		
Linear-by-Linear Association	41.821 ^b	1	.000	.000	.000	.000
N of Valid Cases	94					

a. 1 cell (16.7%) have expected count less than 5. The minimum expected count is 3.57.

b. The standardized statistic is -6.467.

4.4.1.1.6 Source of start-up capital

The respondents were asked to the source of their start-up capital. Amongst the 94 respondents, some had more than one source of start-up capital and they selected multiple responses on the questionnaire, which resulted in 96 selections regarding the start-up sources. Table 4.8 below represents the data obtained.

Of the 96 selections, 31 (32.3%) responses indicated that their start up finance was obtained from family; 12 (12.5 %) received their start-up finance from friends; 47 (49%) responses from personal savings; and 6 (6.3%) obtained start-up finance from the bank.

Table 4.8: Sources of start-up finance

Frequencies		Responses	
		N	Percent
How did you raise your start-up finance? ^a	Family	31	32.3%
	Friends	12	12.5%
	Personal Savings	47	49.0%
	Bank	6	6.3%
Total		96	100.0%

a. Dichotomy group tabulated at value 1.

The study found out that the majority of the survey survivalist entrepreneurs raised their start-up capital from personal savings, and a smaller portion from banks. Previous research found that personal savings and not bank loans are the main source of funding which African

entrepreneurs rely on (Greiner, McKay and Morrissey, 1998; Parker et al, 1995 in Dana 2007: 38).

More so, survivalist entrepreneurs lack collateral to obtain funding from banks (Dana, 2007:38). This could also be an indication of a lack of entrepreneurial skills to compile satisfactory funding proposals and business plans that meet the requirements of funding institutions. Baumann (2001:20) mentions that a poorly constructed proposal or business plan results in funding applications being denied.

Business schools and incubators could play a significant role in supporting the development of small businesses and increasing access to finance by including them in their incubation programs, equipping them with the necessary skills to compile successful funding applications.

Based on the results obtained in the previous table, cross tabulation was done to assess if there is a difference in the means of obtaining start up finance and enrolment and completion of incubation programs. The results are presented in the table below.

Table 4.9: Cross tabulation on enrolment and completion of an incubation program versus how start-up finance was raised

		Did you attend an incubation program and did you complete it?				Total
		Yes (completed)	Yes (did not complete)	No		
How did you raise your start-up finance? ^a	Family	Count	5	4	22	31
		% within Q11	22.7%	13.3%	51.2%	
	Friends	Count	0	9	3	12
		% within Q11	0.0%	30.0%	7.0%	
	Personal Savings	Count	12	17	18	47
		% within Q11	54.5%	53.3%	41.9%	
	Bank	Count	5	1	0	6
		% within Q11	22.7%	3.3%	0.0%	
Total		Count	22	30	43	95
		% within Q11	100%			

Percentages and totals are based on responses.

a. Dichotomy group tabulated at value 1.

The majority of those who did not enroll in incubation programs raised their start-up finance from family, in comparison to those who enrolled in incubation programs who raised finance through personal savings from the bank. Those who enroll in incubation programs, in other words, have better access to funding as compared to those who do not enroll in the programs. A chi square analysis was conducted to justify the relationship between sources of start-up funding versus enrolment and completion of a business incubation program. The results are shown below in Table 4. A p-value<0.001(indication of strong significance) was obtained.

Table 4.10: Chi square analysis on enrolment and completion of an incubation program versus source of start-up finance

	Value	Degrees of freedom	p-value (2-sided)
Pearson Chi-Square	42.2569	6.0000	0.0000
N of Valid Cases	77	0	0
0, i.e. 0%, of expected values are less than 1 6, i.e. 54.5454545454545%, of expected values are less than 5 The minimum expected value is 1.714			

4.3.1.3 Section C: Impact and operations

Section C of Questionnaire “A” (appendix C) considered the impact and operation of survivalist entrepreneurs. This section was the core area of the study with the details that enabled the researcher to answer most of the research questions. The following were considered in this section: motivation for starting the business venture; challenges faced in running their business ventures; awareness of incubation program; and the reasons for not completing or not attending the programs.

4.4.1.1.7 Motivation for starting the business venture

In order to determine the role that survivalist entrepreneurs play in reducing unemployment, economic development and growth, and to assess if they have a short term focus or a long term focus for business, and a question was also included in the questionnaire to determine what motivated these survivalist entrepreneurs to start their own business. Figure 4.11 below depicts the responses that were obtained.

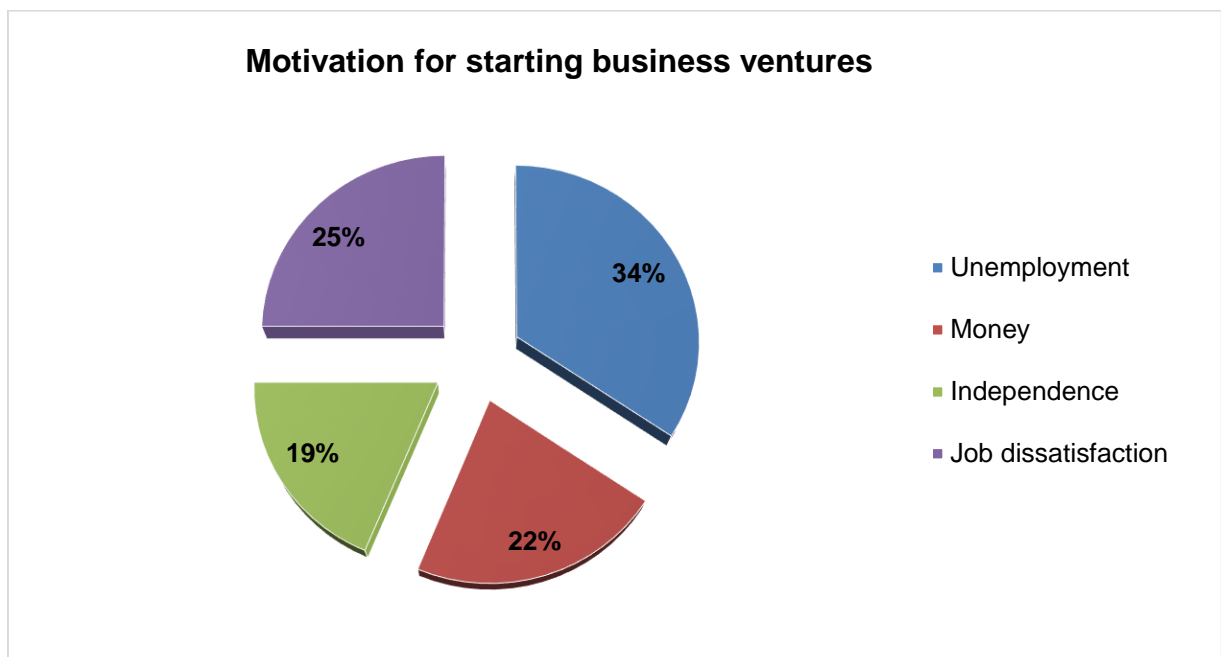


Figure 4.5: Motivation for starting a business

Due to multiple selections, the total number of selections was 96. Of the 96 selections made, 33 (34%) selections were made by those respondents who were motivated by unemployment to start their businesses; 24 (25%) respondents indicated job dissatisfaction; 21 (22%) selections indicated respondents who were motivated by money; and 18 (19%) selections opted for independence. The results show that unemployment was the motivation for the majority of the surveyed respondents. These results can be related to Jesselyn (2006:10) who defines survivalist entrepreneurs as individuals who run and manage enterprises owing to them being unable to secure employment in the formal sector.

Even though survivalist entrepreneurs are said to be motivated by unemployment, they play a role in the community in which they operate by providing products and services closer to people and by creating employment opportunities for the owners themselves and for the individuals that they employ. According to Naude (2010:3), survivalist entrepreneurs are important for poverty mitigation, growth and structural change.

4.4.1.1.8 Objectives of the business venture

Respondents were asked what their objectives for starting their business venture were: 82 (87.2%) indicated growth as the objective; and 12 (12.8%) indicated that sustaining family needs was their objective. Figure 4.6 below illustrates the result.

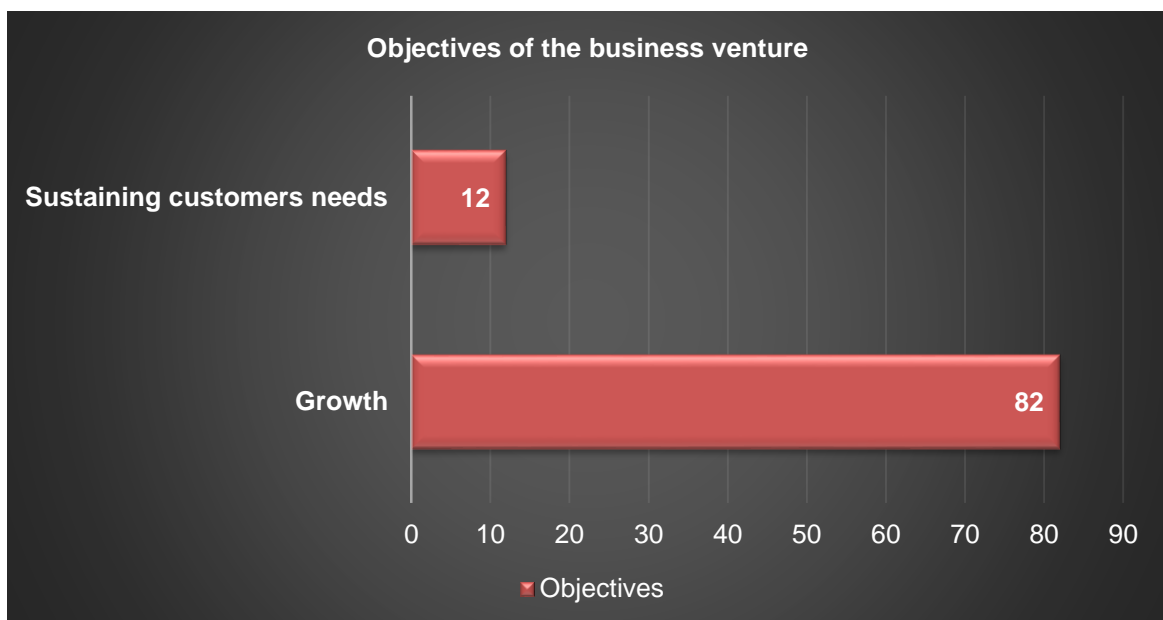


Figure 4.6: Objectives of the business ventures

The majority of these survivalist entrepreneurs are pursuing growth objectives in their business venture and a few who are pursuing sustaining family needs. This is an interesting finding; given that the literature on entrepreneurship tends to downplay the growth intentions and potential of survivalist entrepreneurs.

In previous literature scholars identified survivalist entrepreneurs as those who venture into business for the purpose of sustaining family needs (Jesselyn, 2006:10; Fisher, 2011,). In addition, Ligthelm (2013:73) advances that survivalist entrepreneurs are unproductive, and enter into business to escape poverty and unemployment. Having noted the growth intentions of survivalist entrepreneurs, there is a need to support them in their business ventures so that the growth objective can be attained.

In an attempt to understand if the objectives of survivalist entrepreneurs differ as to whether they enrolled and completed a business incubation program or not, a cross tabulation was conducted. The results that were obtained proved that both survivalist entrepreneurs that enrolled in incubation programs and those who did not, pursue growth goals for their business venture.

Table 4. 11. Cross tabulation on the objective of the business versus enrolment and completion of an incubation program

		Did you attend an incubation program and did you complete it?			Total
		Yes (completed)	Yes (did not complete)	No	
What is the objective of your business venture?	Growth	21	30	31	82
	Sustaining family needs	0	0	12	12
Total		21	30	43	94

To justify the extent of the relationship, a chi-square test was performed. The table below shows a p value < 0.001, which indicates statistical significance. From the above table, we see that only those who did not attend incubation programs pursue sustaining family needs, whilst the majority pursues growth needs. This shows that survivalist entrepreneurs focus on growth goals rather than on barely sustaining family needs, and with the necessary support the growth objectives can be achieved.

Table 4.12: Chi-square test on the objectives of the business venture and attendance of incubation programs

	Value	Df	Asymp. p-value (2-sided)	Exact p-value (2-sided)	Exact p-value (1-sided)	Point Probability
Pearson Chi-Square	16.315 ^a	2	.000	.000		
Continuity Correction						
Likelihood Ratio	20.881	2	.000	.000		
Fisher's Exact Test	15.743			.000		
Linear-by-Linear Association	12.754 ^b	1	.000	.000	.000	.000
N of Valid Cases	94					

a. 2 cells (33.3%) have expected count less than 5. The minimum expected count is 2.68.

c. The standardized statistic is 3.571.

4.4.1.1.9 Challenges faced by survivalist entrepreneurs in their business ventures

A total of 95 selections were made as a result of multiple selections. The notable challenges ranged from finance to government regulations. As noted in Figure 4.6 below, an overwhelming majority of the respondents (61%) reported that a lack of finance was the challenge. A considerable proportion of the respondents (23%) believed that infrastructure was a challenge, and 16% thought that government regulations posed serious challenges for them.

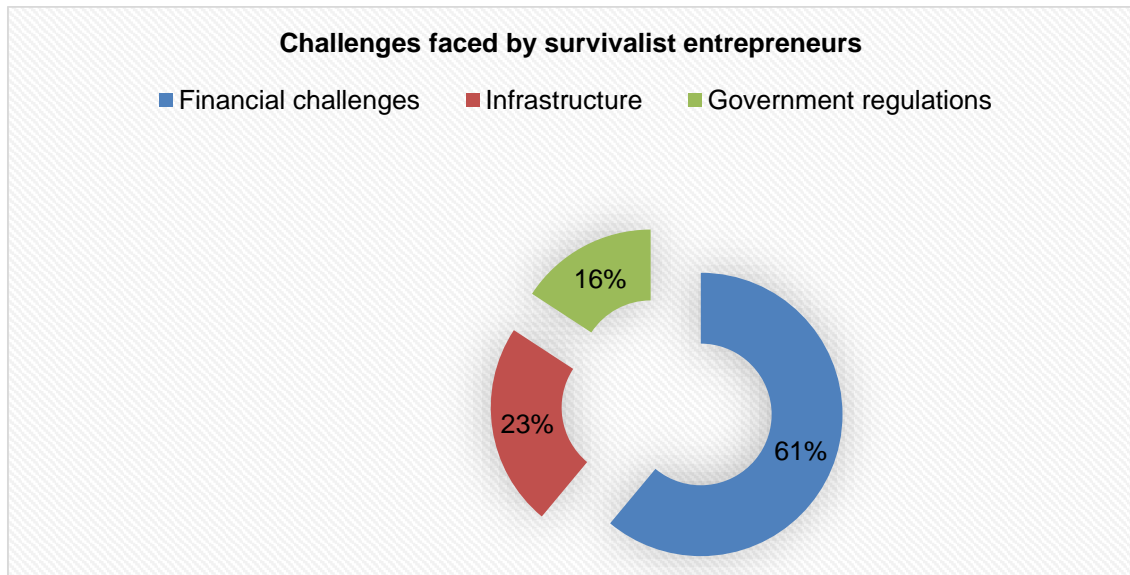


Figure 4.7: Challenges faced by survivalist entrepreneurs

Financial challenge is a common problem faced by many entrepreneurs regardless of the category or sector in which the entrepreneurs operate in. The results correspond with previous literature that identified access to funding as the most common problem faced by entrepreneurs at all levels (GEM, 2013:38; Chimucheka, 2012). In addition, Richards (2006:3) argues that survivalist entrepreneurs face huge challenges to obtain access to any type of resources. More so, financial resources remain a major stumbling block in their business ventures, as most of them do not to qualify for bank loans owing to a lack of collateral (Richards, 2006:39).

Cross tabulation was conducted to determine whether a relationship exists between enrolment and completion of business incubation program versus the challenges faced. The results show that those who did not enrol and complete incubation programs face similar problems. For instance, under government regulations only those who did not complete and those who did not attend the programs are faced with this challenge. Financial challenges seem to be common amongst all the survivalist entrepreneurs. Table 4.13 below displays the results.

Table 4.13: Cross tabulation on enrolment and completion of an incubation program versus challenges faced in running the business venture

		Did you attend an incubation program and did you complete it?			Total	
		Yes (completed)	Yes (did not complete)	No		
What type of challenges do you face in running your business venture? ^{2a}	Financial challenges	Count	14	18	25	57
		% within Q11	63.6%	62.1%	58.1%	
	Infrastructure	Count	8	8	6	22
		% within Q11	36.4%	27.6%	14.0%	
	Government regulations	Count	0	3	12	15
		% within Q11	0.0%	10.3%	27.9%	
Total		Count	22	29	43	94
		% within Q11				

Percentages and totals are based on responses.

Dichotomy group tabulated at value 1.

A chi square test was done and a p-value of 0.0219 was obtained, which is less than 0.05 of the determining factor of whether a relationship exists. The results are shown in the table below.

Table 4.14: Chi square analysis on attendance of incubation program and challenges faced in running the business venture

	Value	Degrees of freedom	p-value (2-sided)
Pearson Chi-Square	11.4539	4.0000	0.0219
N of Valid Cases	94	0	0
0, i.e. 0%, of expected values are less than 1			
2, i.e. 22.22222222222222%, of expected values are less than 5			
The minimum expected value is 3.511			

4.4.1.1.10 Awareness of incubation programs

In order to establish reasons why survivalist entrepreneurs do not attend incubation programs, a question was included to measure their awareness of these programs. A slight majority (58.5%) of the respondents indicated that they are aware of incubation programs, while (41.5%) respondents indicated that they were not aware of the incubation programs. Table 4.15 below shows the results in detail.

Table 4.15: Awareness of incubation programs

Awareness of incubation programs.		Frequency	Valid Percent	Cumulative Percent
Valid	Yes	55	58.5	58.5
	No	39	41.5	100.0
Total		94	100.0	

In order to determine whether those survivalist entrepreneurs who did not enrol in business incubation are aware of the existence of such programs, cross tabulation was conducted which

showed that a large number of those who did not enrol in incubation programs are not aware of the existence of incubation programs. The results are shown below in Table 4.16.

Table 4.16. Cross tabulation on the awareness of incubation support versus enrolment and completion of the incubation programs

		Did you attend an incubation program and did you complete it?			Total
		Yes (completed)	Yes (did not complete)	No	
Are you aware of business incubation support?	Yes	21	30	5	56
	No	0	0	38	38
Total		21	30	43	94

A chi square test justified the relationship with a p-value < 0.001, as shown below in Table 4.17.

Table 4.17: Chi-square test on the awareness of incubation program versus enrolment and completion of an incubation program

	Value	Df	Asymp. p-value (2-sided)	Exact p-value (2-sided)	Exact p-value (1-sided)	Point Probability
Pearson Chi-Square	71.816 ^a	2	.000	.000		
Continuity Correction						
Likelihood Ratio	87.894	2	.000	.000		
Fisher's Exact Test	81.739			.000		
Linear-by-Linear Association	57.729 ^b	1	.000	.000	.000	.000
N of Valid Cases	94					

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 8.71.

b. The standardized statistic is 7.598.

4.4.1.1.11 Enrolment and completion of incubation programs

The respondents were also asked to indicate their attendance and completion of an incubation program. Of 94 respondents, 21 (22 %) completed the program, 30 (32%) did not complete it and the majority 43 (46%) did not attend at all. The results are depicted in the graph below.

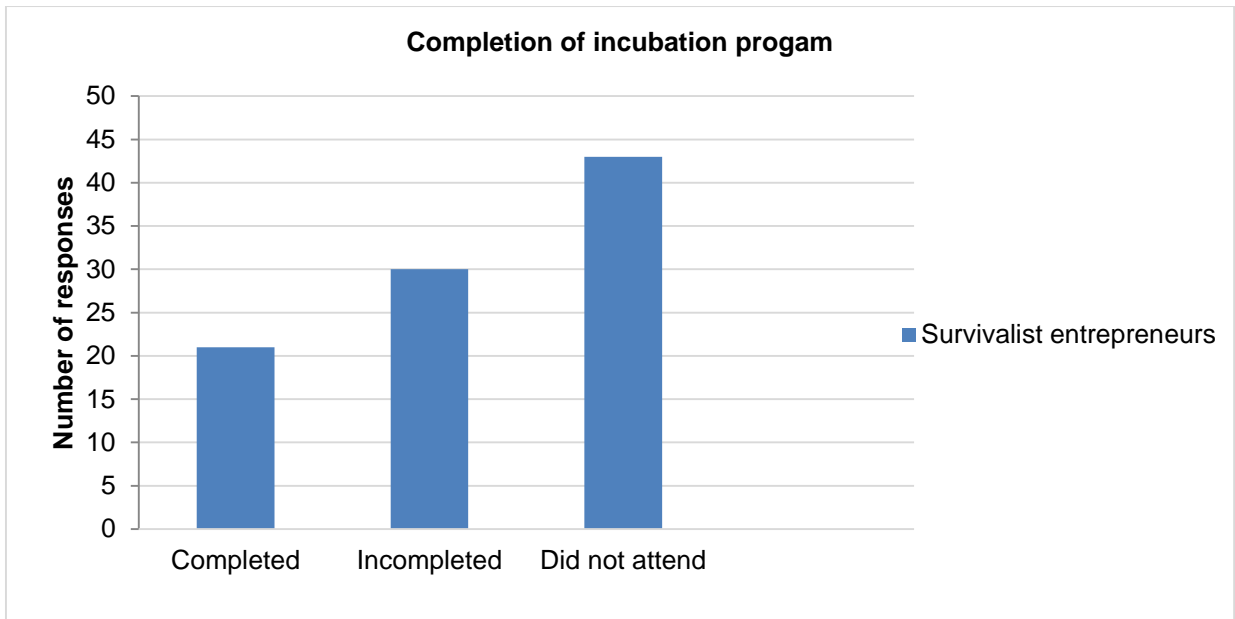


Figure 4.8: Completion of incubation program

4.4.1.1.12 Type of support required

A question was posed with the aim of gauging the type of support, which is required by survivalist entrepreneurs. The data that was obtained (table 4.18) revealed that 90 (93.8%) of the respondents require financial support. Three respondents (3.1%) highlighted that they require support for skills development, and 2 (2.1%) require advice to develop new products and services. No selections were made for support on business planning and for forming a company and one respondent selected none of the above. The majority of the respondents require financial support. The results are shown below in Table 4.18.

Table 4.18: Type of support required

		Responses	
		N	Percent
What type of support do you require? ^a	Financial support	90	93.8%
	Skills development	3	3.1%
	Advice of developing new products and services	2	2.1%
	Business Planning and forming a company		
	None of the above	1	1.0%
Total		96	100.0%

The results correspond with the challenges faced in their business venture. Finance emerged as the main challenge which survivalist entrepreneurs face. GEM (2003), notes that South Africa is experiencing the same problem as other developing countries in terms of a lack of

access to finance. Richards (2006:70) concludes that access to finance will continue being an issue for emerging entrepreneurs regardless of the category in which they operate in.

Having noted the support requirements of survivalist entrepreneurs, the researcher was eager to understand why survivalist entrepreneurs enrolled in incubation programs.

4.4.1.1.13 Motivation for attending incubation program

In order to establish what survivalist entrepreneurs look for when attending incubation programs, a question was asked about what motivated them to attend the incubation programs. A total of 51 respondents answered this question; this comprised of those who enrolled and completed incubation programs, and those who enrolled and did not complete. Of the 51, 46 (90%) respondents were motivated by growth potential and 5 (10%) indicated that they were motivated by a lack of skills. The pie chart below (Figure 4.8) shows the results that were obtained.

The majority of survivalist entrepreneurs who attend incubation programs are motivated by growth potential, which comes with incubation programs. From the sample 90% of the respondents were motivated by growth potential and 10% indicated that they were motivated by a lack of skills. The most important motive for attending the incubation programs was the need for growth for their business.

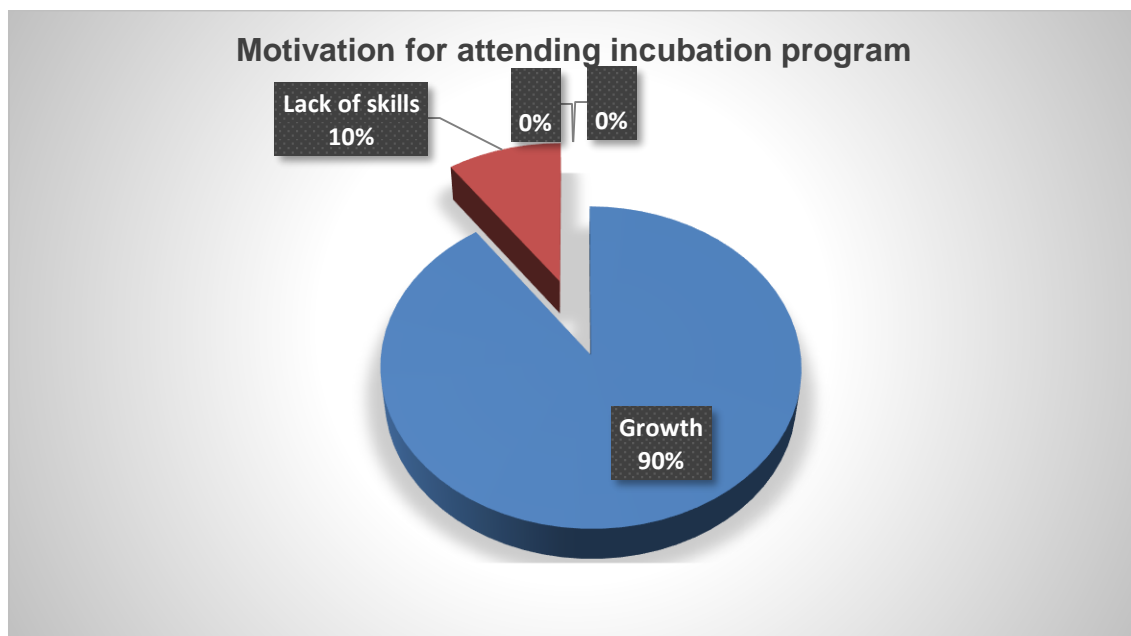


Figure 4.9: Motivation for attending incubation program

In previous literature scholars identified survivalist entrepreneurs as those who venture into business for the purpose of sustaining family needs (Jesselyn, 2006:10, Fisher, 2011).

The findings of this study indicate that the majority of these survivalist entrepreneurs seek growth objectives and they have a long term focus on their business and not merely to sustain family needs. With the necessary assistance from business incubators this objective could be achievable, resulting in these business ventures fully contributing to economic growth and development.

4.4.1.1.14 Did attending the incubation program benefit you or your business?

Twenty-seven (55.1%) of those survivalist entrepreneurs who enrolled in incubation programs indicated that they benefited from attending the incubation program, whilst 22 (44.9%) indicated that they did not benefit from attending the program. This implies that attending business incubation program benefit business ventures, as the largest percentage of respondents confirmed this. Therefore, survivalist entrepreneurs should be encouraged to enrol in business incubation programs.

Table 4.19: Benefits of attending incubation program

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	27	28.7	55.1	55.1
	No	22	23.4	44.9	100.0
	Total	49	52.1	100.0	
Missing	System	45	47.9		
Total		94	100.0		

Based on the results obtained above, in order to determine whether there are benefits for enrolling and completing an incubation program, cross tabulation was employed. The results in Table 4.20 show that the majority of those who did not complete the incubation program did not benefit from the programs. These results sound logical, because they did not complete the program and the benefits could, therefore, not be recognized.

Table 4.20: Cross tabulation of the benefit of the program and attendance of the incubation programs

		Did you attend an incubation program and did you complete it?		Total
		Yes (completed)	Yes (did not complete)	
Did attending the incubation program benefit you or your business and in what way?	Yes	19	8	27
	No	1	21	22
Total		20	29	49

A p-value < 0.001 was obtained from a chi square test justifying the extent of the relationship of the results that were obtained above. The results of the test are depicted below.

Table 4.21: Chi-square test on the benefits of the program and attendance of incubation programs

	Value	Df	Asymp. p-value (2-sided)	Exact p-value (2-sided)	Exact value (1-sided)	p-(1-Probability)
Pearson Chi-Square	21.744 ^a	1	.000	.000	.000	
Continuity Correction ^b	19.104	1	.000			
Likelihood Ratio	25.315	1	.000	.000	.000	
Fisher's Exact Test				.000	.000	
Linear-by-Linear Association	21.300 ^c	1	.000	.000	.000	.000
N of Valid Cases	49					

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 8.98.

b. Computed only for a 2x2 table

c. The standardized statistic is 4.615.

4.4.2 Survey of business incubators

The following results were obtained from the survey with the business incubators.

4.3.2.1 Section A: Demographics

Section A of the questionnaire covered the demographics of the business incubators, their age, and their role within the business incubation facility.

4.4.2.1.1 Respondents' ages

Of the 4 incubator managers who completed the self-administered questionnaires, 3 (75%) of the respondents fell in the 36 plus age category, and the remaining 1 (25%) incubator in the 26- 35 age category. The results are shown in Table 4.6 below.

Table 4.22: Respondents' age

		Frequency	Valid Percent	Cumulative Percent
Valid	26 - 35	1	25.0	25.0
	36+	3	75.0	100.0
	Total	4	100.0	

4.4.2.1.2 Gender

The business incubators were also asked to indicate their gender. Figure 4.8 below depicts the respondents' gender. Three respondents (75 %) are male and 1 (25%) is female.

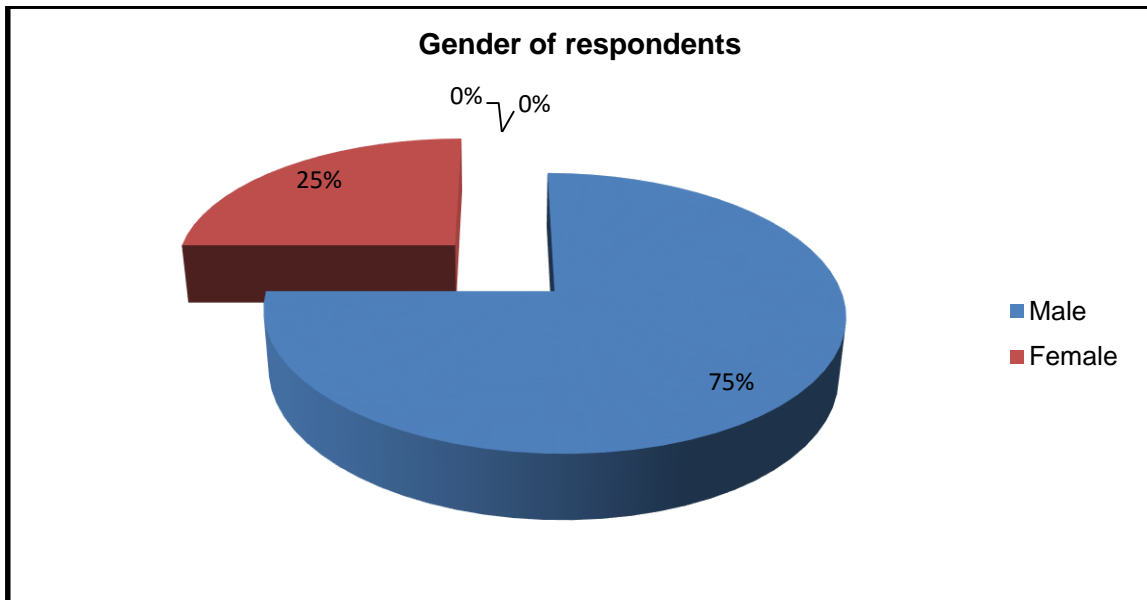


Figure 4.10: Gender distribution of incubators

4.4.2.1.3 Role of respondents

The respondents had different roles within the business incubation facility, from the questionnaire provided two options from which to select, business incubator or other. The roles were 100 % business incubators, as shown in the table below.

Table 4.23: Roles of respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Business Incubator	4	100.0	100.0	100.0

4.3.2.2 Section B: Business incubators background

This section considered when the business incubator was established, how many businesses have been assisted since establishment, and how many incubatees have graduated.

4.4.2.3.1 Years in operation

The results displayed below (Table 4.14) confirm that the majority of the business incubators (75%) had been in operation for more than 5 years, while a significant proportion (25%) were in operation for 4 to 5 years, with no respondents for the other categories. The results show that the majority of the survey business incubators have been in operation for some time.

Table 4.14: Years in operation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	4 - 5 years	1	25.0	25.0	25.0
	5+ years	3	75.0	75.0	100.0
	Total	4	100.0	100.0	

4.4.2.3.2 Businesses assisted

The number of businesses that have been assisted by the 4 incubators who completed the questionnaires was even throughout with 25% for each category. The results are depicted below (Figure 4.10).

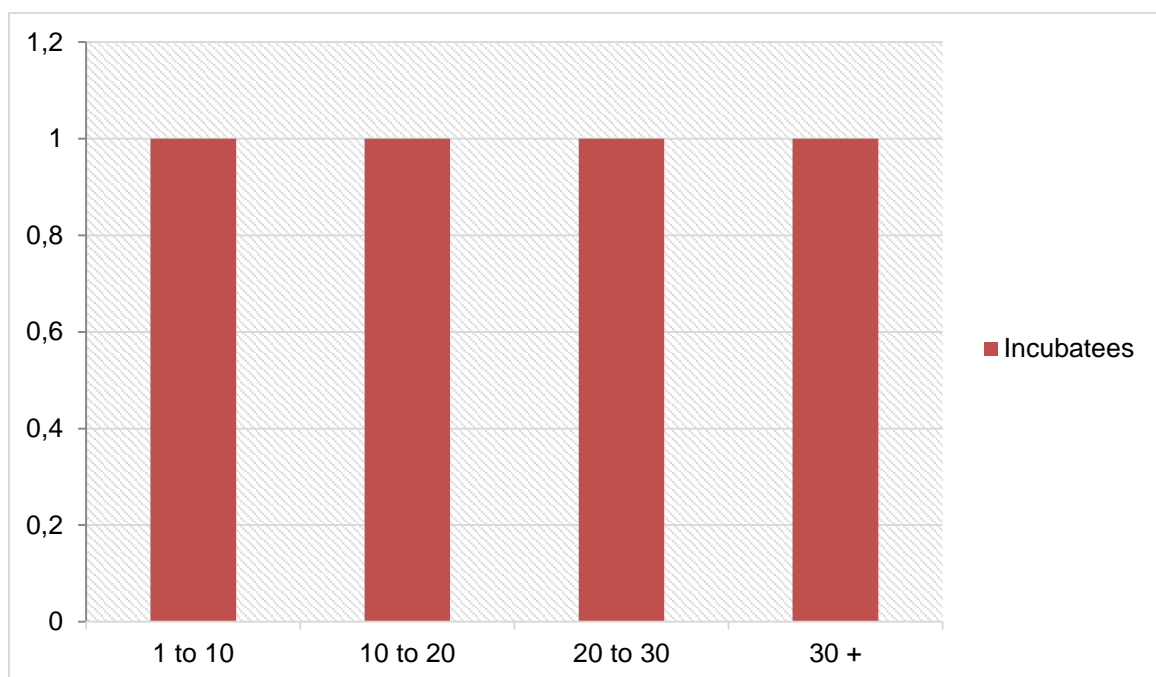


Figure 4.11: Number of businesses assisted

4.4.2.3.3 Number of incubatees that graduated

Three (75%) incubators indicated that 1 to 10 incubatees have graduated since the establishment of the incubation facility and 1(25%) indicated that there have been 20 to 30 graduates since its establishment. No incubators selected the 10 to 20 and 30 to 40. The results are shown below in Figure 4.11.

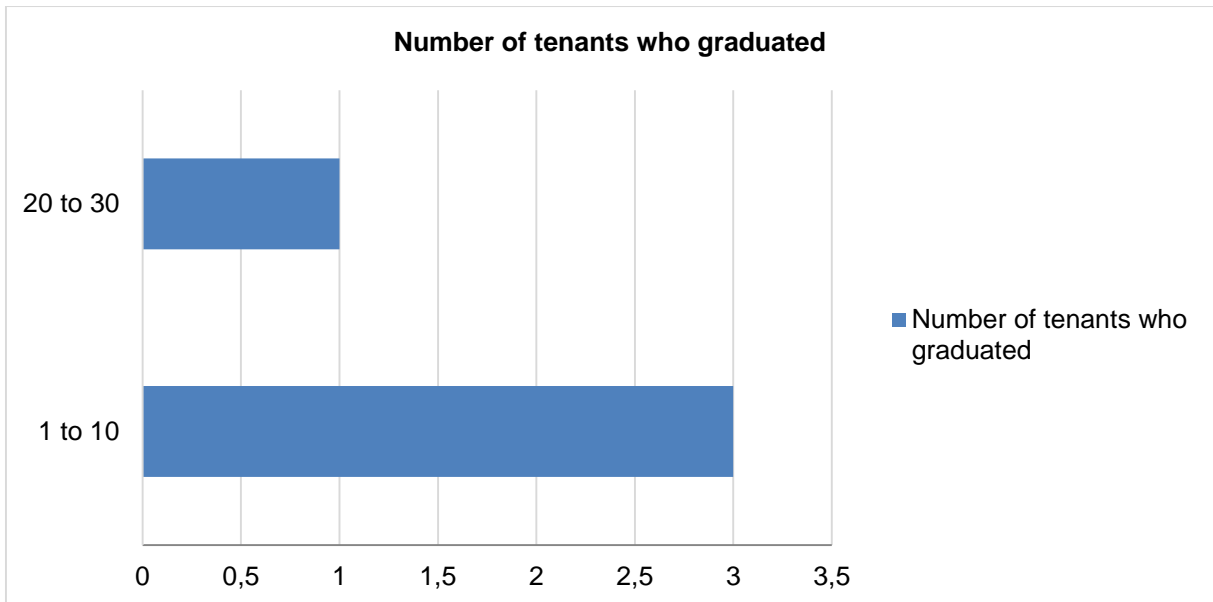


Figure 4.12: Number of tenants who graduated

The results show that between 1 to 10 incubatees have graduated from the majority of the surveyed incubator programs, with one incubator having between 20 to 30 tenants who graduated. The small number of tenants who graduated from the incubation programs could be a result of some of the tenants withdrawing from the programmes before graduating. Azriel and Laric (2008:0815) observes that although business incubators help to increase the survival rate of small businesses, many do not survive to the graduation stage.

The number of tenants who graduate from incubation program indicates the success of the incubation program. Lesakova (2012: 92) maintains that the number of successfully incubated enterprises is a significant factor of achievement of goals of the business incubator. In addition, Azriel and Laric (2008:0818) observe that the success of the incubator's graduates helps in building reputation of the business incubator and economic development for the community.

From the results, one can conclude that the majority of the business incubators surveyed have not achieved their goals and their impact on incubatees is not being fully realised. This comes against the backdrop of the fact that only one incubator graduated 20 or more tenant's despite being in operation for quite some time.

4.3.2.3 Section C: Impact and operations

Questionnaire B for business incubators covered the following: what is the selection criteria into incubation program, what professional services do they provide, how they cover their operating cost, why business incubatees leave the incubation program and what are the challenges faced in servicing incubatees.

4.3.2.3.1 Selection criterion

Figure 4.13 below illustrates the selection criterion used by business incubators when choosing incubatees.



Figure 4.13: Selection criterion

The business incubators were asked to indicate their selection criterion in order to determine the reason why some survivalist entrepreneurs do not attend incubation programs. Due to multiple selections, six selections were made in total. Out of the 6 selections, 2 (33%) selections were made on firms must be start-up, 1(17%) selection on firms must be above a certain size, (16.7%) selection on firms must be involved in certain types of activities and 2 (33%) selections made on high impact firms.

Among the surveyed incubators, only 40% offer support to survivalist entrepreneurs, whilst 60% of the incubators look for well-established businesses and the high growth potential firms. The results indicate limited support for survivalist entrepreneurial ventures. Hackett and Dilts (2004) are of the view that for business incubators to be successful, they must focus on enrolling businesses that have the potential to survive given access to the right resources. The exclusion of survivalist entrepreneurs from the program could mean that, survivalist entrepreneurs are viewed as businesses that have no potential for survival.

4.3.2.3.2 Professional services offered by business incubators

In attempt to understand what kind of services (professional) offered by business incubators, and if they are in line with what incubatees require, a question was formulated probing that. The results are presented in figure 4.13 below.



Figure 4.14: Professional services offered

Multiple selections were also made on this question; the business incubators offer more than one service. Twelve selections were made in total, of the total selections made, 2 (16.7%) were made on business planning and forming a company, 2 (16.7%) selections were made on training to develop skills, and 3 (25%) selections were made on helping to raise bank finance, grants, seed and venture capital. Three selections (25%) were also made regarding advice on the development of new products and services, and 2 (16.7%) were made on other services (business networks).

Drawing from the results obtained, advice on the development of new products and services (25%), and help to raise bank finance, grants, seed and venture capital (25%) emerged as the main professional services, which are offered by business incubators. These findings concur with Lesakova (2012:87) and Hackett and Dilts (2004) who identified access to bank loans, loan funds and guarantee programs, access to angel investors or venture capital, as one of the common services, which are provided by business incubators.

4.3.2.3.3 Operating costs

In order to determine whether cost is amongst the influencing factors for survivalist entrepreneurs not completing incubation, the incubators were asked to indicate how they cover their operating cost. How well they cover operating cost would indicate whether the fees that are charged for incubation programs are not being passed on to incubatees through high rentals or service fees. Due to multiple selections, the following results that are shown below were obtained. The results are illustrated below in Table 4. 25.

Table 4.25: How business incubators cover operating cost

		Responses	
		N	Percent
Operating cost ^a	Government subsidies	2	40.0%
	Payments from bank and other private sector organizations	1	20.0%
	Other	2	40.0%
Total		5	100.0%

Two selections were made regarding government subsidies, which comprised 40% of the responses, while 1 (20%) indicated that they cover cost though payments from bank and other private sector organisations, and 2 (40%) indicated that costs were covered through other means (self-sustaining through consulting). This could mean that some of the operating costs of the incubators are passed on to their incubatees, with 40% self-sustaining. This is in line with Lesokova’s (2012:87-88) views that although business incubators are supported by the governments, regional grants, academic institutions universities and colleges, they charge for their services and resources. This might also be the reason why most of the survivalist entrepreneurs did not enroll in their programs, because they cannot afford to pay for the services and resources. Even though one of the goals of the incubators is to become financially self-sufficient, developing through rents and fees charged for tenants does not symbolize the incubator’s success (Azriel and Laric, 2008:0818)

4.3.2.3.4 Promoting services

In order to determine whether business incubators place effort in creating awareness of their services, a question was included in the survey. Three (38%) selections were made on other (word-of-mouth) methods of creating awareness of the incubation program; 2 (25%) selections were made on referrals from other business support agencies, 1 (13%) on direct approach; 1 (12%) on advertising and media promotion; and 1 (12%) selection was made on business events, conferences, and exhibitions as methods of creating awareness. Figure 4.15 below illustrates the results.

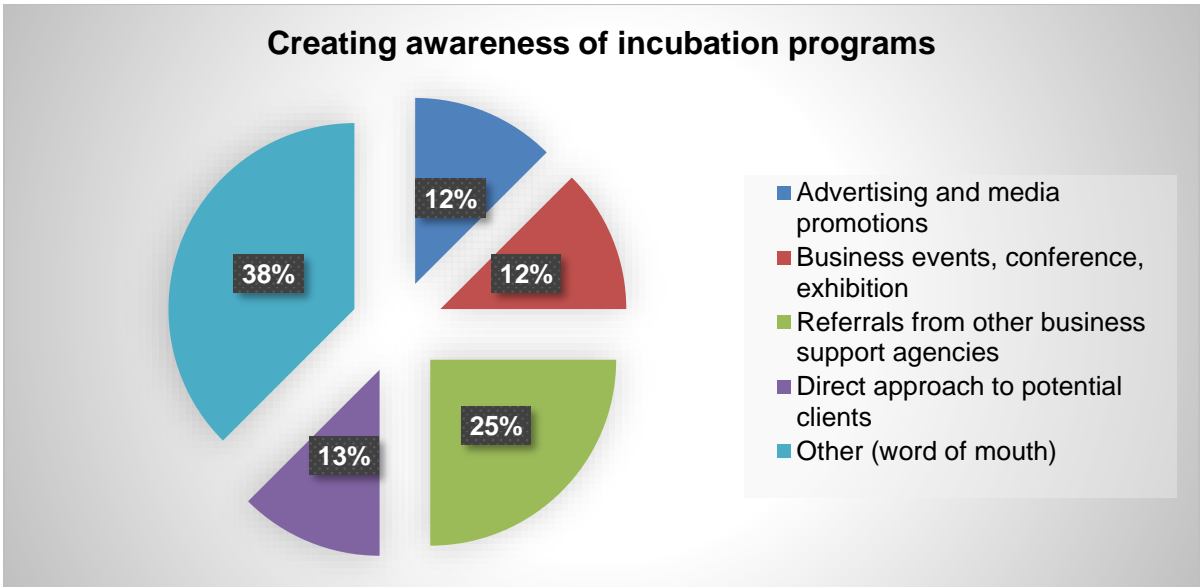


Figure 4.15: Creating awareness of incubation programs

The results show that most of the business incubators promote their services through word of mouth. Word of mouth is an inexpensive way of promoting business, but not effective enough to reach all potential incubatees. The results show that many entrepreneurs indicated a lack of awareness of the existence of incubation programs. Contrary to this finding, Lesakova (2012: 90) believes that the existence of business incubators is widespread, even though the entrepreneurs in this study indicated that they are unaware of its existence. Business incubators should not only utilise word-of-mouth to promote their services, but they should also employ strategies that are aimed at reaching a large population.

4.3.2.3.5 Feedback

The results in Figure 4.16 show the methods that are in place to obtain feedback about incubation programs.

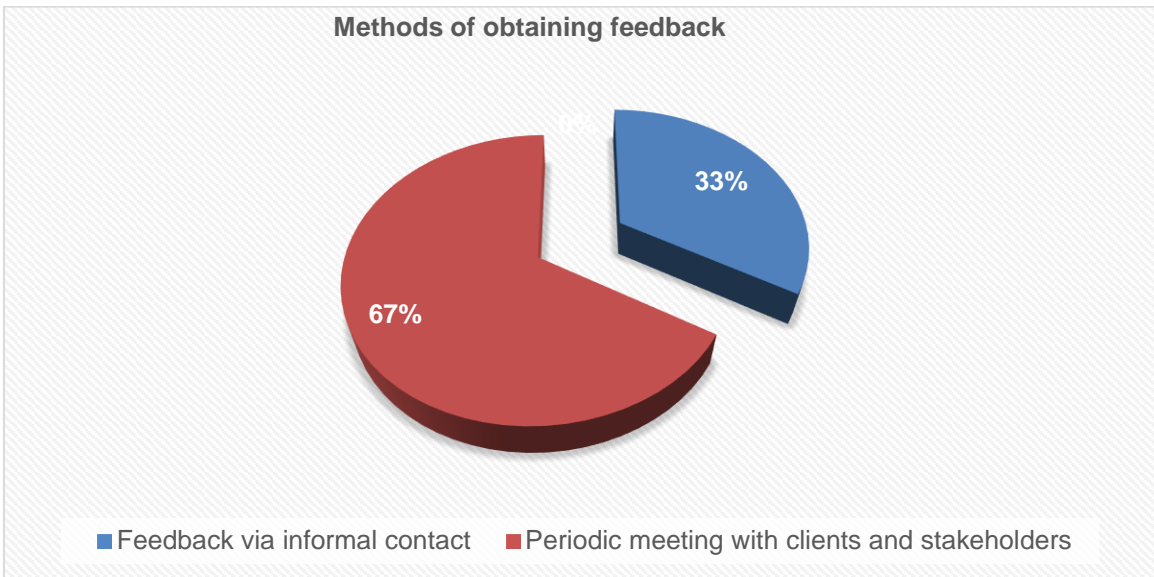


Figure 4.16: Methods of obtaining feedback

4.3.2.3.6 Challenges that business incubators face in servicing survivalist enterprise

Eight selections were made regarding the challenges amongst the business incubators who completed the questionnaire; some of them face multiple challenges in servicing business incubators. The results are shown in Figure 4.17 below.

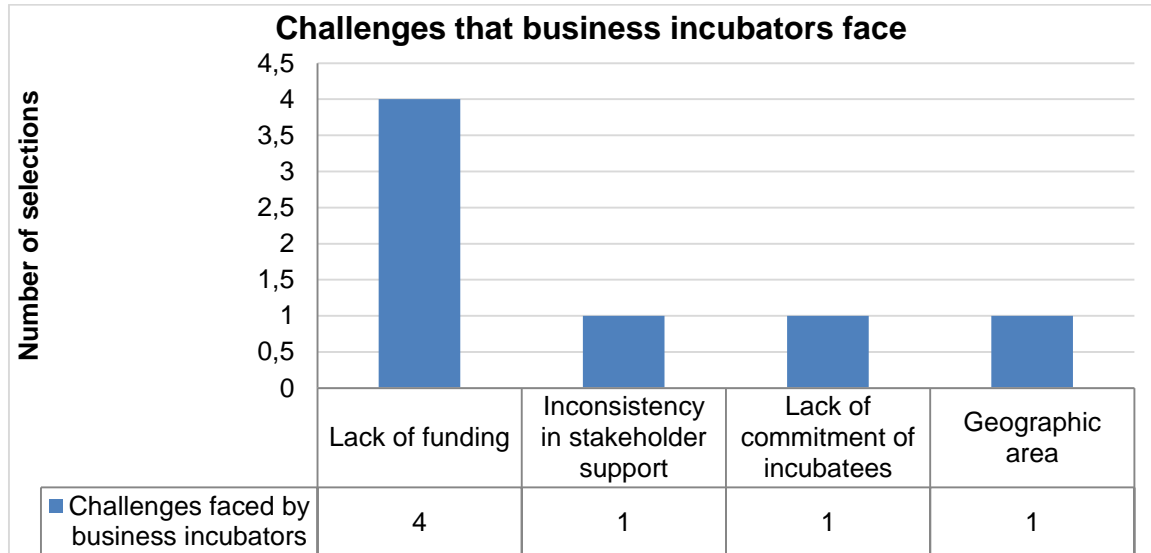


Figure 4.17: Challenges that business incubators face in servicing survivalist entrepreneurs

A lack of funding is the most dominating challenge, namely 4 (50%) selecting it and equal frequencies for the other challenges of 1 each (12.5%). This means that although incubators face a number of challenges that are not limited to a lack of finance, limited stake holder support, a lack of commitment from incubators and inappropriate geographical location, the need for financially support tends to dominate. These results can be related to the InfoDev (2010:29), which maintains that most business incubators do not have in-house seed funds and most start-ups require about R500 000. In addition, the operations and usefulness of a business incubator are affected by the economic characteristics of the geographic location (Lesakova, 2012:89).

4.3.2.3.7 Reasons for leaving the incubation programs

The incubators were also asked to indicate why incubatees leave the incubation programs. Multiple selections were made in response to this question. A total of 6 selections were made. Of the 6.3, selections were made regarding businesses finding better and cheaper support services, while 2 (33%) selections were made for incubation units being rented for a fixed period of time and 1 (16.7%) were made on other reasons (growth). The responses are presented below.

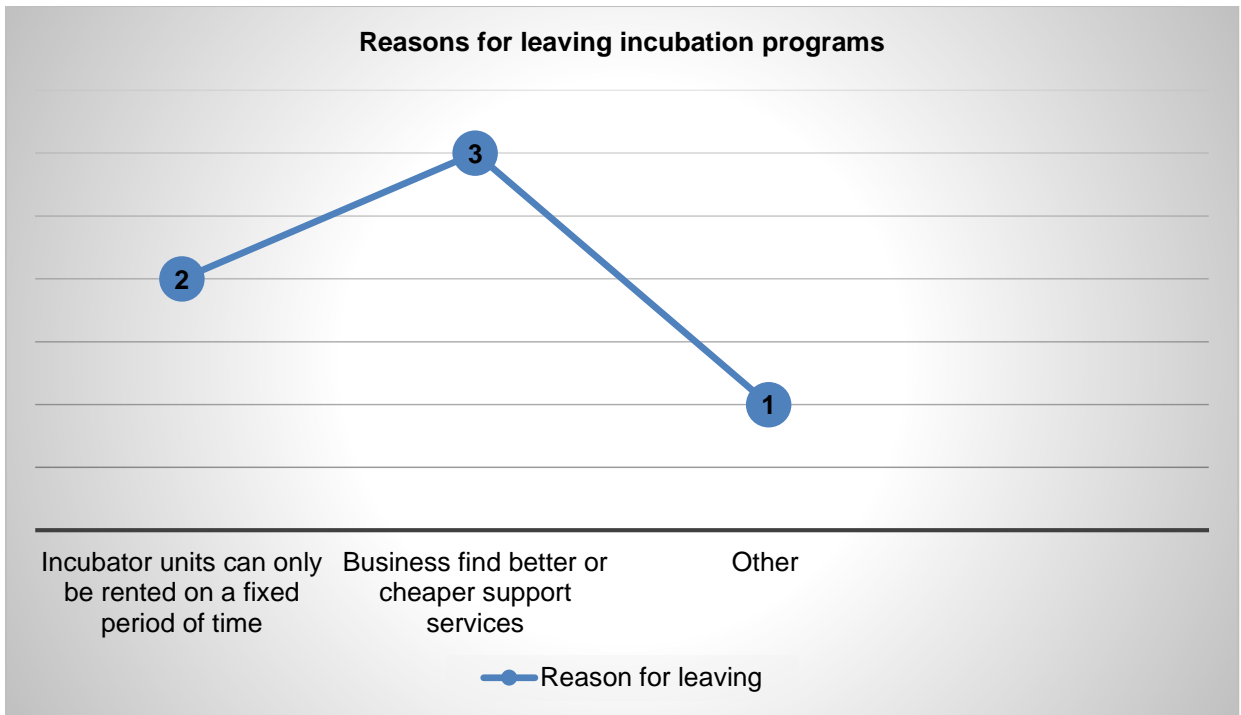


Figure 4.18: Reasons why incubatees leave the incubation programs

4.4 Results of the personal interviews

Interviews were conducted in order to provide answers to some of the questions, which were not properly addressed in the responses that were obtained from the questionnaire. For instance, the majority of the survivalist entrepreneurs did not provide reasons as to why they withdraw from incubation programs or why they did not attend incubation programs

Interviews were held to provide complementary data to questionnaires. Ten (10) interviewees were survivalist entrepreneurs who did not attend the incubation program; five were those did not complete the incubation programs; and five incubators and three survivalist entrepreneurs who completed the incubation programs. Table 4.26 below presents the distribution of the respondents who were interviewed.

Table 4.26: Interviewees

Roles	Respondents
Business incubators	2
Survivalist entrepreneurs (completed incubation program)	3
Survivalist entrepreneurs (who did not complete incubation program)	5
Survivalist entrepreneurs (who did not attend incubation programs)	10
Total	20

The questions were different depending on the role of the interviewee. Two set of semi structured interview questions were designed to act as a guide for the interviewing process, while the researcher would adjust questions based on the responses from the interviewees.

4.4.1 Personal interviews with survivalist entrepreneurs

Question 1: Reasons for not attending incubation programs?

The majority of survivalist entrepreneurs said that they are not aware of the incubation programs as the reason for not attending the program, while a few of them indicated that they do not have time to attend, as they are busy running their business. Some of the responses were as follows:

“I never knew the existence of the program what does it do”

“Who will look after my shop when I attend the program if I close shop I will lose my customers”

Question 2: What challenges do you face in running your business ventures?

The researcher also asked the interviewees about challenges that they face in running their businesses, and a number of the interviewees pointed out access to finance to grow their business as the main challenge that they face. One of the interviewees said that:

“Does the program provide money for my business? Money is a big problem for me I need to make my business big; because I don’t have money my business is small”

Another interviewee said:

“Biggest challenge is generating business networks and cash flow”

Question 3: Why did you leave the incubation program?

The above question was also included in order to establish why survivalist entrepreneurs do not complete the incubation program. A number of them expressed concern that business incubators do not deliver on the services that they promise the incubatees.

“They say we will help you grow your business and nothing like that happens, if they were really helping we wouldn’t be having problems paying fees and renting space and stay in the program”

Question 4: What motivated you to join the incubation program?

The researcher also asked the interviewee what was the motivation behind joining the incubation program. Most of the respondents mentioned that it was owing to business failure and they thought that the business incubators would help to grow their businesses. One of the interviewee said:

"I have been in business for about 4-5 years and after a significant active period I began experiencing problems in my business, then I became pregnant I had a baby and I thought I needed support."

Question 5: What kind of support do you require? Do the business incubators address some of your needs?

The researcher also asked a question with regards to the extent to which the needs of the incubatees were being addressed by the incubators. Some of the responses were as follows:

"Yes and no. When I joined the incubator they promised they would provide business networks and they would sell my business but I haven't seen any of that happening. I am going to present my business to Eskom but they are not helping out on how I present myself and are not even accompanying me, it is their duty to sell me"

"Yes because seeing other business who are in incubation problems shows me that I am not the only one facing problems in my business, I get to chat with them and share experiences."

Question 6: What do you think business incubators should improve on?

Furthermore, the researcher asked the survivalist entrepreneurs about areas where the business incubators could improve upon or what they could do differently to ensure that entrepreneurs do not withdraw from their programs.

"They should do what they say they do and also they are a very few people in the incubation program, when I started we were many and now we are few, people are leaving because they are not getting what they want".

4.4.2 Personal interviews with business incubators

Interviews were also conducted with two business incubators. The research focused on interesting points, which were raised during the interviews. Both incubators indicated that their target market does not include survivalist entrepreneurs, and their responses are shown below.

Question 1: What is your target market?

In order to obtain an understanding of which business the incubators target, a question was asked about what is the incubator's target market. Below are the responses from the interviewed incubators.

"No, we do not provide support for survivalist entrepreneurs, survivalist entrepreneurs are those people who want to put something on the table and ensure that the bills are paid" We

target 100% black owned business who are passion driven, who have potential to employ people, make a profit, positive sales and positive net asset value.

“Our target market is business in ICT and technology companies we do not target survivalist entrepreneurs.”

Question 2: Have you ever experienced a situation whereby a client leaves the incubation without completion? Tell me about the situation, the reason behind them leaving, and how you handled the situation?

The incubators were also asked about the reason why the entrepreneurs leave the program. The following were their responses:

“They struggle to maintain themselves, that is why they leave, it’s like in a relationship when things are not working out why stick around”

“I ask them to leave if they are not performing to the expected standards”

Question 3: What are the some of the challenges that your clients face with their business venture? How have you aided them in overcoming these challenges?

The business incubators indicated the following as challenges, which entrepreneurs face:

“Understanding that they are not alone in this” “Entrepreneurs once they struggle with something, they think they are alone” “They need to open up and engage”

They lack the necessary skills; they haven’t been exposed to many ways of doing things, that’s why we are here to assist them teaching them different ways of problem solving?

“They lack commitment which results in them not seeing the impact of our programs.”

4.4.3 Discussion of results from interviews

The interviews show that the majority of the survivalist entrepreneurs are not aware of the existence of a business incubation program and what services they offer. Some of the interviewees raised questions concerning business incubators. More so cash flow and business networks were also identified as major challenges which they face.

In addition, those who attended incubation programs expressed the concern about business incubators not delivering what they promise incubatees before they join their programs; this, according to the interviewees, is the reason why most of the incubatees leave without

completing the program. In order to encourage attendance of their programs, business incubators should honour their word. This resonates with Azriel and Laric's (2008:0815) views that business incubator managers should strive to collaborate with tenants, where tenants will view them as stewards with their best interests in mind which allows for successful outcomes for both parties. Ketchen, Thomas, and Snow (1993) are of the view that business incubators should provide resources that matches the needs of incubatees in order to achieve the desired outcomes. In other words, if business incubators match the needs of their clients, the number of clients that withdraw from the program will be reduced, and the outcomes of the incubation programs will be achieved.

From the interview survey, one can conclude that entrepreneurs attend business incubation programs owing to business failure; they attend an incubation program to obtain support to build their businesses. This should not be the case; entrepreneurs should not wait to fail in their business in order to attend incubation programs. Incubation programs should be seen as a way to grow and expand their businesses.

From the business incubator's point of view, entrepreneurs do not express their problems and areas where they need assistance, and act in isolation. The effectiveness of a business incubation program can only be realised if the mentors know what their clients want through communication. Apart from this, the survivalist entrepreneurs also lack commitment in their business venture, as well as in the incubation programs.

4.5 Summary

Despite the efforts that are being made by the national government to support SMEs, small business failure is still experienced in South Africa. Business incubation programs and organisations such as Small Enterprise Finance Agency (SEFA), SEDA, and NYDA are being implemented in order to support SMEs.

The effectiveness of these programs is not being noticed owing to SMEs being unaware of what support is available to them. The study shows that the majority of those entrepreneurs who did not attend the incubation programs are not aware of the existence of the programs.

The national government and these support programs should embark on methods and strategies to create awareness of their services to SMEs. This could increase the attendance rate of the support programs by SMEs and help to reduce the small business failure, which the country faces, and the creation of more employment opportunities.

The chapter has discussed and presented data that was obtained from questionnaires and interviews, which were conducted with both survivalist entrepreneurs and business incubators. The aim of the study was to assess the impact of business incubators on survivalist

entrepreneurs, the challenges faced by business survivalist entrepreneurs, and the challenges faced by business incubators in servicing survivalist entrepreneurs. The next chapter summarises and concludes on the study.

CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The previous chapter discussed the results that were obtained from the surveys was discussed. In this chapter the researcher proposes recommendations based on the literature, which was reviewed and the study's findings. The first section of this chapter provides a brief summary of the previous chapters. The summary is based on key points from each chapter, which is followed by the study's limitations. Scope for further research is also provided, and the chapter ends with a conclusion of the study.

5.2 Summary of the study

The researcher summarized key points from each chapter, as outlined below.

5.2.1 Chapter One

Chapter One presented the research study's course in terms of how it would be conducted, by providing an introduction and background of the study. The chapter looked at the research problem, research questions and research objectives. The research design and methodology was briefly described, while the significance and reliability of the study was also examined.

5.2.2 Chapter Two

In chapter Two, the researcher presented the study's conceptual frame, and considered the theories, which were adopted for the study, namely the push and pull factor theories, Maslow's hierarchy of needs, and business incubation models.

The research also considered at the importance of entrepreneurship, what motivates survivalist entrepreneurs to start their business ventures, the challenges that they face in running these business ventures, and the history of incubation, incubation models and the challenges faced by business incubators in servicing survivalist entrepreneurs.

5.2.3 Chapter Three

Chapter three focused on the research design and methodology, which was utilized for the study. Mixed methods were utilized, while qualitative research was mainly used, as it allowed participants the freedom to express their experiences regarding incubation programs.

A semi structure questionnaire was designed as means to data collect, and semi structured interviews were also utilized. Snowball sampling, a non-probability sampling method was adopted. A few participants known by the researcher were approached to help to identify other participants for the study.

5.2.4 Chapter Four

Chapter Four of this study outlined the data presentation and a discussion thereof. Data was presented according to the questionnaire structure. Two questionnaires were distributed, targeting survivalist entrepreneurs on the one hand, and business incubators on the other. The two questionnaires were Questionnaire “A” for survivalist entrepreneurs and Questionnaire “B” for business incubators. Both questionnaires were divided into three sections, namely A, B, and C. Section A considered demographics, section B background information, and section C considered impact and operations.

The data that was obtained from the interviews was grouped according to the themes that emerged and served to enrich and integrate the results of the questionnaires.

Chi-squares and cross tabulation were utilised as data analysis tools to analyse the data. While the crosstabs were utilised to determine the relationship between variables of concern, the chi square tests were utilised to justify the extent of the relationship.

It can be drawn from the findings presented in this chapter that there is a significant relationship between years of operation and attendance of incubation programs, the number of employees and attendance of business incubation programs, objectives of the business and attendance of incubation program, benefits of attending the incubation program, and attendance of the program. There is a difference in the challenges faced by those who have attended incubation programs and those who have not.

The results also revealed that those who attended incubation programs employ a significant number of people compared to those who did not complete the program, and those who did not attend at all.

The study shows that the methods of obtaining start-up funding differ amongst survivalist entrepreneurs who have attended incubation programs or not. Those who had attended incubation programs seem to have greater access to funding than those who did not attend the program.

It was also noted that those who completed incubation programs tend to have a long term focus of business, and although the majority of those who did not attend incubation programs have the growth objective for their business, there is still a portion of entrepreneurs who have the objective of sustaining family needs. From the data analysis in the previous chapter we can see a frequency of 12 respondents out of 31 who have the objective of sustaining family needs.

5.2.5 Chapter Five

Chapter 5, the final chapter of the study, summarises the study, while the study's findings are also discussed, and recommendations are proposed. The chapter closes with a conclusion.

5.3 Limitations of the study

Due to financial restrictions, the study had a number of limitations. The study focused on survivalist enterprises within the Cape Town Metropolitan area only. This excludes all other areas outside of the Metropolis. The study was limited to the following suburbs: Woodstock; Mowbray; Observatory; Claremont; and Rondebosch; which excludes all other suburbs within the Metropolitan area.

5.4 Theoretical Implications

Current understanding of the concept of survivalist enterprises by previous researchers give the impression that survivalist enterprises are unproductive and dismiss the significance of this category of entrepreneurs. This study, however, reveals the significant contributions made by survivalist enterprises towards poverty alleviation and employment creation.

The results suggest that scholars do not understand or see the role played by survivalist enterprises. They in turn discourage support or undertaking studies in this particular subject, in other words there are few studies that cover this concept of survivalist entrepreneurship; from an academic perspective research on survivalist entrepreneurship should be encouraged in order to get a full understanding of the concept and exploring ways to help these types of entrepreneurs to operate their businesses effectively.

The research literature has also come up with application of different theories like Maslow's in determining the different kind of needs that motivates survivalist entrepreneurship. The study noted the existence of two categories of survivalist enterprises which are value survivalist entrepreneurs and disadvantaged enterprises, considering these categories the concept of survivalist entrepreneurship should not be merely dismissed, there is need to understand the level or category of survivalist enterprises.

5.5 Managerial implications

Presented in the graphic format below, Figure 5.1 represents the summary of this research study contribution to the body of knowledge. The managerial implications of the study are that it is possible for survivalist entrepreneurs to be included in incubation programs. Business incubators should rethink their selection criteria and also consider those survivalist entrepreneurs with growth aspirations in their programs. From the study we noted that there are those survivalists' entrepreneur who have growth aspirations and with the necessary

support they can expand their business and make as much contributions as other entrepreneurs.

Although previous studies (Beats, 2013; Falkena *et al*, 2001) places greater emphasis on not supporting survivalist enterprises, this study proves the significant role of by survivalist enterprises of employment creation and poverty reduction. This study moves the previous researchers' perception towards supporting these survivalist enterprises.

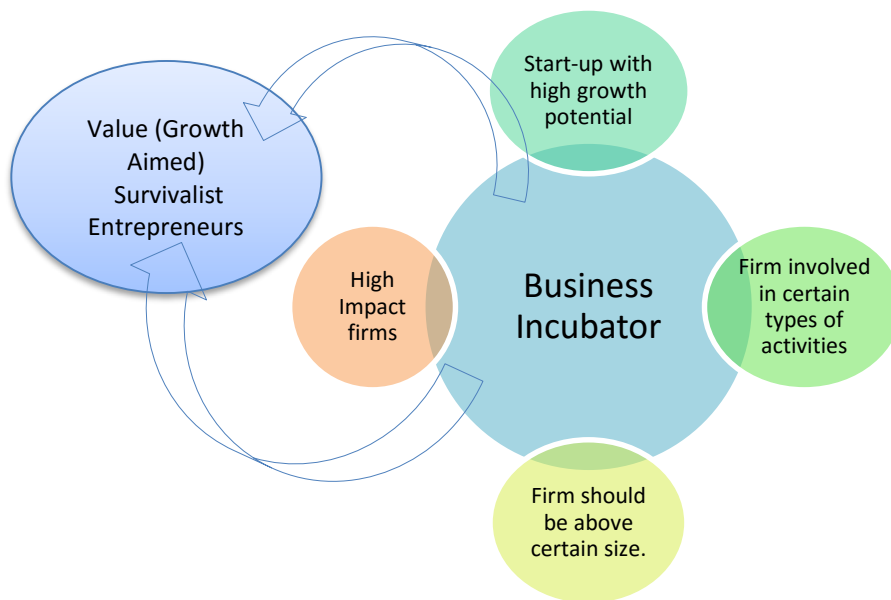


Figure 5.1: New proposed selection criteria

5.6 Scope for further research

Based on the limitations identified above, the researcher proposes the following areas for future research which are outlined and presented below.

Future research should include the entire Western Cape, and not only a few selected suburbs within the Metropolitan. There are lots of survivalist entrepreneurs in other areas outside and within the Metropolitan that might also be facing similar problems as those that were identified in the study.

There is also a need to conduct a similar investigation on a much larger scale. Such a focus would mean expanding the sample size to include more incubators and survivalist entrepreneurs, namely, all business incubators and survivalist entrepreneurs in the whole Western Cape, and not only in specified areas, which were surveyed in this study. Furthermore, it may also be necessary to expanded the study beyond survivalist entrepreneurs

The impact of business incubation programs on employment creation and economic development in South Africa should also be examined.

Another interesting area for future research might be to consider how business incubation programs can positively influence and create sustainable business ventures.

5.7 Recommendations

The recommendations for the study are based on the findings of this research. The researcher proposes the following recommendation for: business incubators, survivalist entrepreneurs, the national government, banks and universities.

5.7.1 Business Incubators

Based on the finding that the majority of the entrepreneurs who did not attend incubation programs are not aware of the existence of incubation programs, the researcher recommends that the business incubators should embark on programs and marketing campaigns, which aim to create awareness of their programs. In this way the impact of incubation programs can be observed.

The researcher also recommends that business incubators should note the existence of the two types of survivalist entrepreneurs, which are value and disadvantaged, as identified by Light and Rosenstein (1995) in Valenzuela (2000:339). They should adopt new selection criteria which cater for survivalist entrepreneurs, as they are not solely motivated to sustain family. From this study we realise that not all of them have the objectives of sustaining family needs, as the majority of them pursue growth objectives.

5.7.2 Survivalist entrepreneurs

Survivalist entrepreneurs who completed incubation programs face fewer challenges and have greater access to funding than those who did not attend. The researcher recommends that survivalist entrepreneurs should not take business incubation programs for granted, and should enrol and stay in the program until they complete it. They should not see incubation programs as a waste of their time. Through incubation programs the growth objective can be achieved.

5.7.3 National government

The findings indicate that most of the business incubators highlighted a lack of funding as the major challenge that they face in servicing entrepreneurs. Hence, in this light the researcher recommends that the national government should increase funding towards programs that offer business support services.

Apart from a lack of funding, most of the entrepreneurs operate in the informal sector owing to a lack of awareness of the procedures regarding registration of their business and the long business registration process. The national government should thus minimise lengthy

procedures of registering business ventures and also embark on programs aimed at educating entrepreneurs about business registration procedures and encourage them to register their businesses.

5.7.4 Banks

Having identified a lack of funding as the major problems faced by entrepreneurs, the bank should play a role in reducing this problem. They should have special funds in place at lower interest rates in order to assist entrepreneurs to establish their business ventures.

5.7.5 Universities and business schools

Due to a lack of entrepreneurial skills and knowledge, small business failure remains a problem in South Africa. Therefore, universities and business school should introduce entrepreneurship as a field of study, in order to equip future entrepreneurs at an early age. Workshops and community involvement activities should also be embarked upon to encourage the development of entrepreneurship.

5.8 Conclusion based on research objectives

In this study, all the research objectives were addressed; the results and concluding remarks are discussed below in relation to each research objective:

5.8.1 To determine the impact of business incubators on survivalist entrepreneurs

Based on the survey results, one can conclude that the impact of business incubators on survivalist entrepreneurs is not being fully realised as many selection criteria into business incubation programs eliminates and does not accommodate survivalist enterprises.

Furthermore, looking at the number of employees employed by survivalist entrepreneurs, the majority of the enterprises employ between 1 and 10, this could mean that due to not receiving the necessary support from business incubators, the number of employees still remains low.

More so considering the results obtained of low graduation rate, if this rate is to be used as a measure of success, one may conclude that the impact of business incubators on survivalist entrepreneurs is very low.

Previous research also proves that survivalist enterprises are considered as of lower impact and unproductive and hence should be excluded from the programs (Ligthem, 2013). Only one of the interviewed business incubators provides support to survivalist.

5.8.2 To determine the effects of completing, in completing or not attending a business incubation programme.

Findings from the surveys have shown that those who completed business incubation programs have a greater chance of employing more than people than those who did not complete and those who did not attend incubation programs.

Cross tabulation on attendance of incubation program and number of employee showed that the majority of survivalist entrepreneurs who did not attend or complete incubation programs employ between 1 and 10 and only one of them employs between 11 and 50 in comparison to those who attended.

Ascertaining the benefits of attending an incubation program, the results revealed that with the exception of one respondent, all those who attended benefited. Turning to those who did not complete the programs, twenty-one (21) out of twenty-nine 29 survivalist entrepreneurs indicated that they did not benefit from attending the program. One may conclude that because they do not complete incubation program, therefore they did not benefit from the program.

Furthermore, those who attended and completed incubation programs have greater access to funding as compared to those who did not complete the programs.

The majority of those who did not complete incubation programs were motivated mainly by unemployment in comparison to those who completed incubation programs who are motivated by the need for achievement and growth.

The researcher can conclude that those who enrolled and completed business incubation complete incubation programs have a higher need for achievement and a greater chance of succeeding as compared to those who did not enrolled than those who did not complete the program who were sorely motivated by unemployment. More so looking at the challenges, those who enrolled in business incubation programs face fewer challenges and have better access to finance and business networks.

5.8.3 To identify factors, which motivate entrepreneurs to be involved in incubation programmes.

The findings of this study indicate that the majority of these survivalist entrepreneurs seek growth objectives and they have a long term focus of business not just sustaining family needs. With the necessary assistance from business incubators this objective could be achievable resulting in these business ventures fully contributing towards economic growth and development.

We can conclude that although survivalist entrepreneurs are seen as those people who venture into business primarily for sustaining family needs, they also have a desire for growth. By supporting survivalist entrepreneurs in their business venture, the growth objective can be achieved and they can fully contribute towards economic growth and development. Growth and increase entrepreneurial growth results in more employment opportunities which help to reduce the unemployment rate in South Africa.

5.8.4 To determine challenges which business incubators face in survivalist supporting entrepreneurs.

The study reveals that lack of funding is the major challenge being faced by business incubators in servicing survivalist entrepreneurs. From the previous chapter all the surveyed incubators face financial challenges in servicing survivalist entrepreneurs. Among other challenges faced is lack of commitment by survivalist entrepreneurs, inconsistency in stakeholder support and geographic area.

From the literature, the Global Practice in Incubation Policy Development and Implementation, (2010:29) confirms that business incubators do not have in house seed funding and most start-ups require about half a million. Due to the financial challenge they face, they cannot therefore fill the gap of lack of funding for all their clients.

The research therefore concludes that with the necessary support and enough funding, business incubators can be of great impact to entrepreneurs and reducing small business failure. One might say that the reason why survivalist entrepreneurs are not included in their programs is due to limited resources that are not sufficient to cater for all entrepreneurs.

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Appendix A: List of Incubators in the South Africa

	Incubation Centres	Location	Contact Person	Contact Number	Email Address	Web Address
1	88 MPH	Woodstock, Cape Town			sm@88mph.ac	www.88mph.ac
2	African Rose Enterprise Development	Pretoria		0128414027	africanrose@africanrose.co.za	www.africanrose.co.za
3	Acorn Technologies Incubator	Cape Town		0214097000		
4	Aurik	Johannesburg	Pavlo Phitidis	0114475575	pavlo@aurik.co.za	www.aurik.co.za
5	Bandwidth Barn	Cape Town	Vuyisa Qabaka/Christina Mathis	021409 7000	vuyisa@citi.org.za / marketing@citi.org.za	www.bandwidthbarn.org
6	Biodiesel	Marble Hall				
7	Bodibeng Technology Incubator	Johannesburg				
8	Cape Town Garage	Cape Town		(021)4486608		www.capetowngarage.com
9	Chemcity (Sasol Business Incubator)	Sasolburg		(016)9603763	info.chemcity@sasol.com	
10	Chemin	Port Elizabeth	Charles Wyeth/Robin Learmonth	0415036700	nicole@chemin.co.za	www.chemin.co.za
		East London	Phumeza Gonya	0873731150	phumeza@chemin.co.za	
		Midrand		0113186160	info@chemin.co.za	
		KZN		0878027050	senzo@chemin.co.za	www.dact.co.za
11	CUT Tech Hub / UFS Idea Start Accelerator	Bloemfontein	Jonathan Smit	0514013047	idea@ufs.ac.za	idea.ufs.ac.za
12	Daddy's Dragon		Paul Dalton	0823349761	Paul@daddysdragons.co.za	www.daddysdragons.co.za
13	Downstream Aluminium Centre for Technology	Richards Bay	Loveashnee Naicke	0357971500	loveashnee@dact.co.za, cynthia@dact.co.za	www.dact.co.za
14	Endeavor	Johannesburg	Andrea Nieman	011 4630992/082 6605824	andrea.nieman@endeavor.co.za	www.endeavor.co.za/ .org
15	Eastern Cape Information Technology Initiative	Eastern Cape, Port Elizabeth				
16	Egoli Bio	Johannesburg		012844 0724/012 844 0726	info@egolibio.co.za	www.egolibio.co.za
17	Embizeni Innovation Support					
18	FemTech		Dr Jill Sawers		jill@femtech.co.za	www.femtech.co.za
19	Furntech	Cape Town HQ	Michael Reddy	0215080088	michaelr@furntech.org.za	www.furntech.org.za
		George	Joy Crane	0215080088	joyc@furntech.org.za	
		Durban	Delyshia Govender	0315793883	delyshia@furntech.org.za	
		White River	Khodani Radzilani	0137503066	khodanir@furntech.org.za	
		Umzikhulu		0392590993	maxwellj@furntech.org.za	
		Gauteng	Maxwell Jaca	0116722185	maxwellj@furntech.org.za	
		Mthatha	Peter Luama	0475311840	lulamap@furntech.org.za	
20	Garden Route ICTs	George				
21	Global Jewellery Academy	Gauteng	Twitsetso Molohe	0118572854	twitsetsom@globaljewelleryacademy.co.za	www.globaljewelleryacademy.co.za
22	Growth Space	Cape Town , Somerset West	Wayne Mangy		info@sharedspace.co.za	www.growthspace.co.za
23	Graham and Rhone Beck Skills Center	R60, Riverside/Gore		0236261833	info@skillscentre.co.za	www.skillscentre.co.za

		Rd., ROBERTSON,				
24	Harrying Business Enterprise			012597887	mary@hareyeng.com	http://hareyeng.com/home
25	Hubspace	Cape Town, Woodstock & Khayelitsha				
26	The Innovation Hub/Maximum	Gauteng	Connie Makanye	0128440000	cmakanye@theinnovationhub.com	www.theinnovationhub.com
27	Innovation Technology Business Incubator				invotech@dut.ac.za	http://www.invotech.dut.ac.za/
28	Innovus				info@innovus.co.za	www.innovus.co.za/pages/english/home.php
29	Jacob's Well Gauteng (Head Office)	Gauteng	Lily Beckton		lily@jacobswell.co.za	www.jacobswell.co.za
30	Jacobs Well	Limpopo	Elokia		mokopanenoodforum@telkonsa.net	
31	Jacob's Well	Cape Town	Sunette van der Merwe	ngklar@mweb.co.za		
32	Joule City		Julia Rayham		joule@iafrica.com	
33	Kimberley SMME Village					
34	Launch Lab	Stellenbosch University.	JD Labuschagne	(021)8089494	JD@LaunchLab.co.za	http://launchlab.co.za/
35	Lepharo					
36	Pick n Pay Small business incubator	Kenilworth	Leonora Sauls	0216581571	lsauls@pnp.co.za	
37	Raizcorp	Kramerville		0115562000	enquiries-kv@raizcorp.com	www.raizcorp.com
		Johannesburg		0118388260	enquiries-uh@raizcorp.com	
		Witbank		0136562252	enquiries-rb@raizcorp.com	
		Uitenhage		0419225119		
		Rustenburg		0145920255		
		Richards Bay		0350010000		
		Durban		0313682483		
38	Reconstructed Living Lab (RLabs)	Cape Town, Athlone	Marlon Parker	0216991453	marlon@rlabs.org	www.rlabs.org
39	SEDA Atlantis Renewable Energy Business Incubator (SAREBI)	Cape Town, Atlantis	Nafeesa Dinie		info@sarebi.co.za	
40	SEDA Construction incubator					
41	SEDA Ekurhuleni Base Metals	Springs				
42	SEDA Ethekweni Contractors Incubator	Durban				
43	SEDA Essential Oils business incubator					
44	SEDA Limpopo Jewellery incubator				info@slji.org.za	
45	SEDA Maphura - Makhura Incubator					
46	The SEDA Nelson Mandela Bay incubator	Eastern Cape		0414098600	info@snmbicti.co.za	www.snii.co.za
47	SEDA Platinum Incubator	Rustenburg				
48	SEDA Technology Automotive Centre	Rossllyn			info@satec.co.za	
49	Soft-Start Business and Technology Incubator	Midrand, Pretoria				
50	Shanduka Black Umbrellas	Woodstock, Cape Town	Donnavon Goliath	0214477156	donavon@blackumbrellas.org	www.shandukablackumbrellas.org
		Johannesburg		0105905555	phindile@blackumbrellas.org	
		Pretoria		0123269196	mattus@blackumbrellas.org	
		Durban		0313273200		
		Mooiooi		0 100 1738	precious@blackumbrellas.org	

		Port Elizabeth		0415013400	akhona@blaashrus@blackumbrellas.org	
		Lephalale		0105905555	Eunice@blackumbrellas.orgchards	
		Richards Bay		0357993699		
51	Soshanguve Manufacturing Technology Demonstration Centre			0127930010		
52	StartUp90	Woodstock, Cape Town				
53	Springlab	Observatory, Cape Town		021 448 0496	Joseph@springlab.co	http://springlab.co/
54	Sugar Cane Incubator	Malelane				
55	Technology and Human Resources Industry Programme	Pretoria	Etresia Diedricks	0124814187	etresia@nrf.ac.za	www.thirp.nrf.ac.za
56	The Business Place	Cape Town		0213713350	info@tbp-philippi.org.za	www.tbp-philippi.org.za
57	Timbali Technology Incubator	Nelspruit	Ms.Busisiwe Mkhize		Busisiwe@timbali.co.za	
58	University of Pretoria Business Incubator		Alex Antonites		alex.antonites1@up.ac.za	
59	Walter Sisulu Enterprise Development Centre	Walter Sisulu University	Mrs JP Eva	437 012 906	t.e.c.@mweb.co.za	www.wsu.ac.za/centres/centres.php
60	Zenzele Technology Development Centre	Johannesburg				

Source: Buys and Mbewana (2007), Tambudze (2012), InfoDev (2010), Small Business Connect, Traction Projects database

Appendix B: Guide for interview questions

Interview Questions for Survivalist



Question 1

When was the business established?

Question 2

How many people do you employ?

Question 3

What motivated you to start your business?

Question 4

What kind of challenges do you face in running your business?

Question 5

Are you aware of any business incubators support? How did you get to know that such support exists?

Question 6

Did you attend any incubators program and did you complete it?

Question 7

What motivated you to attend the incubation program?

Question 8

Did attending make a difference or benefited you and your business in any way?
In what way?

Question 9

What kind of support do you require? Are the business incubators addressing some of your needs?

Question 10

What do you think business incubators should improve on?

Interview Questions for the Business incubators



Question 1

What do you think is the motivation behind entrepreneurs joining your incubators programs?

Question 2

How do you measure the impact of your business incubation programs on clients?

Question 3

Which areas do you think entrepreneurs lack and where much support is required?

Question 4

What is your target market or selection criterion when choosing who to offer services to? Why do you employ such a criterion?

Question 5

From the clients you have assisted thus far, what was the main motivation for them to start their business venture?

Question 6

Do you face any challenges serving survivalist entrepreneurs? Tell me about them

Question 7

What are the some of the challenges that your clients face in their business venture? How have you aided them in overcoming these challenges?

Question 8

Are there any follow up mechanism in place to rate the performance of your clients? Would you say your company been successful based on the performance of your clients?

Question 9

Have you ever experience as situation whereby a client leaves the incubation without completion? Tell me about the situation, the reason behind them leaving and how did you handle the situation?

Question 10

Do you receive any complaints from clients regarding your services? Tell me about them?

Appendix C: Questionnaires

Questionnaire A

Instructions

Answer questions as they relate to you. For most answers, check the box(es) most applicable to you or fill in the blanks.

Section A: Demographics

1. Age

- 17 or less
- 18-25
- 26-35
- 36+

2. Gender

(Select only one.)

- Male
- Female

3. Role

(Select all that apply.)

- Survivalist Entrepreneur (Completed incubator course)
- Survivalist Entrepreneur (Incomplete incubator course)
- Other.....

Section B: Survivalist Entrepreneurs

4. When was the business established?

(Select only one.)

- ±1 year
- 2-3 years
- 4-5 years
- 5+ years

5. How many people do you employ?

(Select only one.)

- 1-10
- 11-50
- 51 - 500
- 500

6. How did you raise your start-up finance?

(Select only one.)

- Family
- Friends
- Personal savings
- Other.....

Section C: Impact and operations

7. What motivated you to start your business venture?

(Select only one.)

- Money
- Unemployment
- Independence
- Job dissatisfaction

8. What is the objective of your business venture?

(Select only one.)

- Growth
- Sustaining family needs
- Other –specify

9. What type of challenges do you face in running your business?

(Select only one.)

- Financial
- Infrastructure
- Government regulations

10. Are you aware of incubators support?

(Select only one.)

- Yes
- No

11. Did you attend an incubation program and did you complete it?

(Select only one.)

- Yes (completed)
- Yes (did not complete)
- No

*Reason

12. What type of support do you require?

(Select only one.)

- Financial support
- Skills development
- Advice of developing new products and services
- Business Planning and forming a company
- Other – please specify.....

13. What motivated you to attend business incubation program?

(Select only one.)

- Growth potential
- Lack of skills
- Other –specify.....

14. Did attending the incubation program benefited you or your business and in what way?

(Select only one.)

- Yes
- No
- Reason

15. What do you think business incubators should improve on?

.....

.....

.....

.....

Comments and recommendations

.....

.....

.....

.....

Thanks you for your response

Questionnaire B

Instructions

Answer questions as they relate to you. For most answers, check the box(es) most applicable to you or fill in the blanks.

Section A: Demographics

1. Age

- 17 or less
- 18-25
- 26-35
- 36+

2. Gender

(Select only one.)

- Male
- Female

3. Role

(Select all that apply.)

- Business Incubator
- Other.....

Section B: Business Incubators

4. When was the business incubator established?

(Select only one.)

- ±1 year
- 2-3 years
- 4-5 years
- 5+ years

5. How many businesses have the incubator assisted since it started?

(Select only one.)

- 1-10
- 10 -20
- 20-30
- 30+

6. How many businesses have graduated since the incubator started its operation?

(Select only one.)

- 1-10
- 10-20
- 30+

Section C: Impact and operations

7. What is the selection criterion used to define the incubator's target market?

(Select only one.)

- Firms must be start up
- Firms can be already trading but must be above certain size
- Firms must be involved in certain type of activities
- High impact firms
- Other –specify

8. What type of professional services does the business incubator offer?

(Select only one.)

- Business planning and forming a company
- Training to develop skills
- Help with raising bank finance, grants, seed and venture capital
- Advice on development of new products and services
- Other –specify

9. How do you cover operating cost?

(Select only one.)

- Government subsidies
- Payments from bank and other private sector organisation
- Payment from universities and other R & D organisation
- Other –specify

10. What methods do you use to promote the incubation programs?

(Select only one.)

- Advertising and media promotions
- Business events, conference, exhibition
- Referrals from other business support agencies
- Direct approach to potential clients
- Other services – please specify.....

11. What methods are in place to obtain feedback from clients?

(Select only one.)

- Feedback via informal contact
- Periodic meeting with clients and stakeholders
- No particular methods
- Other methods – please specify.....

12. What challenges do you face in servicing incubatees?

(Select only one.)

- Lack of funding
- Inconsistent stakeholder support
- Lack of commitment of incubatees
- Geographic Area
- Other – please specify.....

13. Why do businesses leave the incubation program?

(Select only one.)

- Incubator units can only be rented on a fixed period of time
- Businesses find better or cheaper support services
- Other –specify

Comments and recommendations

.....

.....

.....

.....

Thanks you for your response

Appendix D: Letter of Research Consent



Dear CPUT Research Committee

On behalf of Cape Information Technology Initiative (CITi), I am writing to formally indicate our awareness of the research proposed by Prominent Choto, a master's student at Cape Peninsula University of Technology.

We are aware that Prominent Choto intends to conduct her research by administering questionnaires and interviews with our panel and some of the clients we have assisted.

As the head of Group Marketing, Communications and Events, I grant Prominent Choto the permission to conduct her research at our organization.

If you have any questions or concerns, please feel free to contact my office at +27 (0) 21 409 7000/ 27 (0) 72 354 4630.

Yours Sincerely,

Vuyisa Qabaka

Cape Information Technology Initiative (CITi)

Head: Group Marketing, Communications and Events

27 (0) 21 409 7000

27 (0) 72 354 4630

Dear Prominent

I am happy to assist you wherever I can, and herewith grant you the permission requested.

It is imperative that you fit into our schedule and that planning your engagements with us allows for sufficient time respond.

We wish you well in your studies and hope that it will greatly enhance knowledge creation and add to a deeper understanding of the Enterprise Development ecosystem as a whole.

Yours sincerely



Donavon Goliath
Regional Manager

Appendix E: Ethical clearance



P.O. Box 1906 • Bellville 7535 South Africa • Tel: +27 21 4603239 • Email: zoulyf@cput.ac.za
Symphony Road Bellville 7535


Office of the Chairperson Research Ethics Committee	Faculty: BUSINESS
--	--------------------------

At a meeting of the Research Ethics Committee on 13 June 2014, Ethics Approval was granted to CHOTO, Prominent (210227060) for research activities Related to the MTech/DTech: MTech: BUSINESS ADMINISTRATION (ENTREPRENEURSHIP) at the Cape Peninsula University of Technology

Title of dissertation/thesis:	An evaluation of the impact of business incubators on survivalist entrepreneurs in the Cape Metropolitan Area Supervisor: Dr R Tengeh
-------------------------------	--

Comments:

Decision: APPROVED

	13 June 2014
Signed: Chairperson: Research Ethics Committee	Date

_____	_____
Signed: Chairperson: Faculty Research Committee	Date

Clearance Certificate No | 2014FBREC06

Appendix F: Letter from CPUT



Faculty of Business
Entrepreneurship and Business Management
Cape Town Campus
☎ +27 21 460 9038
✉ lwuC@cput.ac.za


Student name: Prominent Choto
Student number: 210227060
Course: MTech: Business Administration (Entrepreneurship)

Dear Sir/ Madam

This serves as confirmation that Ms Choto is registered for the MTech: Business Administration (Entrepreneurship).

As part of the research she is doing, she would need to conduct a survey at designated organisations.

Please allow her permission to utilize your organisation as a source of data collection.


.....
Dr Chux Iwu
Acting Head of Department



GRAMMARIAN CERTIFICATE

SHAMILA SULAYMAN PROOF READING AND EDITING SERVICES

3 August 2015

Dear Sir / Madam

This confirms that I have proof read and edited the research study entitled "*The impact of business incubators on survivalist entrepreneurs in the Cape Metropolitan area*", and that I have advised the candidate to make the required changes.

Thank you.

Yours faithfully



(Mrs) SHAMILA SULAYMAN

Communication Lecturer: CPUT

Professional Editor's Group

shamilasulayman@gmail.com

sulaymans@cput.ac.za

071-478-1020

Appendix H: SPSS Data Analysis

Frequency Table

Age

		Frequency	Valid Percent	Cumulative Percent
Valid	18 - 25	16	17.0	17.0
	26 - 35	31	33.0	50.0
	36+	47	50.0	100.0
	Total	94	100.0	

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	68	72.3	72.3	72.3
	Female	26	27.7	27.7	100.0
	Total	94	100.0	100.0	

Role

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Survivalist Entrepreneur (Completed incubator course)	21	22.3	22.3	22.3
	Survivalist Entrepreneur (Incomplete incubator course)	28	29.8	29.8	52.1
	Survivalist Entrepreneur who did not attend the incubation course	45	47.9	47.9	100.0
	Total	94	100.0	100.0	

Role Other

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		49	52.1	52.1	52.1
	Survivalist Entrepreneur who did not attend the incubation course	4	4.3	4.3	56.4
	Survivalist Entrepreneurs who did not attend the incubator course	41	43.6	43.6	100.0
	Total	94	100.0	100.0	

When was the business established?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	+ - 1 year	5	5.3	5.3	5.3
	2 - 3 years	9	9.6	9.6	14.9
	4 - 5 years	23	24.5	24.5	39.4
	5+	57	60.6	60.6	100.0
	Total	94	100.0	100.0	

How many people do you employ?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 - 10	78	83.0	83.0	83.0
	11 - 50	16	17.0	17.0	100.0
	Total	94	100.0	100.0	

Family

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Family	31	33.0	100.0	100.0
Missing	System	63	67.0		
Total		94	100.0		

Friends

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Friends	12	12.8	100.0	100.0
Missing	System	82	87.2		
Total		94	100.0		

Personal Savings

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Personal savings	47	50.0	100.0	100.0
Missing	System	47	50.0		
Total		94	100.0		

Other

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Other	6	6.4	100.0	100.0
Missing	System	88	93.6		
Total		94	100.0		

Q6Other

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		88	93.6	93.6	93.6
	Bank	2	2.1	2.1	95.7
	Bank loan	4	4.3	4.3	100.0
	Total	94	100.0	100.0	

Money

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Money	21	22.3	100.0	100.0
Missing	System	73	77.7		
Total		94	100.0		

Unemployment

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	33	35.1	100.0	100.0
Missing	System	61	64.9		
Total		94	100.0		

Independence

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	18	19.1	100.0	100.0
Missing	System	76	80.9		
Total		94	100.0		

Job dissatisfaction

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	24	25.5	100.0	100.0
Missing	System	70	74.5		
Total		94	100.0		

What is the objective of your business venture?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Growth	82	87.2	87.2	87.2
	Sustaining family needs	12	12.8	12.8	100.0
	Total	94	100.0	100.0	

Financial challenges

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	58	61.7	100.0	100.0
Missing	System	36	38.3		
Total		94	100.0		

Infrastructure

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	22	23.4	100.0	100.0
Missing	System	72	76.6		
Total		94	100.0		

Government regulations

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	15	16.0	100.0	100.0
Missing	System	79	84.0		
Total		94	100.0		

Are you aware of incubators support?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	55	58.5	58.5	58.5
	No	39	41.5	41.5	100.0
	Total	94	100.0	100.0	

Did you attend an incubators program and did you complete it?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes (completed)	21	22.3	22.6	22.6
	Yes (did not complete)	29	30.9	31.2	53.8
	No	43	45.7	46.2	100.0
	Total	93	98.9	100.0	
Missing	System	1	1.1		
Total		94	100.0		

Q11Reason

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		88	93.6	93.6	93.6
	Cost	1	1.1	1.1	94.7
	Cost of rentals are high	1	1.1	1.1	95.7
	Lack of time	1	1.1	1.1	96.8
	Not aware	1	1.1	1.1	97.9
	Not aware of such programs	1	1.1	1.1	98.9
	Unaware of the existence	1	1.1	1.1	100.0
	Total	94	100.0	100.0	

Financial support

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Financial support	90	95.7	100.0	100.0
Missing	System	4	4.3		
Total		94	100.0		

Skills development

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	3	3.2	100.0	100.0
Missing	System	91	96.8		
Total		94	100.0		

Advice of developing new products and services

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	2	2.1	100.0	100.0
Missing	System	92	97.9		
Total		94	100.0		

Business Planning and forming a company

		Frequency	Percent
Missing	System	94	100.0

Other – please specify

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	1	1.1	100.0	100.0
Missing	System	93	98.9		
Total		94	100.0		

Q12Other

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		93	98.9	98.9	98.9
	None of the above	1	1.1	1.1	100.0
	Total	94	100.0	100.0	

Growth potential

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	46	48.9	100.0	100.0
Missing	System	48	51.1		
Total		94	100.0		

Lack of skills

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	5	5.3	100.0	100.0
Missing	System	89	94.7		
Total		94	100.0		

Other –specify

		Frequency	Percent
Missing	System	94	100.0

Q13Other

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		92	97.9	97.9	97.9
	1	1	1.1	1.1	98.9
	Did not attend	1	1.1	1.1	100.0
	Total	94	100.0	100.0	

Did attending the incubators program benefited you or your business and in what way?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	27	28.7	55.1	55.1
	No	22	23.4	44.9	100.0
	Total	49	52.1	100.0	
Missing	System	45	47.9		
Total		94	100.0		

Q14Reason

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		92	97.9	97.9	97.9
	Did not attend	1	1.1	1.1	98.9
	Lack of time	1	1.1	1.1	100.0
	Total	94	100.0	100.0	

What do you think business incubators should improve on?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		90	95.7	95.7	95.7
	A waste of my time	1	1.1	1.1	96.8
	Deliver on their promises	1	1.1	1.1	97.9
	Not applicable	1	1.1	1.1	98.9
	They do not meet my needs and they should focus on the needs of people	1	1.1	1.1	100.0
	Total	94	100.0	100.0	

MULTIPLE RESPONSES

Case Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
\$Q6 ^a	94	100.0%	0	0.0%	94	100.0%
\$Q7 ^a	94	100.0%	0	0.0%	94	100.0%
\$Q9 ^a	94	100.0%	0	0.0%	94	100.0%
\$Q12 ^a	93	98.9%	1	1.1%	94	100.0%
\$Q13 ^a	49	52.1%	45	47.9%	94	100.0%

a. Dichotomy group tabulated at value 1.

\$Q6 Frequencies

		Responses		Percent of Cases
		N	Percent	
How did you raise your start-up finance? ^a	Family	31	32.3%	33.0%
	Friends	12	12.5%	12.8%
	Personal Savings	47	49.0%	50.0%
	Bank	6	6.3%	6.4%
Total		96	100.0%	102.1%

a. Dichotomy group tabulated at value 1.

\$Q7 Frequencies

		Responses		Percent of Cases
		N	Percent	
What motivated you to start your business? ^a	Money	21	21.9%	22.3%
	Unemployment	33	34.4%	35.1%
	Independence	18	18.8%	19.1%
	Job dissatisfaction	24	25.0%	25.5%
Total		96	100.0%	102.1%

a. Dichotomy group tabulated at value 1.

\$Q9 Frequencies

		Responses		Percent of Cases
		N	Percent	
What type of challenges do you face in r ^a	Financial challenges	58	61.1%	61.7%
	Infrastructure	22	23.2%	23.4%
	Government regulations	15	15.8%	16.0%
Total		95	100.0%	101.1%

a. Dichotomy group tabulated at value 1.

\$Q12 Frequencies

		Responses		Percent of Cases
		N	Percent	
What type of support do you require? ^a	Financial support	90	93.8%	96.8%
	Skills development	3	3.1%	3.2%
	Advice of developing new products and services	2	2.1%	2.2%
	Business Planning and forming a company			
	None Of the above	1	1.0%	1.1%
Total		96	100.0%	103.2%

a. Dichotomy group tabulated at value 1.

\$Q13 Frequencies

		Responses		Percent of Cases
		N	Percent	
What motivated you to attend business in ^a	Growth potential	46	90.2%	93.9%
	Lack of skills	5	9.8%	10.2%
Total		51	100.0%	104.1%

a. Dichotomy group tabulated at value 1.

CROSS TABULATION AND CHI-SQUARE ANALYSIS

Crosstabs

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Did you attend an incubators program and did you complete it? * Role	94	100%	0	0.0%	94	100.0%

Crosstabs

Did you attend an incubators program and did you complete it? * Role Cross tabulation

Count

		Role			Total
		Survivalist Entrepreneur (Completed incubator course)	Survivalist Entrepreneur (Incomplete incubator course)	Survivalist Entrepreneur who did not attend the incubation course	
Did you attend an incubators program and did you complete it?	Yes (completed)	21	0	0	21
	Yes (did not complete)	0	28	2	30
	No	0	0	43	43
Total		21	28	45	94

Chi-Square Tests

	Value	df	Asymp. p-value (2-sided)
Pearson Chi-Square	177.834 ^a	4	.000
Continuity Correction			
Likelihood Ratio	182.371	4	.000
Linear-by-Linear Association	89.965	1	.000
N of Valid Cases	94		

a. 1 cells (11.1%) have expected count less than 5. The minimum expected count is 4.69.

Crosstabs

Age * Did you attend an incubators program and did you complete it?

Crosstab

Count

		Did you attend an incubators program and did you complete it?			Total
		Yes (completed)	Yes (did not complete)	No	
Age	18 - 25	3	4	9	16
	26 - 35	9	13	9	31
	36+	9	13	25	47
Total		21	30	43	94

Chi-square Tests

	Value	df	Asymp. p-value (2-sided)	Exact p-value (2-sided)	Exact p-value (1-sided)	Point Probability
Pearson Chi-Square	5.258 ^a	4	.262	.273		
Continuity Correction						
Likelihood Ratio	5.394	4	.249	.272		
Fisher's Exact Test	5.284			.259		
Linear-by-Linear Association	.226 ^b	1	.635	.667	.348	.061
N of Valid Cases	94					

a. 1 cells (11.1%) have expected count less than 5. The minimum expected count is 3.57.

b. The standardized statistic is .475.

Gender * Did you attend an incubators program and did you complete it?

Crosstab Count

		Did you attend an incubators program and did you complete it?			Total
		Yes (completed)	Yes (did not complete)	No	
Gender	Male	14	21	33	68
	Female	7	9	10	26
Total		21	30	43	94

Chi-Square Tests

	Value	df	Asymp. p-value (2-sided)	Exact p-value (2-sided)	Exact p-value (1-sided)	Point Probability
Pearson Chi-Square	.837 ^a	2	.658	.694		
Continuity Correction						
Likelihood Ratio	.838	2	.658	.694		
Fisher's Exact Test	.936			.694		
Linear-by-Linear Association	.800 ^b	1	.371	.388	.226	.077
N of Valid Cases	94					

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 5.81.

b. The standardized statistic is -.894.

When was the business established? * Did you attend an incubators program and did you complete it?

Crosstab Count

		Did you attend an incubators program and did you complete it?			Total
		Yes (completed)	Yes (did not complete)	No	
When was the business established?	+ - 1 year	0	5	0	5
	2 - 3 years	4	4	1	9
	4 - 5 years	5	18	0	23
	5+	12	3	42	57
Total		21	30	43	94

Chi-Square Tests

	Value	df	Asymp. p-value (2-sided)	Exact p-value (2-sided)	Exact p-value (1-sided)	Point Probability
Pearson Chi-Square	63.898 ^a	6	.000	.000		
Continuity Correction						
Likelihood Ratio	76.566	6	.000	.000		
Fisher's Exact Test	68.308			.000		
Linear-by-Linear Association	13.000 ^b	1	.000	.000	.000	.000
N of Valid Cases	94					

a. 7 cells (50.0%) have expected count less than 5. The minimum expected count is 1.12.

b. The standardized statistic is 3.606.

How many people do you employ? * Did you attend an incubators program and did you complete it?

Crosstab Count

		Did you attend an incubators program and did you complete it?			Total
		Yes (completed)	Yes (did not complete)	No	
How many people do you employ?	1 - 10	6	29	43	78
	11 - 50	15	1	0	16
Total		21	30	43	94

Chi-Square Tests

	Value	df	Asymp. p-value (2-sided)	Exact p-value (2-sided)	Exact p-value (1-sided)	Point Probability
Pearson Chi-Square	56.812 ^a	2	.000	.000		
Continuity Correction						
Likelihood Ratio	51.874	2	.000	.000		
Fisher's Exact Test	47.305			.000		
Linear-by-Linear Association	41.821 ^b	1	.000	.000	.000	.000
N of Valid Cases	94					

a. 1 cells (16.7%) have expected count less than 5. The minimum expected count is 3.57.

b. The standardized statistic is -6.467.

What is the objective of your business venture? * Did you attend an incubators program and did you complete it?

Crosstab Count

		Did you attend an incubators program and did you complete it?			Total
		Yes (completed)	Yes (did not complete)	No	
What is the objective of your business venture?	Growth family	21	30	31	82
	Sustaining needs	0	0	12	12
Total		21	30	43	94

Chi-Square Tests

	Value	df	Asymp. p-value (2-sided)	Exact p-value (2-sided)	Exact p-value (1-sided)	Point Probability
Pearson Chi-Square	16.315 ^a	2	.000	.000		
Continuity Correction						
Likelihood Ratio	20.881	2	.000	.000		
Fisher's Exact Test	15.743			.000		
Linear-by-Linear Association	12.754 ^b	1	.000	.000	.000	.000
N of Valid Cases	94					

a. 2 cells (33.3%) have expected count less than 5. The minimum expected count is 2.68.

b. The standardized statistic is 3.571.

Are you aware of incubators support? * Did you attend an incubators program and did you complete it?

Crosstab Count

		Did you attend an incubators program and did you complete it?			Total
		Yes (completed)	Yes (did not complete)	No	
Are you aware of incubators support?	Yes	21	29	5	55
	No	0	1	38	39
Total		21	30	43	94

Chi-Square Tests

	Value	df	Asymp. p-value (2-sided)	Exact p-value (2-sided)	Exact p-value (1-sided)	Point Probability
Pearson Chi-Square	71.816 ^a	2	.000	.000		
Continuity Correction						
Likelihood Ratio	87.894	2	.000	.000		
Fisher's Exact Test	81.739			.000		
Linear-by-Linear Association	57.729 ^b	1	.000	.000	.000	.000
N of Valid Cases	94					

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 8.71.

b. The standardized statistic is 7.598.

Did attending the incubators program benefited you or your business and in what way? * Did you attend an incubators program and did you complete it?

Crosstab Count

		Did you attend an incubators program and did you complete it?		Total
		Yes (completed)	Yes (did not complete)	
Did attending the incubators program benefited you or your business and in what way?	Yes	19	8	27
	No	1	21	22
Total		20	28	49

Chi-Square Tests

	Value	df	Asymp. value sided)	p- (2-	Exact p-value (2-sided)	Exact p-value (1-sided)	Point Probability
Pearson Chi-Square	21.744 ^a	1	.000		.000	.000	
Continuity Correction ^b	19.104	1	.000				
Likelihood Ratio	25.315	1	.000		.000	.000	
Fisher's Exact Test					.000	.000	
Linear-by-Linear Association	21.300 ^c	1	.000		.000	.000	.000
N of Valid Cases	49						

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 8.98.

b. Computed only for a 2x2 table

c. The standardized statistic is 4.615.