



**CHALLENGES FACED BY AFRICAN COPRENEURS IN THE CITY OF CAPE
TOWN, WESTERN CAPE**

BY

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Dissertation submitted in fulfilment of the requirements for the degree

Master of Technology: Business Administration (Entrepreneurship)

in the Faculty of Business Management and Sciences

at the Cape Peninsula University of Technology

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Cape Town

Date Submitted: December 2018

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Signed

Date

ABSTRACT

The purpose of this study was to analyse the challenges that African copreneurs face, and to find ways to mitigate these challenges. The reason for the decision to undertake this study was to answer the following question: What challenges do African copreneurs face in the City of Cape Town? This study was conducted in the context of analysing challenges that African copreneurs experience in South Africa.

The study adopted the mixed method research approach, which involves both quantitative and qualitative investigation techniques. The data collection instruments for this study included a questionnaire and an interview schedule, which surveyed 150 respondents.

The research population comprised African copreneurs who own and operate small, micro and medium-sized businesses (SMMBs) in the City of Cape Town. It was limited to those copreneurs who are either married couples or life partners. The research population also included both registered and non-registered SMMBs that operate in various sectors. It is important to note that the respondents were selected from and also resided in the following areas: Langa, Nyanga, Khayelitsha, Dunoon, Mfuleni and Guguletu. Non-probability sampling was utilised in conjunction with snowball sampling.

The collected data was captured and analysed by utilising the statistical package for social science (SPSS) software for data analysis.

The study found that African copreneurs experience major challenges in relation to their businesses in the City of Cape Town. The findings suggest that a majority of African copreneurs experience the challenge of accessing financial institutions, whilst they are also negatively affected by the country's high crime rate. Hence, some SMMB owners decide to close their business ventures, while the lack of access to financial institutions creates a further bottleneck for SMMBs. Some African copreneur business ventures are created by unemployed people who may require financial support.

The high crime rate in Black townships in the Western Cape limits African copreneurs' chances of growing and keeping their business ventures afloat. There have also been reports of deaths amongst copreneurs as a result of them falling prey to criminal acts.

Future studies may entail a larger scope; one that extends beyond the City of Cape Town. It is also suggested that perhaps a future study should consider using a more rigorous statistical analysis, which involves regression, correlational analysis and modelling a framework for copreneurs in the Western Cape.

ACKNOWLEDGEMENTS

I wish to thank the Almighty; I would not have made it thus far, had it not been for His grace.

My sincere gratitude to my supervisor, Professor C.G. Iwu, for his guidance and support during my research study, and for his encouragement, quick feedback and constructive criticism. I managed to complete this thesis because of his guidance.

I would like to thank my family, for their support, for always being there for me and for making it possible to obtain the required resources for my studies.

I also wish to thank the following people:

- DR Corrie Uys, CPUT statistical consultant, who helped to analyse the research data.
- Mrs Nicole Arendse, Department of Entrepreneurship and Business Management Science secretary, for her support and guidance, and for keeping me updated of Faculty events and workshops.
- Ms Tinah Mngcoko, at CPUT's library services, for her support and for helping to identify relevant information for my study.
- Questar Ncetezo, Dunoon Business Forum.
- Khaya Cishe, Black Business Chamber.
- All African copreneurs who participated in this study, for their time and information.
- My friend, Mrs Zinzi Magoda, who reviewed my work and provided feedback.
- CPUT's Research Committee, for the feedback that they provided on all HDC documents submitted.
- CPUT's Research Directorate, for their financial assistance towards this research.

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GLOSSARY

ABBREVIATIONS AND ACRONYMS

GDP	GROSS DOMESTIC PRODUCT
IDC	INDUSTRIAL DEVELOPMENT CORPORATION
SMMBS	SMALL, MICRO, MEDIUM BUSINESSES
SPSS	STATISTICAL PACKAGE FOR SOCIAL SCIENCE
GEM	GLOBAL ENTREPRENEURSHIP MONITOR
DTI	DEPARTMENT OF TRADE AND INDUSTRY
AC	AFRICAN COPRENEURS
CCT	CITY OF CAPE TOWN
BT	BLACK TOWNSHIPS
FB	FAMILY BUSINESS
SMMES	SMALL, MICRO, MEDIUM ENTERPRISES
SFB	SUSTAINABLE FAMILY BUSINESS

Definition of terms

African: "African, in this connection, refers to African (Black) people, residents of South Africa and who fall within the Zulu, Xhosa, Sotho, Tsonga, Venda and other Black ethnic groups, but excludes Whites, Coloureds and Indians residing in South Africa" (Reve, 1995: 1).

City of Cape Town: Cape Town's surrounding areas, specifically those that belong to boundaries in the City of Cape Town Metropole in the Western Cape Province, South Africa (Statistics South Africa, 2012).

Copreneurs: Husbands and wives who operate a business together (Maas & Diederichs, 2007: 42). "Entrepreneurial couples who work together as co-owners of their business" (Zimmerer *et al.*, 2008: 24).

Entrepreneur: 'A person who is willing to risk starting up a business venture' (Nieuwenhuizen, 2014: 10).

Family business: Refers to two or more family members who operate a business together as partners (Zimmerer *et al.*, 2008: 23). The family business may include siblings and different generations as partners (Maas, 2014: 236).

CHAPTER 1: INTRODUCTION

1,1 Introduction

Copreneurship plays important socio and economic roles in the City of Cape Town, Western Cape Province, South Africa. The primary objective of this study was to examine the challenges that copreneurs face, specifically those who operate in the City of Cape Town, Western Cape. Copreneurship is a term, which is used to describe a form of entrepreneurial activity, where a business is owned and managed by marital couples, namely husband and wife. According to Bensemann (2009:1), copreneurs are married couples who have goals and powers to control their own business venture as business partners. Hence, copreneurs are husbands and wives who operate the same business together on a daily basis, and as part of their everyday lives. In this type of business husbands and wives are equal partners. Moreover, husbands and wives make equal contributions towards this type of family business in terms of making decisions about their business. Furthermore, husbands and wives share both the risks of poor performance on the one hand, and the rewards of good performance on the other.

These couples have specific challenges, which arise as a result of being both marital and business partners. A more prominent challenge is to combine their married life with that of their business life. Their married life focuses mainly on the relationship between husband and wife, while their business life focuses mainly on the business's performance. The two lives are totally different, since the business life needs particular skills and funds to operate the business, while the marriage needs family harmony. If the couple decides to divorce each other, the decision would ultimately cause a huge challenge in terms of the organisation's performance. Therefore, the husband and wife would have to rebuild their multiple role *vis-à-vis* one another, and their complex relationship (Cole & Johnson, 2007:185). Divorce amongst copreneurs would clearly have a long-term impact on the organisation's performance and growth, as well as on the family's well-being.

In practical terms, the study adds to what is currently known as a working arrangement between a husband and a wife who are engaged in a business partnership by investigating challenges that African copreneurs face in the City of Cape Town, Western Cape. It is hoped that after identifying these obstacles, prospective copreneurs will be able to change their conditions to allow for a better chance of success for them in respect of their business and marriage relationships (Farrington *et al.*, 2011:2).

This type of family business has made huge contributions to various countries such as the United States of America and Australia, where it is estimated that copreneurs totalled around 1.5 million within these countries' economies during the 1990s (Othman *et al.*, 2016: 256). The number of copreneurs continues to grow throughout the world, which in turn, increases changes to peoples' lives.

With respect to African copreneurs, the challenges that they face have been identified as critical. Following the first democratic elections in South Africa in 1994, the government, as well as the business sector, made several efforts to increase Black South African citizens' levels of participation in entrepreneurship through numerous initiatives and support structures (Gomba & Kele, 2016:9).

Moos (2014: 217) argues that the National Small Business Act of 1996 provides clear direction on how national departments such as the Department of Trade and Industry (DTI) manages challenges and increases development of SMMBs in South Africa. The major challenges include management skills, access to finance, crime, decision making processes, parental responsibilities, mutual support, as well as role overload and overlap. Because both spousal support and co-worker support originate from the same space, it can have an even larger effect on the marital relationship. The quality of the couple's relationship can influence the success of the business (White, 2013:13).

It is commonly agreed upon amongst academics and researchers that copreneurs derive their uniqueness from the family and business environments (Venter *et al.*, 2012: 70).

This research study adopted a mixed research methodology, involving both quantitative and qualitative investigation techniques. The research population focused on both registered and non-registered African copreneurs from various sectors and industries.

African copreneurs are found in all Black (African) townships in Cape Town. They are a vehicle for job creation and contribute to the elimination of poverty in many underprivileged communities. Generally, entrepreneurs are known to add value to society by providing employment, reducing poverty and eliminating dependency on social grants. As entrepreneurs, copreneurs own established businesses, which provide support for their families, close gaps that arise from distance, offer convenience to their communities, and contribute to the local economy.

1.2 Problem statement

Copreneurship exists within two interrelated fields of study, namely small and medium-sized businesses, and family businesses (Eybers, 2010:16). South Africa's economy consists of two types of economies, namely the informal sector and the formal sector, or mainstream economy. The informal sector includes small businesses in the townships, while the formal sector includes commercial businesses that are usually situated in industrial areas (Botha, 2010:45). The major impact that copreneurs have on the South Africa economy is mostly evident in two areas, namely their contribution to Gross Domestic Product (GDP) and to employment. For instance, SMMBs generally contributed around 32.7 per cent to the South Africa GDP and comprise 44 percent of the total of South Africa's private companies in 2007 (Eybers, 2010:18). Therefore, copreneurs play an important role in the socio-economic sphere by helping to

improve living conditions in many communities (Eybers, 2010:18). For these copreneurs to do well, they need adequate business skills and capital, which allow them to continue to operate and even expand their businesses. This assertion comes on the heels of the often-mentioned limitations of entrepreneurs.

So far scientific literature on copreneurship have remained limited, according to Boshoff *et al.* (2009), Eybers (2010), Eybers *et al.* (2010), Farrington *et al.* (2011), and Venter *et al.* (2012). There are others who have researched the broader area of family business, namely Hoosen (2007), Turyakira *et al.* (2014), Matchaba-Hove *et al.* (2015), and Phikiso (2017). The instructive element in the above mentioned studies is that businesses of this kind need to survive several generations in order to continue to add value to the socio-economic upliftment of South Africa. Therefore, to understand the factors that may hinder their existence, it is necessary to continually study them.

1.3 Significance of the study

In practical terms, African copreneurs can create income for their own families, as well as for other families. The present research should allow for better insight into African copreneurship as a form of business, including an understanding of the peculiar challenges that copreneurs face. By identifying these challenges, African copreneurs can improve their chances of engaging in effective performances in their business, whilst they strengthen their marriage in the process. Primarily, beyond the necessity of copreneurs providing an income for themselves and others through job creation, it is commonly understood that they assist in the socio-economic development of the communities in which they operate. A study of this nature is likely to identify the necessary support mechanisms that copreneurs need, as well as the stakeholders that may be called upon to assist them. For instance, literature speaks about the need for the South African government to create a supportive climate for entrepreneurs. The supportive climate includes opportunities for the development of management skills, which are required to operate successful small businesses, as well as the financial and operating environments.

Before 1994 and the first democratically elected government in South Africa, most African copreneurs in Black townships lacked access to finance and business skills owing to many factors. Some had been totally excluded from appropriate education and training, while others were excluded from rights to access finance and other resources because of their race and background. Thus, it was important to investigate to what extent and in what ways African copreneurs are now able to engage successfully in a family business.

Most previous researchers focused more on other cultural issues of entrepreneurship or on different types of entrepreneurs, whilst ignoring the challenges that African copreneurs face.

African copreneurs have not been researched properly by academics and researchers. Although there is plenty of research that deals with dual-career couples, the phenomenon of husband and wife being partners in both love and work has been virtually ignored by researchers. Therefore, there is a gap, which is shown within family business studies, especially concerning African copreneurs. The present research may determine if there are peculiar challenges that African copreneurs in the City of Cape Town face as opposed to those in other areas across the globe. The research fills a gap in the family business research area.

The outcomes of the study are expected to be utilized as a guide for planners and policy makers within the Cape Town municipality, the Western Cape provincial government, the corporate sector, non-governmental organizations (NGOs) and the community under review. The knowledge generated by this study should also assist the South African national government to improve and support Small, Micro, Medium and Businesses (SMMBs) in Black townships.

1.4 Aims and objectives

The main purpose of this study is to analyse the challenges that African copreneurs face, and to find ways to mitigate these challenges.

Based on the foregoing, this study's objectives include the following:

1. To analyse the challenges that African copreneurs in the City of Cape Town face;
2. To examine African copreneurs' role within the City of Cape Town's business environment; and
3. To develop a framework, which will illustrate mechanisms for proper management of African copreneurs in the City of Cape Town.

It is hoped that with the above objectives in mind, the researcher has offered the required and relevant recommendations to mitigate the challenges on completion of the present research study.

1.5 Research questions

To achieve the above objectives, the following general research questions were posed:

- What are the challenges that African copreneurs face in the City of Cape Town?
- How can these challenges be addressed?
- What roles do African copreneurs play in the City of Cape Town?

1.6 Literature review

The challenges that African copreneurs encounter in South Africa remain unquantified. With little data available to inform the discussion, this research considered ways to overcome these challenges, which include business skills, crime, access to finance and government regulations, and establishment of family businesses and economic development amongst African copreneurs in Cape Town.

Copreneurship plays important social and economic roles in the City of Cape Town, and throughout the rest of the world. Copreneurship exists within two interrelated fields of study, namely small and medium-sized businesses, and family businesses (Eybers, 2010: 16).

Copreneurship is a type or form of family business and incorporates features from both a business entrepreneur and a family business. The husbands and wives that operate the business do so as a family business (Maas & Diederichs, 2007: 42).

Copreneurship involves husbands and wives or life partners who work as a team, and who share the ownership and management of a business, including adoption and responsibility for all the different activities that relate to that business, as well as difficulties that might arise within the family (Tompson & Tompson, 2000: 11).

Husbands and wives operating the same business is not a new phenomenon. But this matter had not been properly and sufficiently investigated until the 1980s, when it was first defined as “copreneurship” by Barnett and Barnett (1988). The term ‘copreneurs’, relating to the family business, was not investigated until the late 1980s. Copreneurs refer to a husband and wife team that operate a business together. The lack of proper research into copreneurships remains unclear, especially regarding whether it was earlier associated with the family business, even though a copreneurship is regarded as a type of family business, amongst other types of family businesses.

Cole and Johnson (2007: 186) acknowledge that copreneurs are either a husband and wife couple or life partners who operate a business together as business partners, where they afford each other equal opportunities within the business as business partners. These business partners depend on the performance of the business to survive.

White (2013: 13) contends that copreneurs are husbands and wives who operate a business together. Some academics and researchers focus on family businesses, where emphasis is usually on managing work and family challenges, which is a continuing struggle for many couples that work together (White, 2013: 13).

Zimmerer *et al.* (2008: 24) define copreneurs as husbands and wives who own their business together. They do so as means to obtain money for the survival of their families. In theory, it is possible for an African copreneur-owned business to grow and become part of a large

corporation. As in any other business, the primary reason for the existence of African copreneurs businesses in the City of Cape Town is to survive and make a profit.

According to Marshack (1993: 362), only six empirical studies have focused on copreneurs, but where the focus was either on the marriage relationship, or on the business relationship of the married couples. Up to now there has not been a single published research study in South Africa that deals specifically with the concept of African copreneurs. This is a remarkable fact, considering that many African businesses are built around a family's lifestyle, and how they combine activities, which involve stakeholders such as family and partners. The above mentioned statement emphasizes the lack of proper investigation into the concept of copreneurships within the family business field.

Values are extremely important in a copreneur's business, because they are usually the same values that a husband and wife would instil to guide their children and family. These kinds of values may be used to build the strength of the family business, and guide future relations both within the marriage and the copreneur business (Maas & Diederichs, 2007: 40).

Maas and Diederichs (2007: 40) assert that husbands and wives are the co-founders of the business within a family business owing to the fact that they formulate goals, start or set up the business's daily activities and obtain the required funds to start the business, hence they do so as partners of the business. However, family members such as children or siblings often join the business at a later stage. Therefore, the husband and wife should be aware of the influence that they have over their children's future in the business. The copreneurial pair should formulate a clear plan to steer the process towards that future. Zimmerer *et al.* (2008: 24) note that businesses that are operated by husband-wife teams are usually done so effectively. Copreneurs establish a clear division of responsibilities and stick to it to maintain stability between the family and the business (Zimmerer *et al.*, 2008: 25).

Lower levels of education mostly contribute to lower levels of payment owing to a lack of skill, which are necessary for a particular job. Some people struggle to find jobs owing to a lack of proper education. Poverty is usually associated with those who are, generally, less educated, as well as with poor infrastructure within the business. Education opportunities could create job opportunities in both the informal and formal sectors (Levin, 1994: 101).

The said author argues that informal sector activities could stimulate employment creation, whilst focusing on self-employment and by improving the entrepreneurial climate.

South Africa's economy consists of two types of economies, namely the informal sector and the formal sector, or mainstream economy. The informal sector includes small businesses in the townships, while the formal sector includes commercial businesses that are usually situated in industrial areas (Botha, 2010: 45).

1.6.1 Obstacles to the success of small, medium and micro businesses (SMMBs)

The concept of small, medium, micro businesses (SMMBs) is broad and has different meanings, according to different authors throughout the world. When people consider the size of a business they look at different things. Some measure the size of the business by the number of people who work for the organization, while others measure the size of the business by the performance and equipment that the company own. The size of the business can lead to a proper definition of SMMBs (Khosa, 2014: 3). The concepts SMMES and SMMBs are used interchangeably in this study.

There is no common agreement around a definition for SMMBs. It is clear that different countries define SMMBs differently owing to the way in which countries consider the size of the business in their respective countries (Desta, 2015: 25). The researcher intends to utilise the National Small Business Act's definition to analyse SMMBs within the South African context.

Mahembe (2011: 24) defines SMMBs the way that they are officially defined in Section 1 of the National Small Business Act of 1996, as amended by the National Small Business Amendment Acts of 2003 and 2004 (NSB Act), namely: "... a separate and distinct business entity, including co-operative enterprises and nongovernmental organisations, managed by one owner or more which, including its branches or subsidiaries, if any, is predominantly carried on in any sector or sub sector of the economy mentioned in Column 1 of the schedule". The National Small Business Act divides them into the following categories: survivalist, micro, very small, small and medium.

1. 6.2 Determinants of success in SMMBs

In South Africa most copreneurs are classified as small, medium and micro businesses (SMMBs) owing to their business size and annual performance. It is difficult to define success as a concept. This is because, as a concept, success has been interpreted in different ways within the small, medium and micro business environment. The good performance of SMMBs is determined by its turnover. Good performance may also be determined by the company's type of products that it sells or produces, and where it is situated. The high skills of employees, in particular, amongst top management that leads the company, may play an extremely crucial part in the company (Pasanen, 2003: 421).

Common views from various authors are that the good performance of the business can be used as a definition for successful business. The amount of own equipment in the business may also be used as a sign of the business' success (Jenning & Beaver, 1997: 63). The researcher believes that defining success by assessing various factors such as investment and turnover growth, as well as profit, is important. For the aims of this study, the selected definition is that of Jennings and Beaver's (1997: 63) who define success as return on

investment and growth in the business' turnover. It is, therefore, valid to use the above characteristics as yardsticks to measure the performance of small, medium and micro businesses.

1.6.3 Obstacles to SMMBs success

In South Africa copreneurs exist within the framework of two fields, namely SMMBs and the family business. Family businesses in South Africa account for around 80 percent of businesses (Gomba & Kele, 2016: 9). These SMMBs play an extremely important role in terms of job creation and poverty alleviation in both the formal and informal sectors in South Africa (Gomba & Kele, 2016: 9). In fact, the Siamese twins, unemployment and poverty, are a scourge, and small businesses have continually been peddled as their solution. Disturbingly, the avowed benefits of SMMBs to an economy are almost scuttled by the presence of several obstacles. The success of SMMBs is important for both businesses and governments around the world. But, most SMMBs struggle to meet the standards and regulations that government and other global institutions require. The major reason is that most SMMBs spend all their time and efforts trying to fulfil their customers' needs to improve their business turnover. All countries understand the importance of developing and supporting SMMBs, but they expect them to comply with certain standards and regulations, as obstacles to SMMBs, to be successful in their businesses throughout the world (Ojo *et al.*, 2017: 262). SMMBs' failure rate in South Africa is much higher than in other countries, and there are different reasons cited for this phenomenon. Some small business owners regard their business income as something to use for survival on a daily basis and to ensure that the small business can grow. There is a lack of support from the government through financial aid and training in order to ensure that their businesses are sustainable, which causes the higher failure rate of SMMBs in South Africa. The growth of SMMBs is slow, particularly amongst the new SMMBs (Olawale & Garwe, 2010: 729).

The government encourages the development of SMMBs to promote the country's economic growth. Clearly, new SMMBs are extremely important to sustain their contribution to South Africa's economy. It is important to realise that major obstacles that SMMBs face are found both in the internal and external environments, as some authors mention. Pachouri and Sharma (2016: 12) argue that "obstacles to small and medium size enterprises are classified in six categories being: people, financial, information, government policy, and infrastructure and market constraints". All these obstacles have different negative impacts on the performance of SMMBs in all sectors. Most SMMBs are unable to employ higher skilled people or professional personnel in their businesses owing to them not having sufficient money to pay them, and because they experience a lack of adequate infrastructure in their businesses. Government policy is a major obstacle to SMMBs, as it negatively impacts some SMMBs. The government established legal and regulatory measures such as tax regulations as obstacles

for SMMBs. The common view is that government policy is an obstacle rather than a facilitator for SMMBs (Pachouri & Sharma: 2016: 13). Access to financial institutions creates further bottlenecks for SMMBs when they need it. Therefore, financial support from government policies to SMMBs is weak and inadequate, and is unlikely to improve the conditions of SMMBs. Some SMMBs are created by unemployment authorities, which means that those people deserve financial support from government in case they are unable to obtain support from financial institutions. The SMMBs are expected to have and maintain significant capability in various areas, including marketing (Kazimoto, 2014: 305). Financial support for SMMBs is a big problem in South Africa, hence most seek loans from family members in order to start a business (Gwija, 2014: 14).

Major challenges for the SMMBs include tax laws and rules that force SMMBs to comply with these, since in South Africa each business sector has its own set of regulations, which forces SMMBs to implement them. The lack of management skills in most SMMBs causes a huge challenge. Lower levels of education amongst some SMMB owners reduce chances of improving their businesses through new innovations that are required to improve their respective businesses. It is not easy for them to have a venue from which to operate their business owing to a lack of funding to rent premises (Mukwarami & Tengeh, 2017: 335).

One should consider these challenges within the scope of the two variables. Firstly, the SMMB's financial performance, which refers to a situation whereby the business makes a profit, breaks even or loses money after a given period of time, although it is also true that some SMMBs make a profit merely to survive on a daily basis, and not to grow. Secondly, family harmony within the family business refers to a situation whereby family members foster and maintain good relations with one another and trust each other as family members.

1.6.4 Some necessary assumptions that support the study

The researcher makes the following assumptions owing to the literature review.

- (1) The challenges that face African copreneurs in Cape Town are assumed to include a lack of management skills, barriers to adequate financial resources, government regulations, competency issues, role clarification issues, and balance between family and business.

For copreneurs in the Western Cape to meaningfully take part in the socio-economic new initiatives of the province, and in fact the nation, there is a need to understand the specific obstacles that they face.

1.7 Definition of key concepts

African: "African, in this connection, refers to African (Black) people, residents of South Africa and who fall within the Zulu, Xhosa, Sotho, Tsonga, Venda and other Black ethnic groups, but excludes Whites, Coloureds and Indians residing in South Africa" (Reve, 1995: 1).

City of Cape Town: Cape Town's surrounding areas, specifically those that belong to boundaries in the City of Cape Town Metropole in the Western Cape Province, South Africa (Statistics South Africa, 2012).

Copreneurs: Husbands and wives who operate a business together (Maas & Diederichs, 2007: 42). "Entrepreneurial couples who work together as co-owners of their business" (Zimmerer *et al.*, 2008: 24).

Entrepreneur: 'A person who is willing to risk starting up a business venture (Nieuwenhuizen, 2014: 10).

Family business: Refers to two or more family members who operate a business together as partners (Zimmerer *et al.*, 2008: 23). The family business may include siblings and different generations as partners (Maas, 2014: 236).

1.8 Research paradigm

Blanche and Durrheim (2006: 2) describe research paradigm as a technique that tells researchers and scholars what exists and how to understand the situation, and what should be studied. It assists the researcher to understand scientific methods for the research study. In this study research paradigm is an extremely important technique, which was used to guide the researcher to understand challenges that Cape Town citizens face. It also provides a clear direction and various ways of explaining data. Research paradigms set clear theoretical frameworks, which meet the standards of the research study (Hussey & Hussey, 2011: 47), and are basically regarded as the ideas that guide the researcher's way of thinking about the specific techniques that can be utilised for data collection, observation and interpretation of the outcome(s) of the research study (Durrheim, 2006: 40). Essentially, the research paradigm is important because it connects the research question to the entire research study.

Three research paradigms exist, namely ontology, epistemology and methodology (Blanche & Durrheim, 2006: 6). This study adopted an ontological perspective owing to its social orientation. Mouton and Marais (1996) opine that ontology considers the facts and merits of social science research. The social reality in this context comprised African copreneurs' challenges in their business ventures, and these included a lack of skills, finance, as well as legal and regulatory knowledge.

The researcher's view is that there are real challenges that African copreneurs face, which become extremely important when evaluating people's knowledge and experience of the

challenges. The researcher believes that conducting this research will enhance understanding of these challenges, and will guide African copreneurs to understand the attached meanings. Therefore, peoples' points of view and the vocal expressions of African copreneurs' experiences of their business ventures are extremely important sources of knowledge. The research was based on objective reality.

1.9 Research method

It is important to stress that research design and research methodology are different terms within academic perspectives. Often, it is not uncommon to find that researchers use the two terms interchangeably. The research design paints a picture of methods that need to be followed in order to foster a deep and broad understanding of a research problem. It also helps to provide a proper foundation to solve a research problem. The research design allows researchers to predict solutions of a research problem and research decision (Mouton, 1996: 107). The research design is a tool, which guides and monitors the researcher during the stage of data collection in their research study. It helps researchers to analyse and be able to translate important issues around the study, particularly issues that have been pin-pointed through observation. The research design also outlines data collection instruments (Bless & Higson-Smith, 1995: 63).

The research methodology is a technique, which researchers use to understand the decision of the research problem. It provides direction on how to engage with data collection, analysis and interpretation that can address the research problem. Furthermore, research methodology explains and outlines how research design should operate or work during data collection (Gerber-Nel & Kotze, 2008: 65).

Babbie and Mouton (2001: 74-75) describe research methodology as a combination of methods that the researcher uses as tools to implement the research design. There is a slight overlap between research design and research methodology. Research methodology helps research design techniques to fulfil the needs of the process during implementation of a research design. The research methods are sometimes associated with various kinds of research design (Bryman & Bell, 2011: 41). However, the researcher implemented research methodology during data collection.

On the basis of the above justification, the researcher used a mixed research methodology, involving both quantitative and qualitative investigation techniques. The main reason for this is the complementary nature of the two methods. Quantitative methods are often considered to be restrictive. Questionnaires are known to offer options that have been predetermined by the researcher. Conversely, interviews can be quite intrusive, whilst allowing for opportunities to seek clarity from the subjects. Basically, a researcher can access much more profound insight from subjects when using a mixed method. Qualitative research is extremely important while

collecting and analysing data in different forms, particularly non-numeric information. Qualitative research can explain things such as events and persons without using numbers. Quantitative research mainly focuses on analysing data through numbers (Zimkmund *et al.*, 2013: 133). Thomas (2003: 2) claims that quantitative research makes use of numbers and statistical methods. This overemphasises that quantitative research focuses on the numbers method only as a research methodology tool.

Quantitative research mostly focuses on the study's research objectives. It uses empirical evaluation of the numerical information that directly relates to the research study (Zikmund *et al.*, 2013: 134).

The data collection instruments that were used for this research include questionnaires and interview schedules.

1.10 Research design

Descriptive research explains features of the people and objects that were used during the research process. It demonstrates the situation of the organisation and its environment during the research process (Zikmund *et al.*, 2013: 55). The researcher adopted descriptive research to understand the difficulties that African copreneurs face in the Cape Town Metropole. Descriptive research helps to describe features of the chosen group of people.

Neuman (2014: 38) contends that descriptive research aims to provide a clear picture of how to use words or numbers, while it also shows how to answer questions such as who, when, where and how. Descriptive research sets up clear classifications in all types and profiles, and provides in-depth and broad information, which illustrates an accurate picture.

1.11 Demarcation/ delimitation of study

The research was limited to South African citizens only between the ages 18–60 and above, who live in previously disadvantaged areas such as Khayelitsha, Mfuleni, Nyanga, Guguletu, Dunoon and Langa within the City of Cape Town. The research involved African copreneurs from all industry sectors who are registered and non-registered African copreneurs in these areas, or in other areas around the City of Cape Town, and focused on internal and external challenges that they face.

The City of Cape Town lies in the Western Cape Province of South Africa and comprises various structures that were combined to form a single metropolitan municipality, following the 2000 municipal elections. It is sometimes referred to as the "Unicity" (Municipal System Act of 2000). According to the 2016 socio-economic profile (2016: 5), the City of Cape Town's population was estimated to be 4 014 765 in 2017.

1.12 Population

The population refers to a group of people in society that the researcher selects as a target from whom to obtain necessary information for the study. The population includes those persons that have been chosen for an interview. The researcher regards these persons as having similar features, which will ensure that the researcher collects relevant information from the right people. These people participate in the study voluntarily (Mouton, 1996: 134).

The population that is selected comprises individuals that provides the research with particular information. The population should meet the needs of the sample (Bless & Higson – Smith, 1995: 87). The target population for the current research study comprised African copreneurs who were based in the African townships of Langa, Khayelitsha, Nyanga, Guguletu, Mfuleni and Dunoon in the City of Cape Town.

1.13 Sample size

Mouton (1996: 110) argues that the sampling process is to identify the target population in order to fulfil the study's aims. Selection of the target population was represented by African copreneurs in the City of Cape Town. The researcher had to ensure that the sampling process was not biased (Bryman & Bell, 2011: 171).

Zikmund *et al.* (2013: 392) state that the sampling process consists of two different categories, namely probability and non-probability techniques. The researcher applied non-probability sampling techniques for this study. Non-probability sampling utilises a situation, whereby the targeted population is not derived from a database. Rather, as part of the search, the researcher chooses one person who in turn guides the researcher to others, who are selected to form the sample group (Zikmund *et al.*, 2013: 392).

The researcher utilised snowball sampling as a tool to identify African copreneurs, and this occurs when the researcher uses the target population to find other relevant population members for the study. Those selected individuals provide information and pin point other people who are relevant to the study (Welman & Kruger, 2001: 63 and Zikmund *et al.*, 2013: 395).

The researcher approached an African copreneur, who then referred the researcher to another African copreneur within the required study areas, and so on. Snowball sampling occurs when the target population refers the researcher to other target populations in particular areas (Neuman, 1997: 207).

Furthermore, the target population comprised African copreneurs with the following attributes: age 18 to 60 and above; married or engaged in a life-partner arrangement; and should be based in Black townships, namely Langa, Khayelitsha, Nyanga, Guguletu, Mfuleni, and

Dunoon in the City of Cape Town. Hence, subject selection was conducted on this basis. However, consideration was given to matters of equality in terms of gender representation.

1.14 Data collection instruments

1.14.1 Interviews

The researcher conducted face-to-face interviews with the relevant population of this study. The researcher adopted two methods of gathering information directly from the selected African copreneurs, namely observation and interviews. The most important means of directly obtaining information is the interview, because the researcher interacts directly with the study's target population (Bryman & Bell, 2011: 215).

Bless and Higson-Smith (1995: 106) argue that an interview occurs when the researcher and study participant directly interact in order to answer questions. The interview method uses techniques to gather information, conduct printed documents in the case of content analysis and extract information from interviewees (Thomas, 2003: 3). The researcher formulated the necessary questions as they apply to the study. The questions were posed to each participant.

1.14.2 Questionnaires

The researcher utilised survey questionnaires to obtain proper information about the challenges that African copreneurs face in the City of Cape Town, which included both closed and open ended questions. Bless and Higson-Smith (1995: 108) assert that a questionnaire is a tool that can be used without any face-to-face interaction between the researcher and the participant.

1.15 Reliability and validity

The observation technique is important whilst conducting interviews as means to reduce mistakes that may occur between the researcher and the relevant population (Dooley, 1995: 77).

The researcher first set up a pilot study to create a broader picture of the study by pinpointing areas that could negatively impact data collection, as well as analysis, following data collection (Bless & Higson-Smith, 1995: 130). The pilot study provided feedback that mandated the researcher to adjust the interview questions and the questionnaire. This informed the design of the questionnaires to obtain the maximum number of responses relevant to the research questions. Once the researcher completed the pilot project, the researcher reviewed the findings to eradicate any errors or bias.

Dooley (1995: 78) states that validity refers to a situation, which allows the researcher to paint a clear picture and to create a clear understanding of certain things. This means that researchers should be able to create a clear picture via their study for readers and other

researchers, who may then be able to use the outcomes of the study for further or future research.

Validity is important in research because it assists the researcher to realise the study's findings (Bernard, 2013: 45).

1.16 Data analysis

Data analysis is the process, whereby the researcher converts data into information (Crowther & Lancaster, 2009: 173). The Statistical Package for the Social Science (SPSS) software was used as a tool to analyse quantitative data, while qualitative data was used for content analysis. The Statistical Package for the Social Sciences is a computer-based software, which can be used as a tool to analyse data, and it is useful because it creates pattern presentations in the form of charts, graphs and tables (Field, 2009). The research presented data analysis by means of graphs and tables.

1.17 Ethical consideration

According to Bryman and Bell (2011: 122), the researcher must ensure that all participants in the study are fully protected by international standards. It is important to consider ethical issues from the beginning, since these may affect the study's objectives later in the process. With respect to this, the researcher complied with the Cape Peninsula University of Technology's Ethical Code of Research Conduct as a guideline until the study was completed. A commitment to ethical conduct should ensure that consent is obtained from the prospective participants. Included in this process is a declaration that all views that participants shared must be treated with the utmost confidentiality.

Thereafter, the researcher must describe the study's aims and objectives, as well as the guidelines that need to be followed by all participants. It is vital to inform participants ahead of time that participation is voluntary, and that anyone wishing to end their participation at any time may do so. The researcher was committed to observing the above ethical practices throughout the study's duration.

1.18 Summary

Copreneurship businesses are commonly practiced in South Africa amongst couples who regard this type of business as a lifestyle that gives them the freedom to manage their business, whilst they carry out family responsibilities, according to their abilities and preferences. It is also seen as a solution to the problem of child-rearing while both partners are at work. The different commitments for husband and wife entrepreneurs make it possible to establish a harmonious relationship for them as partners in the business, as well as in the household. This form of business ownership, which is predominant in Black townships in the City of Cape Town, has a significant ability to improve local economies, and the lives of people in these townships.

1.19 KEYWORDS

Copreneurs, copreneurship, family business, challenges, Africans.

1.20 Outline of the dissertation

The research study structure is outlined below.

Chapter One: This chapter introduced the study, and included outlines of the study's objectives, research questions, statement of the research problem, literature review, research design and methodology, reliability and validity, data analysis and interpretation, ethical considerations, delineation of the research, and significance of the study.

Chapter Two: This chapter provided an overview of the concept of copreneurs, internal and external challenges, which African copreneurs face when operating their businesses.

Chapter Three: This chapter focused on the study's research methodology to obtain relevant data from respondents. The mixed method approach was used to obtain data.

Chapter Four: This chapter presented and discussed data that was collected from participants in the study.

Chapter Five: This chapter presented key findings, a conclusion, recommendations and scope for future research.

CHAPTER 2: LITERATURE REVIEW

2.1 INTRODUCTION

This chapter focused on a literature review around the topic of copreneurs and the challenges that they face, particularly those that have been identified by previous researchers. Due to the limited data about these challenges, the literature review focused on matters that affect copreneurs' challenges.

Various definitions of copreneurship follow, as well as a theoretical framework of the family business as a guiding tool for copreneurs, while the importance of copreneurs' unique characteristics are analysed. The advantages and disadvantages of copreneurships are also discussed in this chapter, while an overview is provided of the external and internal challenges that they face. The chapter further compares copreneurs and non-copreneurs; discusses the family and business domain from a copreneur perspective; and considers various challenges that copreneurs face such as gender differences, governance of the business, and partner roles in the business venture.

2.2 DEFINITION OF COPRENEURS

There is no mutually accepted definition of copreneurs in literature, the public or from copreneurs themselves. The authors define copreneurs differently most of the time within the same field of study. Due to different definitions of copreneurs, there are various definitions that exist in the same field of study. Some scholars have reviewed existing definitions.

However, owing to the interest of researchers in the entrepreneurship research field for some years, various concepts have emerged to explain different types of entrepreneurship. Copreneur is a term, which was introduced to define the new concept of the family-owned business. However, it is clear that copreneur is a new concept in the field of the family business, but has existed indirectly for many years and been practiced by married couples in their respective family businesses (Muske, 2009: 29). Below the researcher outlines definitions of copreneurs from different authors' perspectives.

The term copreneur is not a new term in a family business environment, but it has been ignored for many decades by both scholars and researchers. Copreneurs are husbands and wives who operate a business together. These copreneurs refer only to couples who are married or who are life partners (Cole & Johnson, 2007: 186; Blenkinsopp & Owens, 2010: 359).

Barnett and Barnett (1988) initiated this new concept, namely "copreneurs", which focuses on married couples that are both romantically and professionally involved. They are responsible and committed couples who own a business together. The term copreneurship came to exist after putting together married couples in a business venture as business partners. Blenkinsopp and Owens (2010: 359) contend that "copreneurs are couples where both

partners are involved in the business and both share responsibility for its operation and management.”

According to Barnett and Barnett (1988: XXI), copreneurs refer to “couples who spend twenty-four hours together as business partners and whose business relationships were outwardly equal.” The husbands and wives are equal partners in their business ventures. These married couples are partners, not only in the bedroom as husband and wife, but they are also partners in the boardroom, where they discuss business issues as business partners (Barnett & Barnett, 1988: XXI). The copreneur starts up as a married couple or life partner. These couples share their common vision and take a decision to start their own business as partners in order to make an income for their family. The married couples share equal responsibilities in the family business (Othman *et al.*, 2016: 256). This form of a family business grows much faster than any other forms of business throughout the world. This type of family business created a huge debate in certain countries such as the United States and Canada in the 1980s (Othman *et al.*, 2016:256). These married couples share goals, visions and ideas about their family and business life (Sembilan, 2013: 78). Copreneurs are responsible for both their family and business’ needs as married couples (Pratt, 2009: 570).

The lives of these couples are complicated because they look after each other twenty-four hours a day. These couples incorporate family and business as one aspect. The family has its own needs while, conversely, the business has its needs, and their needs are totally different. The family’s needs focus on harmony, while the business’s needs focus on profit making (Blenkinsopp & Owens, 2010: 359).

Copreneurs are married couples who not only live together, but who are also responsible for profits and losses in their businesses. These married couples are women and men who are in business together, and this can be a formal or an informal business venture (Alessandrini & Winter, 2014: 2; Machek *et al.*, 2016: 245; Hnilica, 2015: 153).

Maas and Diederichs (2007: 42) and Farrington *et al.* (2011: 2) state that the term “copreneurs” refers to a married couple who owns a business together, whether formal or informal. The researchers and scholars reveal that married couples’ businesses represent a huge number in the family business environment. Married couples who operate a business together share common goals, dreams and ideals as business partners (Fitzgerald & Muske, 2002: 1). This type of business makes a great contribution to economies throughout the world.

This type of family business makes huge contributions to various countries such as the United States of America and Australia, where copreneurs are estimated to have contributed about 1.5 million dollars to these countries’ economies in the 1990s (Othman *et al.*, (2016: 256). The number of copreneurs is growing throughout the world, and this brings a lot of changes to peoples’ lives. The term copreneur is a subsection of the family business. These copreneurs

are entrepreneurs who are married couples, and who are willing to take risks and responsibilities for their business (Muske *et al.*, 2009: 29).

Copreneurs are married couples who decide to establish a business together (Fitzgerald & Muske, 2002: 1), and this type of business contributes hugely to a country's economy as a family business. Copreneurs represent married partners who are able to operate a business together while they enjoy an intimate relationship with their partners (Fitzgerald & Muske, 2002: 1 and Marshack, 1994: 1). The family and business relationships focus on common visions and team efforts (Fitzgerald & Muske, 2002: 2).

2.3 THEORETICAL FRAMEWORK FOR COPRENEURS

The researcher has the responsibility to ensure that once the research question and objectives have been formulated, he or she must then pinpoint and arrange his or her thoughts within a certain framework (Wallace, 2010: 23). The research question sets up a guideline for a particular research study that the researcher wants to prove.

Sharifian *et al.* (2012: 116) argue that copreneurs use a sustainable family business (SFB) model for two key important issues such as input of each system and the pertinent result. The input of each system explains the division of roles, responsibilities and resources between the husband and wife within the family and the business systems. The copreneur theory divides the role of personal responsibilities. The allocation of resources is extremely important because they assist with governance matters within the organisation. But, if the division of roles, responsibilities and resources is not handled properly, one partner will have less power than the other (Sharifian *et al.*, 2012: 117). Good governance amongst copreneurs is extremely important, as this can lead to family harmony and long-term commitment from the business partners. Sharifian *et al.* (2012: 117) stress that an advantage of the SFB model is that it focuses on business and family related outcome issues.

Copreneurs are a combination of two different systems, namely the family and the business system. Amongst copreneurs these two systems are interdependent. Clark (2010: 748) argues that family and business systems are interconnected in the real world. The reason for combining the two systems is owing to human emotions with a belief that family and business systems can work well in the business environment (Clark, 2010: 748). In this sense, human beings are regarded as border-crossers because they can move from a family system to a business system. Human beings can make changes in both the family and the business systems, while these systems change human beings in many ways.

According to Clark (2010: 748), the business and family border theory is responsible for clarifying the challenges and interactions between border crossers, their business and family lives. It also predicts when conflict will happen. The border theory provides a clear framework

for business and family systems to balance. The border theory is a new theory, which was formulated to explain the challenges and gaps of previous theories that deal with business and family systems. The culture in business and family ventures is different (Clark, 2010: 755), as there are divisions in terms of responsibilities between business and family systems. Smith (2000: 284) contends that personal and commercial conflict may affect the relationship between the husband and wife and the business's performance. Although copreneurs use family and business systems in the same way, they have ignored the culture and value of each system. Regarding border crossers, both the husband and the wife like to share household responsibilities more than business responsibilities. They enjoy sharing household responsibilities rather than their business responsibilities once they are married.

The border theory explains the gender roles of the copreneurs' business venture. According to Smith (2000: 284), in copreneur businesses the female role is motherhood and being a wife, while the male partners enjoy the status of being executives. The male business partners are given the breadwinner's role, while the female business partners are given the homemaker's role (Clark, 2010: 748). The family and the business systems work independently. In a copreneur business the problems that are experienced at work may affect the harmony of the home, and vice versa. Business and family lives impact each other.

As Lee *et al.* (2006: 524) point out, the sustainable family business (SFB) model is the best theoretical framework, which is used to understand the family business. This theoretical framework has been utilised in the family business field as a new way of thinking about family business issues. The major aims of this theoretical framework are to pinpoint family and business resources, obstacles, processes and transactions, which may be associated with business and family achievements (Stafford *et al.*, 1999: 203).

The common thing is that family and business systems focus on similar resources such as financial resources, human resources and individual goals within the business (Lee *et al.*, 2006: 525). However, certain resources are only associated with family systems, while others are associated with business systems.

Stafford *et al.* (1999: 201) argue that these theatrical frameworks have been developed to outline the family business system. Ecologically, the dual system emphasises family and business systems with the same resources, although it focuses mainly on the pinpointing features of the two systems, namely the family and the business.

The copreneurship framework is derived from two separate entities, namely household and business. The issue of the distribution of responsibilities in married business couples' relationships are generally unbalanced (Othman *et al.*, 2016:257).

Eybers (2010: 39) states that these challenges are unique, as copreneurs attempt to marry personal and business lives in order to improve their financial situation. Those who run businesses while they are married run a higher risk than those who form a business partnership without being married. However, to be husband and wife and copreneur business partners is a huge challenge, and a complex one. According to Eybers (2010: 39), the business relationship within a copreneurship may create tension in a marriage. It is clear that business issues become a topic of conversation between husband and wife day and night, and during the week and weekends.

2.4 UNIQUE CHARACTERISTICS OF COPRENEURS

It is important to analyse the importance of the characteristics of copreneurs, which differentiate them from non-copreneurs. The characteristics of copreneurs stem from a combination between their family and business lives, which demonstrate clear features compared to other types of businesses.

Most of the time copreneur owners pursue their own interests and goals, which represent the unique aspects of copreneurs (Prencipe *et al.*, 2014: 363).

The challenge is that copreneur wives are subordinate to their copreneur husbands. The male copreneur is in the limelight as the owner of the business (Hirigoyen & Villager, 2016:3). In most family businesses the man is regarded as the head of the business.

The unique characteristics, which distinguish these copreneurs from other types of businesses is the family's involvement in the business. The involvements are clearly indicated in these characteristics.

According to Marshack (1994: 3-4), copreneurs uniquely distinguish themselves from other types of family businesses through the following features:

- Both the wife and the husband directly participate in their business;
- Both the wife and the husband combine their visions and goals;
- Both partners spend their time in their business;
- Both participate equally in the decision-making process; and,
- Both work together 24 hours a day.

According to Price (2011: 22), the unique characteristics of copreneurs include:

- Both husbands and wives have the same rights when it comes to the business, and both are responsible for decision-making in all activities of the business, both as owners and partners.

Machek and Hnilica (2015: 153) emphasize that the characteristics of a copreneurial business as a family business include that husbands and wives have a joint responsibility towards the decision-making process, and that they make equal efforts to obtain share capital for their business venture. This creates an opportunity for the parents to share their free time with close relatives such as children. In turn, the children of copreneurs get to share time with their parents in the workplace, especially when they are sick or during the school holidays (Smith, 2000: 287). Married couples are a subsystem of a greater group, namely family businesses.

2.5 IMPORTANCE OF COPRENEURS IN SOUTH AFRICA

The major impact that Small, Micro and Medium Businesses (SMMBs) or copreneurs have on the South African economy is mostly evident in two areas, namely their contribution to Gross Domestic Product (GDP) and to employment. SMMBs contributed around 32.7 percent to the South African GDP and comprised 44 percent of the total of South Africa's private companies in 2007 (Eybers, 2010: 18). Therefore, copreneurs play an important role in the socio-economic sphere by helping to improve living conditions in many communities (Eybers, 2010: 18).

Copreneurs represent a huge portion of economic activities within the macro economy environment. It is clear that copreneurs make huge contributions to the micro economy, especially to the household financial resources of those families (Eybers, 2010: 24).

The South African government does not have a database of family businesses, which account for around 80 percent of South African businesses, while around 60 percent of them are listed on the JSE (Eybers, 2010: 24). Copreneurs play an important role by creating employment in communities. Maas and Diederichs (2007: 3) assert that family businesses contribute hugely to a country's economy because they create job opportunities for people and hence improve that country's economy.

2.6 ADVANTAGES OF COPRENEURSHIP

Some authors have described and analysed the advantages for copreneurs, and these are highlighted in the text that follows. Maas and Diederichs (2007: 45) list the following advantages for copreneurs:

- Always being in contact with each other;
- Being able to enjoy themselves together;
- Creating new ventures together over time;
- Always having people around whom they can trust and can talk to in times of difficulty;
and
- Having greater flexibility for business and family activities.

They emphasize that the common goal that copreneurs share enables them to improve their professional and marital relationships. This leads to profitability in the married couple's business. There are various factors that contribute to decision making in a copreneur's business (Cole & Johnson, 2007: 187). These factors include:

- Equality;
- Independence;
- Trust; and
- Confidence in each other's work ethics.

They also mention three factors that are required for success in copreneurial businesses, namely good leadership, avoiding personal differences, and mutual trust in the business's activities. Mostly, successful married business couples are older and are better-educated.

A husband and wife who work together are viewed as having a perfect, close marriage and business relationship, since they intertwine. The common view is that family and business relationships become strong as they share the same visions, goals, ideals and team efforts as couples (Muske & Fitzgerald, 2006: 95).

According to Muske and Fitzgerald (2006: 95), copreneurs paint a picture of themselves as people who are able to manage the relationship between family and business domains well. Kuratko and Hodgetts (2007: 20) aver that the common goals of copreneurs enable them to improve their professional and marital relationships. Furthermore, this brings profitability to the copreneurs' business. Moreover, it builds entrepreneurial strength and courage in their family such as with and amongst the children. To address the needs of the home and the children, couples in business have time to plan and to make any required arrangements (Eybers, 2010: 24).

According to Machek *et al.* (2016: 248), one of the reasons why copreneurial companies may be more profitable is because husbands and wives trust one another, build teamwork, set up a common vision for their business, and engage in effective communication between themselves and their stakeholders as means to attract more customers. An advantage of copreneurship is that they share a common vision, limiting the chances of theft and fraud (Machek *et al.*, 2016: 248). All those efforts can lead to improving the business's profits.

A good relationship between married couples who operate a business together is important to ensure the business's success (Machek & Hnilica, 2015: 154). This emphasizes the fact that if copreneurs improve their communication, it may lead to success for the business. Copreneur couples in business have enough time to be together in both the work and the family environments. This situation may strengthen copreneur couples' business relationships, which may also improve the business venture's performance. The copreneur couples' business has

more flexible time to deal with family and business responsibilities (Othman *et al.*, 2016: 256). According to Othman *et al.* (2016: 256), a copreneurship shares responsibilities and sets up common goals in their business venture. They clearly distinguish between work and family affairs as business partners. These abovementioned factors create a unifying climate between the business and the family, which allows the husbands and wives to operate the business together successfully.

2.7 DISADVANTAGES OF COPRENEURSHIP

There are lots of gender issues in married couples' businesses and some authors have analysed these gender issues, as it appears that the role of women in the married business couple's arrangement, has certain disadvantages (Cole & Johnson, 2007: 187). A power-struggle between husband and wife sometimes takes place amongst married business couples.

Maas and Diederichs (2007: 45) list the disadvantages of working as copreneurs as follows:

- Anxiety amongst the business partners;
- Lack of romantic relationship;
- One source of income, which is the business;
- Joint decision making process; and
- Difficult to distinguish between criticism in the workplace and home.

The conflicts and constant disagreements between husbands and wives who operate a business together may damage the image of the business, and this may be observed by customers, resulting in poor financial performance. The source of conflict may be caused by many factors such as husbands trying to be authoritative, the separation of responsibilities and processes within the business, and a lack of personal, individual time within the business (Machek & Hnilica, 2015: 155).

The above-mentioned factors may cause the husbands and wives who operate the business together to spend working hours to solve their personal problems. These differences between husbands and wives may affect the work performance of individuals, which in turn affects the performance of the business. Conflicts and disagreements may even cause a divorce (Machek & Hnilica, 2015: 155). Macadam and Marlow (2013: 153) state that amongst the majority of copreneurs, men assume the role of a boss, while the female role is hardly recognised by the male partners. The role of the female is instead behind closed doors, although the male partner's role is visible to everyone, including non-business partners.

2.8 EXTERNAL CHALLENGES OF COPRENEURS

Government policies are part of the external environment challenges that copreneurs face. Most copreneurs face significant negative impacts from governmental policies in their businesses, as businesses must comply with various regulations and legislations. Business owners should comply with government regulations such as taxes and other policies (Klaus, 2012: 8).

2.9 INTERNAL CHALLENGES OF COPRENEURS

The biggest internal challenge that copreneurs face is often the shortage of skilled labour in their businesses. A business venture can perform well when the top management of the business has relevant high levels of skills. The high level of skills in top management opens opportunities for management to see the direction of the business venture, and to observe its financial performance (Farrington *et al.*, 2011b: 28). In all its aspects skilled top management is imperative for effectiveness of the entire business. A lack of experience may also cause poor performance in business ventures. A person who has diverse experience can perform tasks better, and can improve the level of business performance (Farrington *et al.*, 2011b: 27). Farrington *et al.* (2011b: 27) reveal that complementary skills refer to copreneurs who can perform different tasks within the business without obtaining assistance from outside people. The outcome of being competent in different areas can lead to better performances within the copreneurship. Furthermore, when a copreneur couple's business combines their different skills and experiences from various fields and working environments, their business venture is more likely to be successful.

The internal challenges in a copreneur couple's business can be caused by not setting up a clear structure of leadership, which should oversee the business venture. This type of leadership is extremely important in any business, particularly to fulfil the organisation's objectives and goals (Farrington *et al.*, (2011b: 28). The copreneur couple's business should set up team leaders who are responsible for ensuring that their business is successful in the long-term. However, because of the different sizes of businesses, some businesses are not able to appoint strong governance structures such as an advisory board and a board of directors. Some cannot seem to have a family meeting to discuss fundamental issues, which affect their business. Sometimes there is an overemphasis on the fact that in copreneurial businesses, governance structures are informal (Farrington *et al.*, (2011b: 29). A governance structure can sometimes help a business to formulate and implement policies and procedures within their business, which ensures that their business becomes successful. Another internal challenge in a copreneur's business venture is sibling involvement. According to Farrington *et al.* (2011a: 2), a sibling refers to daughters and sons of the married couple who may participate in the business's activities and even occupy senior management positions in the business as

family members. At some point, certain siblings may not have the necessary skills, which are required because of the nature of the business venture, but they are given the jobs by virtue that they are family members, and this may result in poor financial performance for the business. At times though siblings may even know that do not have the necessary skills to operate a business (Farrington *et al.*, 2011b: 28).

The biggest internal challenge in a copreneurial business venture centres on cash flow and cost control.

Farrington *et al.* (2011b: 28) emphasize that access to necessary resources, information, infrastructure and employees are extremely important in a copreneurial business. Support and infrastructure arrangements are extremely important. The internal challenges of copreneurs often deeply affect the business's performance.

2.10 COMPARISON OF COPRENEURS AND NON-COPRENEURS

McDonald *et al.* (2017: 2) state that copreneurial businesses, by their nature, experience greater tensions than other forms of business ventures. These are known as non-copreneur family businesses. One of the major reasons is because both the husbands and the wives have an equal say in terms of decision-making processes. Major tensions in a copreneur couples business may be caused by the organisation's poor performance. McDonald *et al.* (2017: 2) stress that copreneurs experience poor performance in their business ventures more so than non-copreneurs do. This implies that once a non-copreneur business switched to a copreneur business, its profits would decrease drastically. Mostly, copreneur couples' businesses experienced higher levels of tension, because they both participated in the organisation's leadership. Copreneur couples' businesses are led by husbands and wives who are both members of the same family. Therefore, it is difficult for them to comply with business leadership rules and to ignore the culture of their family, where, traditionally, the men are the heads of the households and the women are responsible for cooking, cleaning, children and looking after the family's needs as wives. Mostly, copreneur couples see the business venture as a way of bringing income into the home and for them to survive as a family (McDonald, 2017: 2).

Othman *et al.* (2016: 257) argue that copreneurship businesses often experience poorer performances than other businesses owing to the fact that these married couples regard their business as a daily source of income, and not as a business. Most of the husbands and the wives who operate businesses together do not take their business venture seriously. They spend the income from their businesses in the way that they want to, and more so from a family perspective than from a business perspective.

2.11 THE FAMILY DOMAIN

For this study the family domain refers to family functions or activities, which are organised by the husbands or wives who are members of copreneurial ventures. The family refers to married couples who share their resources and who live together with their children (Jaskiewicz and Dyer, 2017: 111). The major focus is on management of the household rather than on management of the organisation's activities. According to Pratt (2009: 571), this family business type is unique, and demands analysis that includes the overlapping that occurs between business and family domains. When conflicts arise, the business partners prioritize the family domain rather than the business domain to create a climate of compromise, which leads to the reduction of stress. This compromise is extremely important in order for them to achieve the organisation's goals and objectives.

2.12 THE BUSINESS DOMAIN

For the study the business domain refers to business functions or activities, which are handled by husbands or wives who are members of copreneurial ventures. The focus should be on the management of business functions and goals rather than on management of the family's functions and activities. Othman *et al.* (2016: 258) argue that married couples who decided to engage in business with their partners understood the demands of their families, which allowed them to integrate the family and work domains together better than if they worked in outside companies. The husbands and wives are entitled to bring their children into the workplace at any time without experiencing any complaints from anyone else.

2.13 CHALLENGES FACING COPRENEURS

2.13.1 Gender differences amongst copreneurs

In terms of this study, differences between males and females refer to checking levels of participation between wives and husbands within copreneurial business ventures.

There are differences between males and females in terms of the roles that they should play in the business's success, and taking responsibility within the business venture (Wallace, 2010: 52). These differences may present a business problem and may affect the business's cash-flow, which is problematic for the business.

According to Cosson (2017: 39), the wife's attention to the family and its emotional management demonstrates an underlying assumption that the male partners play more of a role in terms of setting up business ideas and practicing them. The role of the female remains invisible owing to several issues such as patriarchy and the silent partner role. The male represents the entire family, which includes his wife, in business decision-making. Cosson (2017: 39) suggests that invisibility has its basis in patriarchy, specifically the idea that wives

are merged into the unity of the couple, and are represented by their husbands, in whose shadow the wives stand.

Amongst most copreneurs, business male partners spend 60 hours per week at the working place, while female partners spend around 49 hours there per week (Othman *et al.*, 2016: 257). This shows that the husbands spend more time looking after the business while the wives spent less time looking after the business, and more time taking care of the family, although they were equal partners in the business venture. These gender differences are essentially caused by traditional gender roles.

Copreneurial wives spent more time on household matters while their husbands spent more time in the workplace. Eybers (2010: 92) asserts that copreneurial husbands are mainly responsible for small repairs, law care, playing with their children, and car and home maintenance, while copreneurial wives usually take responsibility for organising and running the home and the family, whilst sharing the responsibility for major domestic decisions with their husbands. Amongst married business couples, the females are more responsible for washing dishes, cleaning, buying groceries, cooking and performing general housework tasks. The older, traditional role of females was to be confined to the kitchen and to look after the children in the families, as well as the husband, and certainly not to lead the business venture (Smith, 2000: 283). Smith (2000: 284) claims that female copreneurial roles were primarily defined as being wives and mothers, rather than executives.

Marshack (1994: 3) argues that amongst copreneur couples the females look after family affairs and the males take care of business affairs. Professional wives considered themselves to be wives and mothers first, and considered their professional role last in terms of importance. Females, particularly copreneur ones, assume a back seat in the business (Blenkinsopp & Owens, 2010: 361).

According to Rembulan (2013: 77), the husbands regard themselves as family bread winners, while the wives regard themselves as housewives who look after the needs of the house and raising the children. Othman *et al.* (2016: 259) state that the wives concentrate more on the needs of the family than on any business matters. Presently, the situation has changed; the women are responsible for everything. The woman's position is no longer to merely cook and clean for the whole family. According to Hirigoyen and Villager (2017: 3), copreneur wives play a less important role than their husbands. They emphasize that female copreneurs play a back-seat role in their business, while their male partners play a front-seat role. In some businesses female copreneurs are not seen at all, because in practical terms, female copreneurs are inferior to their male partners (Hirigoyen & Villager, 2017: 3). Female copreneurs play a silent role in copreneur couples' businesses. According to Hirigoyen and Villager (2017: 3), of the "surveyed couples who had co-founded a business, half said that, despite their joint efforts,

their business was still seen by outsiders as having been founded by one person, the husband". The female copreneur's role remains a huge gender-based division of labour in most copreneur companies. Othman *et al.* (2016: 256) argue that men regard the business venture as an opportunity to earn an income to ensure that the family survives, while the wives regard the business venture as an opportunity to have flexible time to carry-out work and family responsibilities.

2.13.2 Management of copreneurs

For purposes of this study, management refers to the process of making a decision between husbands and wives who are involved in a copreneur business. The copreneurs share equal responsibilities, which means equal power in the business.

According to Othman *et al.* (2016: 258), in the copreneurs environment the husbands regard themselves as the decision makers and their wives are assistants in the husband's businesses. The husband is considered to be a decision-maker in the copreneurs' environment. The husbands are regarded as leaders of the business venture. Eventually, they are entitled to make business decisions on behalf of their wives. This clearly indicates that the management process is based on gender roles in copreneurs' ventures. The husbands see themselves as bosses and as decision makers in their business (Machek *et al.*, 2016: 246). This shows that there is no equality between husbands and wives in terms of decision-making in their business ventures. Whether or not they have the necessary experience and expertise, the husbands are responsible for making decisions on behalf of their business partners. Their lack of experience and expertise may cause extensive damage to the performance of the business.

The management process is often a huge challenge for married business couples. Married business couples should discuss all issues that relate to their business activities together, and they should then make informed business decisions together. Dekkers (2009: 5) asserts that there are four areas of decision-making, including networking, wife, and husband and housekeeping issues. The question to be asked is whether both the female and the male had a final say in their respective areas.

According to Hirigoyen and Villager (2016: 5), in 72.7% of cases, the husbands have full rights in respect of formal decision-making powers. The female partners in the family business plays more of a supportive role to their male partners. The male partners in the family business receive owner status, while the female partner is regarded as a secretary, or the bookkeeper of the family business (Hirigoyen & Villager, 2016: 5). The female partners in copreneurs' businesses usually do not have an official title in the family business. Hirigoyen and Villager (2016: 5) declare that in a copreneurship wives play a critical role in the entrepreneurial management system. Female copreneurs fully understand the challenges of the decision-making process in the family business. They keep quiet, simply because they want the family

business to operate effectively. Hirigoyen and Villager (2016: 6) contend that copreneurs appoint one person to take on a leadership role and to be allowed to make important decisions as business partners. The male copreneur is recognised as the boss, while the female copreneur leads from behind the scenes. Hirigoyen and Villager (2016: 6) argue that husband and wife copreneurs sometimes set up a clear policy of non-competition between them, and that they separate the powers between them so as to implement business effectively.

Hedberg and Danes (2012: 1) state that with copreneurial teams, the roles of individuals are extremely important, while the way in which they use their powers in the business venture is also important for the business. It allows both to think about the business and to participate in the business's daily activities. According to Cosson (2017: 50), the female in a copreneur business has less power in terms of decision-making. It is difficult for them to challenge the decisions of their male partners. This does happen, although copreneurs emphasize the importance of equality in the business.

2.13.3 Personal differences between married couples

For purposes of this study personal differences between married couples refer to differences between husbands and wives, which they encounter within the copreneur business.

According to Machek *et al.* (2016: 246), possible conflict between husbands and wives may cause poor work performances on their part. The different views within a married couple's business can also affect business performance. These different views may create a lack of trust between couples who are involved in a business, and may of course lead to the organisation's poor performance (Machek *et al.*, 2016: 246). A divorce may be caused by various other conflicts, and not merely because of business-related issues. Machek and Hnilica (2015: 155) report that divorce is regarded as a major problem for copreneurs, since it can affect the good conduct of the copreneurs' venture, and lead to its closure. Conflict always exists in all businesses and families, as people see and think differently about the same issues. It is important to consider the cause and to deal with it immediately.

Hoosen (2007: 69) claims that copreneur wives who directly participate in the organisation's decision-making process experience conflict with their husband's business partners. Most of the time conflict occurs when the married couple works together on daily basis (Nicholson, 2003: 25). The female is expected to play a leading role in the family's affairs; however, in a copreneur situation the female and male play equal roles in respect of the family business culture.

Personal differences between married couples may impact the business negatively (Machek & Hnilica, 2015: 155). The differences between husband and wife may affect the work performance of either or both individuals. In cases where their differences lead to divorce, this will also affect the organisation's financial resources. According to Machek and Hnilica (2015:

155), a higher risk of divorce may be caused by spousal conflict, which emanates from the copreneurial venture.

According to Machek and Hnilica (2015: 155), possible conflicts that may lead to divorce amongst copreneurs include the following:

- Lack of clear distinctions between the business and family environments;
- Lack of rules and procedures that govern the business;
- Internal competition between partners;
- Lack of privacy; and
- Nepotism.

Copreneurs face and deal with more conflict than those who are involved in non-copreneurship businesses (McDonald *et al.*, 2017: 2). Copreneur businesses experience bigger challenges regarding conflict in this respect owing to the nature of the business itself. Both husbands and wives are equal in terms of decision-making, where copreneurs' business matters are concerned. McDonald *et al.* (2017: 2) argue that copreneurial businesspersons regard their businesses as something from which they derive money in order to survive on a daily basis, and not as a means to invest their money. This is mainly because copreneur businesses are more family-orientated than business-orientated.

According to Rembulan (2013: 78), the conflict between husbands and wives who operate a business together may cause a lack of family harmony in the workplace. McDonald (2017: 2) argues that copreneurials have more tension than non-copreneur businesses. The cause of the tension is usually linked to the poor performance of the business. According to McDonald (2017: 2), most of the time the copreneur business venture is negatively affected by the couples' tensions. Some spouses create a stable climate in the business, but if the business performs poorly, then this is associated with high-tension levels. Copreneurial business owners regard the business as a lifestyle choice, and not as a platform, which creates profits, much like other types of businesses. The copreneur focuses on family issues rather than on business profits. Machek *et al.* (2016: 246) emphasize that divorces impact negatively on conduct within the business. As soon as the spousal conflict leads to divorce, it causes general poor performance within the copreneurial business. The conflict may be caused by various issues such as a lack of boundaries between work and family, division of responsibility, decision-making and a lack of privacy between the spouses (Machek *et al.* 2016: 246).

A conflict of interest may also occur between the husbands and wives. One partner may misallocate business resources for their own personal interest such as for those who had children before marriage. The conflict may be caused simply because both the husband and wife are owners and managers of the same business venture (Blanco-Mazagatos, 2016: 167). The

husband and wife's relationship may overlap their copreneurial relationship, which may cause a problem that can lead to conflict between the business and the family's values. The way in which copreneurs practice family traditions and family decision-making may also be a problem. Copreneur business ventures are difficult businesses to operate, and have a high potential for conflict (Block *et al.*, 2016: 65).

2.13.4 Balance between family and business

For purposes of this study, balance between the family and the business refers to a situation whereby the husband and the wife's partnership obligation does not become involved with family obligations. Business and family obligations are kept totally separate from each other. The best practical example of this is when copreneurs make sure that they do not have to deal with calls after working hours.

According to Farrington *et al.* (2011: 1), copreneurs face this challenge as they have enough time to enjoy a romantic personal relationship, as well as their business relationship on a professional level. Although their personal relationship and their professional business relationship operate well together, they may have tension and conflict that might lead to the destruction of their marriage and their business.

Ediriweera (2016: 97) defines copreneurs as being able to balance a work and a family environment at the same time, as well as the role of individuals in a work and family environment. There are positive and negative elements in the work and the family balancing environment. A positive element requires the happiness of both spouses in the family and the business environment. A negative impact implies unhappiness in the business and family environment. The balance is divided into three components, namely time, involvement and satisfaction (Ediriweera, 2016: 97). Balance is something, which is personal, and does not work the same way for everybody.

Cooperation between the family and the business is extremely important to ensure that the business keeps making long-term profits. However, there are different approaches that are used to separate family from business, and to create family harmony and long-term sustainability of the business. Othman *et al.* (2016: 259) note that most wives who operate a business with their husbands concern themselves more with family matters than with business matters. But the "family comes first" approach is dangerous and can sometimes destroy a business, as it may also lead to conflict between managers and shareholders. The business might resultantly lose its competitive edge in the market (Heerden, 2009: 26).

Heerden (2009: 25) argues that the "family first" approach has definite disadvantages that will generate conflict and will influence family harmony in a negative way. Heerden (2009: 25) says that the organisation's decision makers or leaders prefer business matters to family matters. The business-first principle is vitally important for the decision makers in the business

environment. It discriminates against family members owing to their lack of required skills, lack of experience, or because they may have insufficient knowledge about certain aspects of the business. The "business first" approach emphasizes that business interests should be above family interests in importance, which is a great challenge for some businesses. Reid *et al.* (1998: 55-56) contend that the "business first" approach will also definitely create tensions, influencing the long-term sustainability of the business, while it could destroy family harmony.

Heerden (2009: 27) states that the "balancing of the family and the business" approach may result in situations where there are unbalanced or conflicting goals between family and business systems. Integration of the family and the business can easily cause conflict and confusion in the business. It can also affect relationships and destroy effective communication within the family (Heerden, 2009: 27). Family conflict roles could be the outcome of the family's emotions. They may focus inwards, reflecting the family's general resistance to change, whereas the business end is task-driven, focusing outward on the external environment and exploiting change for the business to grow (Reid *et al.*, 1998: 55-56).

Ediriweera (2016: 92) mentions that achieving a balance between work and family life is a huge challenge. Managing their time between a business and the family is also a huge challenge. Work and family life balance is important because it creates a climate of smooth operations between business activities and family needs. A practical way of implementing a balance between business activities and family life is to establish clear and separate roles that need to be performed in both the business and the family life. Benito-Osorio *et al.* (2014: 216) contend that a proper balance between work and family life plays a key role in achieving personal and professional goals.

2.13.5 Partners' responsibilities in the copreneurs

A partner's responsibilities within a copreneurship refer to the tasks and responsibilities of the copreneurs. The job descriptions and the roles and responsibilities of each person in a copreneur business is extremely important to clarify.

According to Farrington *et al.* (2011: 5), before the husbands and wives set up a business venture, they need to have an agreement in terms of how to divide tasks and responsibilities within their business.

Copreneurs operate like any other organisation in terms of separating tasks and responsibilities for each specific person. According to Machek *et al.* (2016: 246), the separation of work and family commitments and a lack of physical boundaries between work and family may contribute to the organisation's downfall. The challenge for copreneurs is being able to distinguish between the tasks of the family and that of the business. It is important to state the duties of each to avoid confusion. Failing to separate family and business duties may affect the financial performance of the business venture at a later stage. The copreneurs may

consider their business to be a way of life rather than a business that produces income (Othman *et al.*, 2016: 257). The challenge is that the business owners do not always have a long-term plan for their business. They want to earn an income to support their family rather than to invest in the business's profits.

Bjornberg (2010: 1) states that the challenge, which couples face, however, is not only that of juggling the role of husband and wife, but also that of a professional partnership. Mostly, it is not clear who does what in the business, particularly in the small business environment, because the husband and the wife apply a multi-task approach to survive. It is important to take into consideration the fact that these business partners each have unique abilities, a preferred task and a professional background. The lack of formal communication between couples may lead to prolonging existing role diffusion (Bjornberg, 2010: 1).

Othman *et al.* (2016: 258) reveal that the males in the copreneur business venture are the decision makers. The husbands spend more time on management roles than their wives. The big challenge is that the powers of the husbands are often greater than those of their wives. The husband takes responsibility for the most important and complicated tasks of their business venture. The husband's role includes marketing, product development, purchasing, equipment maintenance, business plans, bookkeeping, and accounting; as well as contract negotiations or agreements with clients (Othman *et al.*, 2016: 258); while the wives take on the simple tasks of the business such as secretarial duties, payroll management, billing and receipt of payments. This indicates that the copreneurs described in this study divide duties and responsibilities based on gender roles. Macheek *et al.* (2016: 246) postulate that in terms of division of responsibility and decision-making, the males assume leadership roles. This may cause tension between husbands and wives in the copreneur business environment. Therefore, it is extremely important for any group of people who intend to work together in an effective manner to realise that they need to establish clear roles and responsibilities among themselves as means to strengthen cooperation. If the business sets up clear roles and responsibilities between the business owners, this will lead to a positive relationship. Once a married copreneur couple sets up clear responsibilities in their business, there will be willingness to support each other. Othman *et al.* (2016: 258) report that the husband is usually more dominant than the wife.

Farrington *et al.* (2012: 6) state that role clarity requires clearly demarcated areas of authority and responsibility, particularly among African copreneurs. All members of the business must maintain their responsibilities and their performances, according to expected standards. Clearly, level of expertise plays an important role to ensure that members perform expected duties, as outlined in their respective job descriptions.

Eybers (2010: 89) asserts that the division of labour not only makes a business run more efficiently, but also presents the partners involved with an opportunity to achieve more and to learn from each other. The greater challenge is that it is difficult for copreneurs to focus on their allocation of responsibilities, both in business and in the household. The division of labour amongst married business couples should be based on what they enjoy, while they should pay special attention to the arrangement, even if they have huge differences in terms of styles and methods (Eybers, 2010: 89). The issue of responsibilities is a big challenge because the responsibilities may change, as married business couples' organisations expand and increase their financial performance. Eybers (2010: 90) mentions that the demarcations of roles and responsibilities between copreneurs are as follows:

- To ensure that essential jobs are completed; there must be someone accountable for their completion;
- Presenting each partner with a sense of ownership in the business;
- To encourage spouses to appreciate the strengths and contributions of their partner; and
- Illustrating the spouses' trust in each other and helping them to build on that trust.

The role of women in the copreneurship is invisible most of the time. The role of the women is mostly to support their husbands in the copreneurship. According to Hirigoyen and Villager (2017: 3), in western societies the cult of the entrepreneur sees the man as a hero who braves the horrors of the business world. The role of the man is regarded as vitally important in a copreneurship business. The role of women in the copreneurship business is regarded as unique, although it is invisible. The women are silent partners in the copreneur business (Hirigoyen & Villager, 2017: 3).

The role of the men is to oversee all the activities of the business, while the women's role is to support their husbands in the business. Hirigoyen and Villager (2017: 3) emphasize that there is room for only one person, namely the man at the head of the family business.

2.14 Summary

Copreneurs were the cause of great debates in certain countries such as the United States and Canada during the 1908s (Othman *et al.*, 2016: 256). These couples share a common vision when it concerns their family and business life. They live together and are also responsible for the profits and losses of their businesses.

The married couples use a sustainable family business model for two reasons, namely for the input of each system and for pertinent outcomes (Sharifian *et al.*, 2012: 116). The sustainable family business model focuses on a combination of family and business systems.

CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter presents the research study's research methodology, which was used to address the study's objectives. To reiterate, the study focused on challenges that African copreneurs face in the City of Cape Town, Western Cape, South Africa.

3.2 Research design

This study adopted a descriptive and exploratory research design as means to obtain a clear picture of the challenges that African copreneurs face in the City of Cape Town. There are various types of research designs; however, each type has its strengths and weaknesses. Research design phenomena are described as they exist, namely descriptive research, exploratory research, and causal research (experimental and quasi-experimental research (Sekaran & Bougie, 2013: 96-98). The research design provides clear guidelines that deal with how the research project was conducted, whilst it also assists to find answers to the research problem (Hussey & Hussey, 1997: 114). According to Jowah (2011), research design establishes a structure that is used to address the research problem and the study's research question/s. This study utilized descriptive research, as it describes conditions, events and populations (Sekaran & Bougie, 2013: 97).

Descriptive research generally takes raw data and summarises them in a useable form. Descriptive research can be based on qualitative, quantitative or the mixed research method (Sekaran & Bougie, 2013: 97). A descriptive research design attempts to describe and explain present conditions by using many subjects and questionnaires to fully describe a phenomenon. A descriptive study, which is based on a survey research design, is one of the most popular research designs. An interpretation research design interprets results once data has been analysed. Jowah (2011: 83) opines that interpretation research design is important owing to the useful information that emerges following interpretation.

3.3 Research methods

This study adopted the mixed research method to answer the research problem and question in respect of the challenges that African copreneurs face in the City of Cape Town. A mixed research method comprises of both qualitative and quantitative research methods (Cresswell, 2009: 203). Both qualitative and quantitative research methods use different forms of data collection. The quantitative method collects data in the form of numbers, while the qualitative method collects written forms of data (Durrheim, 2006: 47). The mixed research method allows

researchers to identify the strengths and weaknesses of qualitative research and quantitative research in preparation of the research study (Durrheim, 2006: 47).

3.4. Unit of analysis

For this study the unit of analysis consisted of various individuals from different groups within society. These individuals included African copreneurs from the City of Cape Town in the Western Cape Province. The focus was on both registered and non-registered African copreneurs in the City of Cape Town during the period of the current research. The researcher has tried to understand individual characteristics such as gender, age, attitude, and so on. The study assisted in providing a broad picture of African copreneurs in the City of Cape Town. Therefore, the conclusions drawn in the study were based on the analysis of the African copreneurs. The unit of analysis makes a huge contribution towards sample selection, data collection, and answering the research question (Durrheim, 2006: 41). The researcher sampled within certain areas of the City of Cape Town, specifically in Black townships to obtain information on African copreneurs.

3.5. Research population

The research population for this study comprised African copreneurs who operate small, micro and medium-sized businesses (SMMBs) in the City of Cape Town. It was limited to those copreneurs who are either married couples or life partners. It also focused on the husbands and wives only within the family. The research population focused on both registered and non-registered SMMBs in various sectors of an industry.

The selected target population was selected from and resided in the following areas: Langa, Nyanga, Khayelitsha, Dunoon, Mfuleni and Guguletu. The researcher selected the research population with the view that the selected participants would reveal important information about the research problem. Due to cost and time constraints in respect of completing the study, the researcher was not able to study the entire population; instead, a sample was drawn from it.

3.6 Sample size

The sample for the research study was selected from amongst African copreneurs in the City of Cape Town's metropolitan areas in the Western Cape Province from the following areas: Langa, Nyanga, Khayelitsha, Dunoon, Mfuleni and Guguletu. A sample is regarded as any subset of the element of the population that is examined to fulfil the aims of the research study (Fox & Bayat, 2007: 52). A sample is simply a section of society of the population in a particular area (Jowah, 2011: 99). According to Hussey and Hussey (1997: 144), a sample consists of a portion of the members of a population. The sample is a smaller number of the population under investigation (Welman *et al.*, 2005: 54).

Sampling is a process of pinpointing; choosing a few individuals from the population to conduct a survey on them, and their views are then said to represent the entire population. For

purposes of this research study, the researcher ensured that the selected African copreneurs were adequate for the investigation. The researcher was keen to uncover the challenges that African copreneurs face in certain areas within the City of Cape Town, particularly in Langa, Nyanga, /Khayelitsha, Dunoon, Mfuleni and Guguletu. The researcher selected wives and husbands who operate businesses together. Jowah (2011: 100) professes that a sample is a true representative section of society, which represents the total population under investigation.

3.6.1 Sampling procedure

Initially, the plan for this study was that the researcher intended to investigate all Black townships in the City of Cape Town's metropolitan area, but because of the number of Black townships in the City of Cape Town, the period within which he wanted to complete the investigation, and considering financial resources constraints, it was not possible. The researcher decided to focus on five Black townships in the City of Cape Town instead, namely Langa, Nyanga, Khayelitsha, Dunoon and Mfuleni. The researcher further decided to focus on both registered and non-registered African copreneurs. The African copreneurs had similar backgrounds and performance patterns.

The researcher targeted African copreneur owners who are either married couples or life partners. The target population had to meet the following criteria:

- They had to operate their business in the City of Cape Town, particularly in the following areas: Khayelitsha, Nyanga, Guguletu, Langa, Mfuleni and Dunoon;
- They were classified as registered or non-registered businesses;
- They had to be SMMBs; and
- They had to be South African citizens and African people who could speak a South African language.

3.6.2 Non-probability sampling

For purposes of this study, a non-probability technique was utilised to reach the target population in selected areas. Non-probability sampling refers to selected elements, which are not randomly selected because they are unknown (Durrheim & Painter, 2006: 139).

Non-probability sampling comprises various types of samples. Durrheim and Painter (2006: 139) indicate various non-probability sampling methods such as convenience samples, purposive samples and snowball sampling.

Non-probability sampling was utilised in conjunction with snowball sampling. Zikmund *et al.* (2013: 392) argue that snowball sampling is an additional technique that is used for non-probability, while snowball sampling focuses on additional respondents who are selected as means to examine information that is provided in the initial response. In practical terms, the

researcher speaks to one respondent about the study, and the respondent then refers the researcher to another who qualifies, according to the selected criteria for the study. Using snowball sampling for the current research, the researcher approached several individuals. They then informed the researcher about others who did similar things in their lives (Welman & Kruger, 2001: 63). The researcher utilised snowball sampling as a tool to reach relevant respondents. Having large numbers in the sample provides a better chance of obtaining accurate answers, and limits the chances of making sampling mistakes (Jowah, 2011: 101).

3.7 Data collection instruments

3.7.1 Questionnaires

The researcher decided to personally distribute all the questionnaires to the target population, because most of the target population did not have proper addresses, landline telephones, E-mail addresses, the street name of their business, proper structured offices, and because they changed cell phone numbers quite often, while some experienced network problems. Therefore, the researcher assumed responsibility to distribute and translate the questionnaires for potential participants. The researcher explained informed consent to participants before embarking on the questions, and used standardised questionnaires for all the respondents.

For the purposes of this study, the questionnaire was utilised as a secondary tool for data collection. The questionnaire's content was guided by the literature review, which played a huge part in terms of formulating the questionnaire for the research study. The purpose of the questionnaire for the African copreneurs was to try to obtain all required information and individual viewpoints regarding the challenges that African copreneurs face in the City of Cape Town. The questionnaire was the tool that helped to obtain the information that the researcher was not able to gauge or understand from observation or from existing literature (Remenyi *et al.*, 1998: 150). The questionnaire was used to test the descriptive and research questions of the study.

The questions were varied. Some questions were open-ended, while others were closed-ended. This depended on what the researcher wanted to find out in order to meet the research objectives (Jowah, 2011: 112). The researcher designed both the open and closed-ended questions to reveal findings that would address the research problem. The questionnaires were designed to obtain information from African copreneurs in selected areas within the City of Cape Town.

3.7.2 The interview

The researcher used a structured interview technique. Woods (2009: 1) argues that structured interviews may be utilised for face-to-face interviews, telephone interviews, videophone and the internet. This study used the face-to-face interview technique. The researcher conducted

interviews with both wives and husbands who operate their businesses together as selected participants for the research study.

The researcher visited African copreneurs at their places of business and homes. Personal visiting helped him to receive first-hand information from the target population. The target population revealed their personal experiences, challenges and ideas about problems in their business sectors. The researcher interacted directly with the respondents of the research study. It was important to explain the objectives of the research study to the participants before commencing the interviews, and to explain the procedures that would be followed during the interviews. The researcher took notes when necessary. The researcher then reviewed the notes to record relevant information.

The researcher ensured that all interviews took place in a quiet, private place and that participants were comfortable. The researcher ensured that the participants' information would be treated as confidential.

Bryman *et al.* (2011: 215) define an interview as an important tool for data collection in both quantitative and qualitative research. Interviewing is a process of interaction between the researcher and the participants regarding matters that relate to the study. It helps the researcher to find out how people think and feel about the research problem (Kelly, 2006: 296). The interview is a conversation between the researcher and the respondent about the research problem and the questions (Hair *et al.*, 2003: 134).

3.8 Validity

Validity refers to the way in which the researcher measures truth and untruth, as represented by the data that has been collected; using various research instruments (Hair *et al.*, 2003: 174). According to Van der Riet and Durrheim (2006: 90), validity refers to the way in which the research results make sense or render mutual understanding for both the researcher and the study's participants. In this study the researcher referred to validity as the measure of truth and untruth of the challenges that face African copreneurs in the City of Cape Town, by examining factors that may affect the internal and external validity of the measuring instrument.

For the current study the researcher used both qualitative and quantitative research data. The researcher decided to use the structured interview schedule and questionnaire techniques to collect data about the challenges that African copreneurs face in the City of Cape Town. The interview schedule and questionnaire that were used in this study were adjusted based on input from the pilot study. All respondents answered the interview schedules and questionnaires in the researcher's presence. The reason for this was to ensure that they answered the questions solely, without assistance from anyone else. The main aims of revising the interview schedule and questionnaire was to maintain the high level of internal validity for this study.

The validity clarified the interpretation and concepts that determined the way in which both the researcher and the participant understood or made sense of the project.

3.9 Reliability

Reliability refers to the degree to which the outcomes are repeatable (Van der Riet & Durrheim, 2006: 92). Emory (1980: 132) asserts that the reliability concept meant different things to different researchers and scholars. Reliability focused on how to measure to obtain consistent results. The researcher in this study conducted a pilot study amongst a sample of African copreneurs who were members of the target population in the Langa Township, in particular, those with similar backgrounds and performance patterns. The target population was African males and females who ran a business together as top management. The pilot study focused on five female and five male African copreneurs in top management in one of the areas selected for the study. The pilot study was conducted in November 2017. The researcher distributed questionnaires and interview schedules to the participants himself. The main aim of the pilot study was to check for reliability in respect of whether participants understood the instructions of the questions that were posed. The researcher aimed to identify the problem before embarking on the bigger project. Regarding the time taken per questionnaire, the pilot study indicated that the questions were straightforward and clear, and hence would be easy for them to answer.

Emory (1980: 132) asserts that reliability adds more value to validity; basically, there is a relationship between validity and reliability. Reliability works well under varying times and under different conditions.

3.10 Data analysis

This study adopted three sources of data, namely interview schedules and questionnaires as the primary source of data, and the literature review as secondary data. The main reason for utilizing both primary and secondary data is because the literature alone was not sufficient for the research problem. It is important to combine both primary data and secondary data to understand and address the research problem completely. The primary data was divided into two sections in this research study, namely interview schedules and questionnaires as means to understand the research problem. The researcher conducted interviews with both wives and husbands who operate their businesses together; as selected participants for the research study. This allowed the researcher to receive first-hand information from the selected target population in the study regarding the challenges, ideas and obstacles that African copreneurs face. The interview schedule was compiled to obtain first-hand information from the participants. The interview schedule consisted of open-ended questions to allow the interviewer to provide more information about the challenges and obstacles that African copreneurs face in the City of Cape Town.

Data analysis is the process of converting data into information. Data analysis presents a detailed way of presenting data and techniques (Lancaster, 2005: 155). The first step for data analysis is data preparation, which includes editing, coding and data entry (Cooper & Schindler, 2003: 454). These processes help to ensure the accuracy of the data, which is used to convert from a raw form to a reduced form and to a classified form for analysis (Cooper & Schindler, 2003: 454). The second step for data analysis is preparing a descriptive statistical summary that should lead to an understanding of the collected data. The researcher utilised the statistical package for social science (SPSS) software for data analysis.

3.11 Ethical consideration

The researcher ensured that all the required documentation regarding ethical considerations was collected and prepared for the research study before action was taken. The rights and interests of the people who participated in the study were prioritised. A practical example is the written consent to conduct this research that was requested and obtained from the Dunoon Business Forum and the Black Business Chamber in 2017. Wassenaar (2006: 61) argues that: "In South Africa, most leading universities require that all social science research involving human participants be reviewed by an independent research ethics committee (REC) before data collection can commence."

3.11.1 Permission

The researcher obtained written permission from the Dunoon Business Forum and the Black Business Chamber secretaries to ensure that the code of conduct was highly respected by the researcher. Furthermore, after the Faculty Research Committee assessed the research tools, the CPUT Research Ethics Committee granted approval to the researcher to carry out the research. These letters of permission are attached as appendices at the end of the thesis. All African copreneurs were fully aware of the nature of the study and requested to participate in it.

3.11.2 Confidentiality and privacy

Confidentiality refers to a situation whereby the researcher has a responsibility to ensure that communities and companies' information is kept strictly confidential and is used only for research purposes (Wassenaar, 2006: 67). The researcher assured community members that all their information would be kept strictly confidential. The researcher encouraged participants to be open and to feel free to answer questions (Hussey & Hussey, 1997: 38).

Privacy refers to the rights of individuals and should be respected by the researcher while they conduct data collection from the population for research purposes (Bryman, 2011: 127). The researcher must ensure that all research participants' rights are highly respected.

3.11.3 Voluntary participation and informed consent

The researcher explained to potential participants that they had a right to stop the interview at any time if they wished to, and that they had the right not to answer questions if they felt unwilling to do so (Wassenaar, 2006: 64).

The researcher has a duty and responsibility to explain the purposes and the research processes of informed consent to people who participate in a research project (Bryman, 2011: 124). The informed consent form is attached as an appendix at the end of the thesis. The researcher has to inform the selected participants in the research project about the aims of the research project, and should reach an agreement with those who have been identified as participants in the research project.

3.12 Summary

This chapter explained the research methodology, which was used to engage the research study and to investigate the challenges that African copreneurs face in the City of Cape Town. The research population was limited to the Black township areas of Langa, Nyanga, Khayelitsha, Dunoon, Guguletu and Mfuleni. The focus was on both registered and non-registered African copreneurs.

CHAPTER 4. DATA ANALYSIS AND PRESENTATION

4.1 Introduction

The main purpose of this study was to analyse challenges that African copreneurs face in the City of Cape Town, and to find ways to mitigate these challenges. The research objectives of this study were to:

- Analyse the challenges of African copreneurs in the City of Cape Town;
- Examine African copreneurs' role within the City of Cape Town's business environment; and
- Attempt to develop a framework for proper management of African copreneurs in the City of Cape Town.

The subjects comprised of 150 African copreneurs in the City of Cape Town. This chapter discusses the data analysis and findings from a total of 119 questionnaires and 31 interviews, which were completed by African copreneurs in the City of Cape Town, and the focus areas comprised Khayelitsha, Nyanga, Langa, Mfuleni, Guguletu and Dunoon.

Questionnaires were distributed to both registered and non-registered African copreneurs. After signing the consent form, indicating their willingness to participate in the study, these African copreneurs completed the questionnaires and interviews. The data from the questionnaire was statistically analysed by using the SPSS software program. The findings are presented below according to the sections of the questionnaires through quantitative analysis. The in-depth individual interview findings are also analysed in this chapter by means of qualitative analysis.

This chapter presents the results of the research study, concurring with the study's research objectives and research questions, which were formulated in Chapter One.

4.2 SPSS Statistical tools

The researcher used cross-tabulation and chi-square analysis as statistical tools from the SPSS software system and, which are all described below.

4.3 Cross-tabulation and frequency

Cross-tabulation is a method, which is used to compare two or more variables (Emory & Cooper, 1991: 495). It is a research method that can be used to address research questions, which involve relationships among multiple less-than interval variables; results in combined frequency tables that show one variable in rows and another in columns (Zikmund *et al.*, 2010: 488). Cross-tabulation is also known as a contingency table. The contingency table refers to a data matrix that shows the frequency of combinations of possible responses to multiple variables; cross-tabulation results. The frequency table indicates various ways in which the

target population can answer a question during the data collection process. The frequency column indicates the total results from participants in the research study. The cumulative percent column demonstrates the total percentage in every category, while it keeps a running total. The cumulative percentage column is not as important for nominal or interval data.

4.4 Cross-tabulation with the chi-square analysis

Cross-tabulation with chi-square analysis statistics is primarily used to test the hypotheses of the statistical significance of the cross-tabulation table. The chi-square test provides two statistics that show if the variables are associated or independent. The two variables are independent if the value of one does not affect the value of the other. The first step in a chi-square analysis of independence is to organize the data in a two-way table, which is also called a cross-tabulation or a contingency table.

Chi-square statistics and the p-value require special attention when comparing the p-value to the alpha level, which is commonly 0.05. If the p-value is less than or equal to the alpha, then the variables are associated. If the p-value is greater than the alpha, one can conclude that they are independent.

4.5 Frequency tabulation

Frequency tables are best used to present clear values in an accessible and clear manner. The "frequency" table below shows the count and percentage of individual African copreneurs who participated in this study. The frequency column shows the number of participants in a particular question of this study. The percent "column" also shows the same thing by way of percentage. The "valid percent" is the same as "percent", but excludes cases where the relevant data was missing. The "cumulative percentage" indicates the percentage of cases that obtained a value equal to or less than.

4.6 Results of questionnaire and personal interviews

The questionnaire was used as a data collection tool in this study in conjunction with the interviews that were conducted face-to-face. Both results are discussed below in different sections. The questionnaire was divided into two sections, namely:

- Section A: Demographic information; and
- Section B: Copreneurs/business related information.

4.7.1 Survey of African copreneurs

4.7.1. 1 Section A: Demographic information of participants

This section of the questionnaire covered respondents' gender, age, marriage status, ethnic group and highest education.

Valid	18 - 30	6	5.0	5.0	5.0
	31 - 40	53	44.5	44.5	49.6
	41 - 50	48	40.3	40.3	89.9
	51 - 60	11	9.2	9.2	99.2
	61 or above	1	.8	.8	100.0
	Total	119	100.0	100.0	

In this study the majority of respondents, namely 53, were from the age group 31-40 years, which represented 44 percent of the respondents in this study. This was followed by those who were 41-50 years old, namely 48, which amounted to 40.3 percent of the population, while the third highest age group were those between 51-60 years, namely 11 respondents, which represented 9.2 percent, and the fourth highest age group was those who were between 18-30 years, namely six respondents, which was 5.0 percent. The minority age group was those who were 61 and older, namely one respondent, which represented .8 percent of respondents in this study.

The results of this study show that the majority of participants were between 31-40 years old, which represented about 44.5 percent of the study's respondents. These findings also demonstrate that the African copreneurs were matured enough and could hence play a critical role in business ventures in the City of Cape Town. These results could relate to a previous suggestion made by GEM (2015/16: 5) that revealed that in South Africa, those who are between 25 and 44 years of age, are the most active in small businesses, followed by those who are 18 to 24 years old. Gwija *et al.* (2014: 14) contend that when they are young, most still focus on studies, and have not yet decided to be involved in business activities. However, this does not mean that young people cannot participate in business activities.

4.7.1.1.3 Marital status

The table below illustrates the African copreneurs' marital status.

Table 4.3: Marital status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married	104	87.4	87.4	87.4

Divorced	4	3.4	3.4	90.8
Widow	1	.8	.8	91.6
Life Partner	10	8.4	8.4	100.0
Total	119	100.0	100.0	

Table 4.3 above shows that of the 119 respondents, 104 respondents, namely 87.4 percent, were married, followed by 10 respondents, 8.4 percent, who were life partners, 4, 3.4 percent, who were divorced, and 1, .8 percent, who was widowed.

These findings show that the majority of the respondents were married and had life partners. The results create a clear picture of the married status of people who are involved in African copreneur business ventures. The researcher sought to ascertain the challenges that these husbands and wives face in the operations of their businesses. These results provide evidence that the researcher conducted the research amongst a relevant target population within the City of Cape Town. The majority of the selected target population were predominantly married people. This result concurs with White's (2013: 13) description of copreneurs as those who are husband and wife or life partners, who both live and work together in their businesses. The result could also relate to previous suggestions made in the literature that divorce is regarded as a major problem amongst copreneurs, which affects the good conduct of the copreneurs' venture, and may lead to its eventual closure (Machek & Hnilica, 2015: 155).

4.7.1.1.4 Ethnic groups

The table below illustrates the percentages of African copreneurs. The results of this study can be utilised as a guide in terms of Black African copreneurs in the City of Cape Town.

Table 4.4: Ethnic groups and home language

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Xhosa	86	72.3	72.3	72.3
	Zulu	7	5.9	5.9	78.2
	Sotho	26	21.8	21.8	100.0
	Total	119	100.0	100.0	

Of the 119 research study respondents, 86, namely 72.3 percent, were Xhosa, while 26, 21.8 percent, were Sotho, and 7, 5.9 percent, were Zulu.

These findings demonstrate that Xhosa African copreneurs were well represented in this study. The results of the study also indicate that the research was conducted amongst predominantly Xhosa-speaking copreneurs who live in Black townships within the City of Cape Town. It also indicates that most of the African copreneurs were Xhosa people in the City of Cape Town.

4.7.1.1.5 Highest education level

The table below illustrates the highest level of school education that the African copreneurs had obtained. The results provide a clear picture of the business performance and education levels of the business owners.

Table 4.5: Highest education levels

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No formal education	1	.8	.8	.8
	Grade 1-11	26	21.8	21.8	22.7
	Matric	53	44.5	44.5	67.2
	Certificate/ diploma	29	24.4	24.4	91.6
	Undergraduate degree	9	7.6	7.6	99.2
	Postgraduate degree	1	.8	.8	100.0
	Total	119	100.0	100.0	

Table 4.5 above shows that of the 119 respondents that participated in the study, the majority, namely 53 (44.5%), were matriculants. This was followed by 29 (24.4%) who had certificate/diploma qualifications; 26 (21.8%) who had Grade 1-11; 9 (7.6%) respondents who had undergraduate degree qualifications; 1 respondent (.8%) who had a post-graduate degree; and 1 (.8%) who had no formal education.

The above results clearly indicate that the majority of the African copreneurs studied up to matric level. This highlights that the lack of management skills amongst the African copreneurs, caused by low levels of education, posed a major challenge for their business ventures. These findings could relate to GEM's (2015/16: 53) revelation that there is an association between

education level and success of the small business, hence the level of education in most small businesses is an important contributory factor to the country's success within this sector.

4.8.1.1 Section B: Copreneurs / business-related information

This section of the questionnaire covered the respondents' years of operation within the business, objectives of the business, business turnover, business registration, number of employees, start-up finance, reason for starting the business, business location, barriers while starting the business and barriers whilst operating the business.

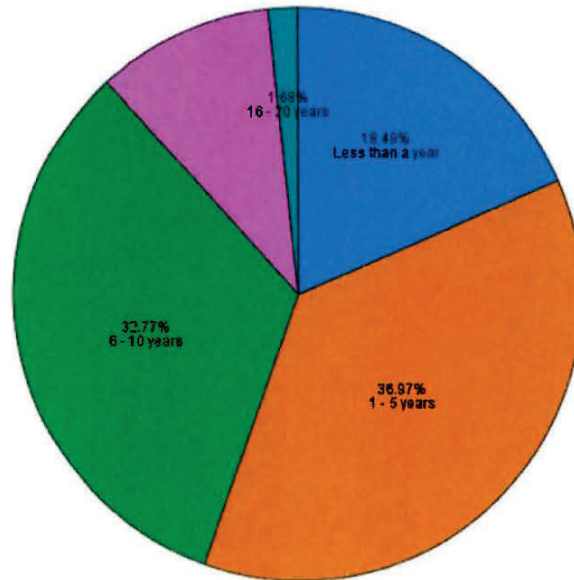
4.8.1.1.1 Years of business existence

The table below illustrates the number of years that the business has existed.

Table 4.6: Years of business existence

		Frequency	Percent	Cumulative Percent
Valid	Less than a year	22	18.5	18.5
	1 - 5 years	44	37.0	55.5
	6 - 10 years	39	32.8	88.2
	11 - 15 years	12	10.1	98.3
	16 - 20 years	2	1.7	100.0
	Total	119	100.0	

Figure 4.1: years of business existence



In this study the majority of the respondents' businesses existed for between 1-5 years, namely 44 (37%); followed by 39 (32.8%) respondents who had their business for 6-10 years; and 22 (18.5%) of respondents had theirs for less than a year. Amongst the respondents were those whose businesses were older than 10 years, 12 (18.5%) had existed for 11-15 years; and 2 (1.7%) had had theirs for 16-20 years.

These results demonstrate that most African copreneurs' business ventures grow well in the first five years, and grow slowly after five years of existence. African copreneurs seem to struggle during the first year of them operating their business ventures. These results could relate to the previous suggestion made by Mukwarami and Tengeh (2017: 333), who revealed that most of the small businesses failed in the first year and a half of operating. Olawale and Garwe (2010: 729) contend that most new SMMBS do not grow; their failure rate, namely 75% in South Africa, is one of the highest in the world. The government encourages the development of SMMBs in order to promote economic growth in the country.

Table 4.7: Cross-tabulation of number years in business and company registration

Crosstab			
Count			
		Q4 Registration	Company
		Yes	No
Q1	Years of Business	Total	
	Less than a year	2	20

Existence	1 - 5 years	13	30	43
	6 - 10 years	18	21	39
	11 - 15 years	12	0	12
	16 - 20 years	2	0	2
Total		47	71	118

A p-value < 0.001 was received from a chi square test, explaining the relationship of the results that were received above. The results of the test are shown below in Table 4.8.

Table 4.8: Chi-square tests of years of business existence and company registration

	Value	df	Asymptotic significance (2-sided)	Exact value sided)	p- value (2- sided)	Exact p- value (1- sided)	Point probability
Pearson Chi-square	32.127 ^a	4	.000	.000			
Likelihood ratio	38.726	4	.000	.000			
Fisher's Exact Test	33.680			.000			
Linear-by-linear association	28.434 ^b	1	.000	.000	.000		.000
Number of valid cases		118					

a. 3 cells (30.0%) have an expected count of less than 5. The minimum expected count is .80.

b. The standardized statistic is -5.332.

4.8.1.1.2 Objectives of the business

The table below illustrates the objectives of the business. The results of this study can be used to determine the type of business that African copreneurs operate in the City of Cape Town.

Table 4.9: Objectives of the business

		Frequency	Percent	Cumulative Percent
Valid	Growth	63	52.9	52.9
	Sustaining family needs	56	47.1	100.0
	Total	119	100.0	

Figure 4.2: objectives of the business

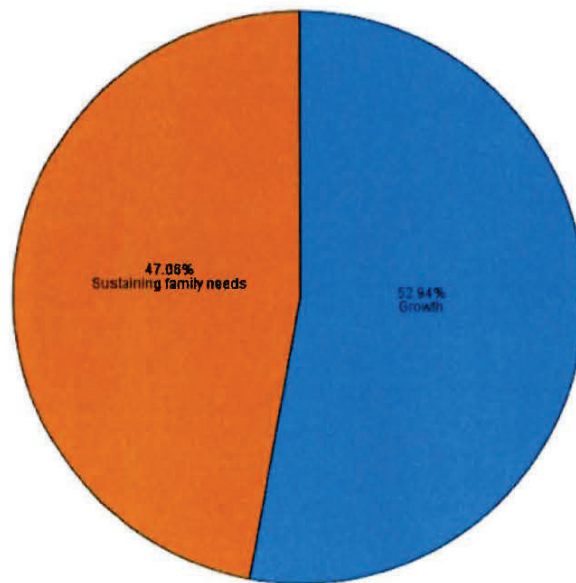


Table 4.9 above shows that of the 119 participants, 63 (52.9%) indicated that the main objective of their business was attaining growth, while 56 (47.1%) said that their business objective was to satisfy their family's needs.

These findings clearly indicate that most African copreneurs' business objectives were to contribute to the country's economic growth and activities.

4.8.1.1.3 Business turnover

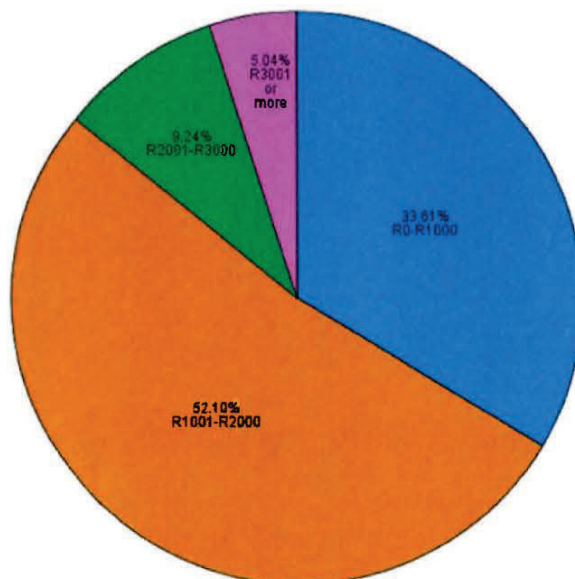
Table 4.10 below illustrates the business turnover received by African copreneurs. The results of this study can be used to determine the good or poor performance of African copreneurs' businesses, and their contributions to the country's economy.

Table 4.10: Business turnover

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	R0-R1000	40	33.6	33.6	33.6
	R1001-R2000	62	52.1	52.1	85.7
	R2001-R3000	11	9.2	9.2	95.0
	R3001-R4000	1	.8	.8	95.8

More than R5000	5	4.2	4.2	100.0
Total	119	100.0	100.0	

Figure 4.3: Business turnover



The majority of the respondents, namely 62 (52.1%), had a business turnover per week of between R1001-R2000; followed by 40 (33.6%) that made between R0-R1000; 11 (9.2%) that made between R2001 – R3000; 5 (4.2%) whose turnover was more than R5000 turnover per week; and 1 (.8%) that made between R3001-R4000.

These findings demonstrate that most of the African copreneurs who own and operate small businesses do so to ensure that their families can merely survive, and not to grow for competitive and/or other purposes, which relate to South Africa's economy. These results could relate to a previous suggestion by Choto and Iwu (2014: 96), who profess that small businesses operate on a small scale, and that the money that they generate is normally lower owing to the fact that they do not make enough funds for growth.

Table 4.11: Cross tabulation of business turnover and age group

Crosstab		Age group			
Count		18 - 30	31 - 40	41 - 50	51 or above
					Total

Q3 Business turnover	R0-R1000	3	22	14	1	40
	R1001-R2000	2	26	29	5	62
	R2001-R3000	1	4	2	4	11
	R3001 or more	0	1	3	2	6
Total		6	53	48	12	119

Statistically, there is a significant relationship between age and business turnover (Chi-square = 19.513, df =9, exact p-value = 0.025). The crosstab shows that respondents over 50 years of age indicated that their turnover ranges from R1000 to R3000 or more, whereas most of the younger respondents reported turnovers of between R0 to R2000.

Table 4.12: Chi-square tests of business turnover and age group

	Value	Df	Asymptotic significance (2-sided)	Exact value (2-sided)	p- value (2- sided)	Exact p- value (1- sided)	Point probability
Pearson Chi-square	19.513 ^a	9	.021	.025			
Likelihood ratio	17.076	9	.048	.058			
Fisher's Exact Test	17.120			.022			
Linear-by-linear association	9.385 ^b	1	.002	.002	.001		.001
Number of valid cases	119						

a. 11 cells (68.8%) have expected counts of less than 5. The minimum expected count is .30.

b. The standardized statistic is 3.064.

4.8.1.1.4 Company registration

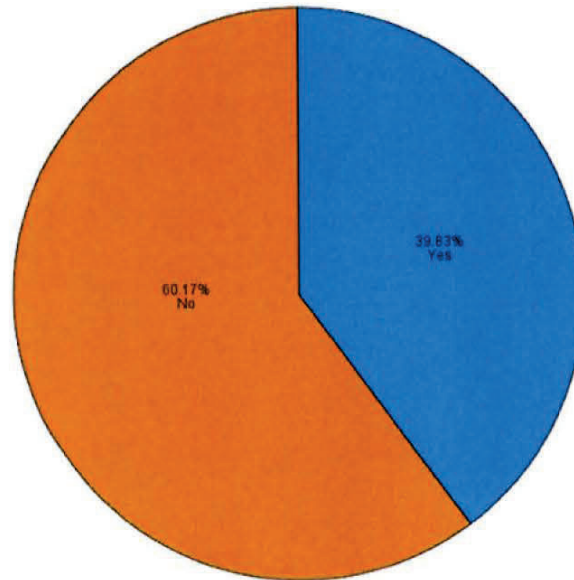
The table below illustrates the percentage of African copreneurs who had registered their respective businesses, and the percentages of those who had not.

Table 4.13: Company registration

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	47	39.5	39.8	39.8
	No	71	59.7	60.2	100.0
	Total	118	99.2	100.0	

Missing	System	1	.8		
Total		119	100.0		

Figure 4.4: Company registration



Of the total number of respondents in the study, namely 119, 71 (59.7%) had not registered their businesses, while 47 (39.5%) did, and 1 did not respond to this question.

These findings indicate that the majority of African copreneurs' businesses were not registered with the Companies and Intellectual Property Commission (CIPC) through the Department of Trade and Industry (DTI). These results could relate to a previous suggestion by Choto and Iwu (2014: 96), who claim that the company registration process and government regulations are too complicated for some small business owners, hence many of them do not register their business. Gwija *et al.* (2014: 15) reveal that the process to register a small business is not clear and easily understood by those who want to register their businesses. This implies that owing to lower levels of education amongst African copreneurs, they are not able to follow all business registration processes. Some African copreneurs did not understand the importance of their businesses' registration, and were afraid of the cost of the registration processes. A major advantage of registering one's company included access to financial institutions and obtaining financial support. Nonregistered companies do not of course pay taxes, as they merely make a profit for their own business.

4.8.1.1.5 Number of employees

The table below illustrates how many people the African copreneurs employed. The results can be utilised to determine the size of African copreneurs and the role that they play in creating jobs in Black townships.

Table 4.14: Number of employees

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-10	116	97.5	97.5	97.5
	11-50	2	1.7	1.7	99.2
	51-500	1	.8	.8	100.0
	Total	119	100.0	100.0	

Figure 4.5: Number of employees

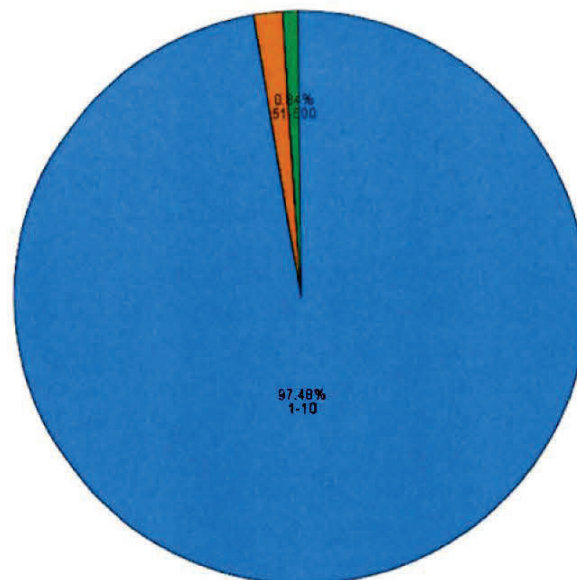


Table 4.14 above shows that of the 119 respondents, 116 (97.5%) employed between 1-10 workers, while 2 respondents employed 2 (1.7%) workers, and 1 respondent employed 1 (.8%) worker.

These findings indicate that most of the African copreneurs operate their businesses with 1-10 employees. These results could relate to a previous suggestion by Gombo and Kele (2016: 9), who argue that African copreneurs play an extremely important role, considering their contribution to the South African economy through job creation and poverty alleviation. Chimucheka and Rungani (2013: 18) reveal that inaccessibility to bank finance for small

businesses is a major challenge in this country. The lack of access to financial institutions may have a negative impact on business profits and growing opportunities for African copreneurs businesses.

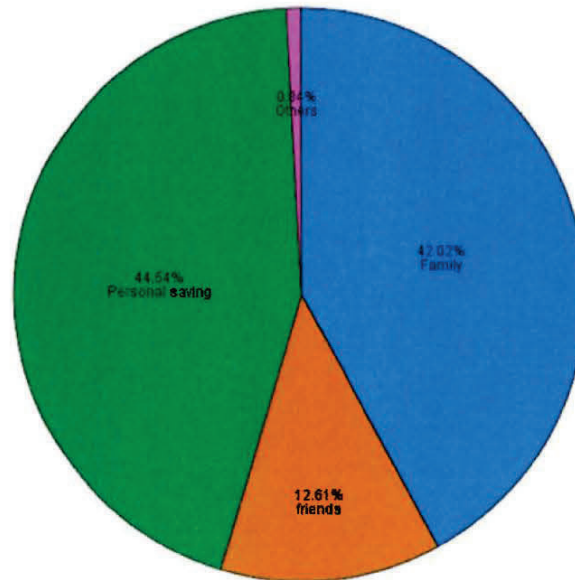
4.8.1.1.6 Start-up finance

The table below illustrates where African copreneurs received money to start their respective businesses. The results can be utilised to understand where African copreneurs received money to start their businesses in the City of Cape Town.

Table 4.15: Start-up finance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Family	50	42.0	42.0	42.0
	Friends	15	12.6	12.6	54.6
	Personal savings	53	44.5	44.5	99.2
	Others	1	.8	.8	100.0
	Total	119	100.0	100.0	

Figure 4.6: Start- up finance



The results of this study indicate that of the 119 subjects, 53 (44.5%) of the respondents started their business by using their personal savings; 50 (42%) borrowed money from their families to start their businesses; 15 (12.6%) started their business through the assistance of friends; and 1 (.8%) started the business by receiving assistance from another source.

These findings clearly indicate that the African copreneurs received funds to start-up their business from sources such as personal savings, family and friends. These results could relate to a previous suggestion by Kazimoto (2014: 305), who claims that, in spite of existing financial support for small businesses, few entrepreneurs receive financial help when they need it. Access to financial institutions create further bottlenecks to SMMEs. Mukwarami and Tengeh (2017: 334) mention that this aspect of access to financial institutions is a bottleneck to all SMMEs. Some SMMEs are created because of unemployment, hence these are the people who would deserve financial support from government through facilitating processes to access financial institutions' funding.

4.8.1.1.7 Reason to start a business

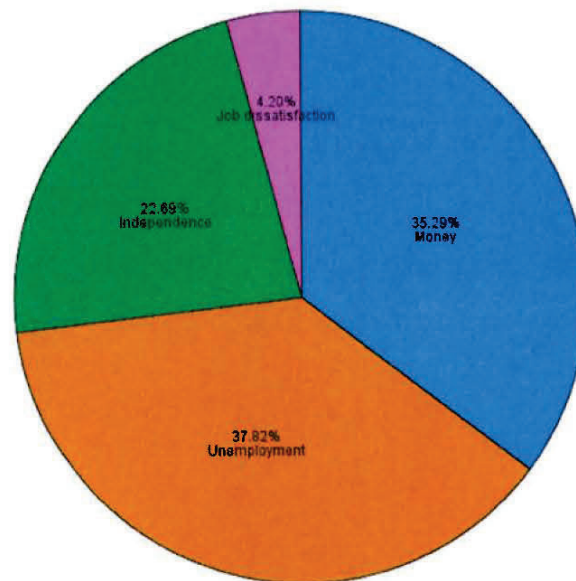
The table below illustrates percentages and reasons why people start businesses. The results in this study can be utilised to determine why the African copreneurs decided to start their business ventures in the City of Cape Town.

Table 4.16: Reason to start a business

			Cumulative
Frequency	Percent	Valid Percent	Percent
<hr/>			

Valid	Money	42	35.3	35.3	35.3
	Unemployment	45	37.8	37.8	73.1
	Independence	27	22.7	22.7	95.8
	Job dissatisfaction	5	4.2	4.2	100.0
	Total	119	100.0	100.0	

Figure 4.7: Reason to start a business



Money

The results of this study indicate that of the 119 subjects, 42 (35.3%) of the respondents decided to start their businesses because they either needed or wanted money for themselves and for their families. This indicates that most of the African copreneurs in this study established businesses because they needed and/or wanted money.

Unemployment

The results of this study indicate that of the 119 subjects, 45 (37.8%) of the respondents cited unemployment as the main reason for them starting their own business in their homes and business areas. These findings indicate that the African copreneurs started their businesses because they wanted to create jobs owing to unemployment in their respective areas. This is in line with Gombo and Kele (2016: 9), who argue that small businesses play an extremely

important role, considering their contribution to the South Africa economy through job creation and poverty alleviation.

Independence

The results of this study indicate that of the 119 subjects, 27 (22.7%) of the respondents said that they started their businesses because they were wanted to be independent. These results indicate that the African copreneurs established their business ventures because they sought independence by being financially able to sustain themselves.

Job dissatisfaction

The results of this study show that of the 119 subjects, 5 (4.2%) of the respondents mentioned that they started their business because they were not satisfied with their previous employers. These findings indicate that the African copreneurs started their business because they were unhappy with the working conditions, rules, policies and procedures of their former employers.

Table 4.17: Cross tabulation of reason to start a business and age group

Crosstab

Count

		Age group				
		18 - 30	31 - 40	41 - 50	51 or above	Total
Q7 Reason to start a business	Money	5	14	20	3	42
	Unemployment	0	27	16	2	45
	Independence	1	10	12	4	27
	Job dissatisfaction	0	2	0	3	5
Total		6	53	48	12	119

To explain the relationship between two variables, a chi-square test was conducted. Table 4.18 below indicates an A P- Value < .002, which demonstrates a statistical significance.

Table 4.18: Chi-square tests for reason to start a business and age group

	Value	Df	Asymptotic significance (2-sided)	Exact value sided)	p- Exact (2- value sided)	p- (1- Point probability
Pearson Chi-square	28.174 ^a	9	.001	.002		
Likelihood ratio	25.196	9	.003	.003		
Fisher's Exact Test	21.434			.003		

Linear-by-linear association	3.316 ^b	1	.069	.075	.040	.011
Number of valid cases	119					

a. 10 cells (62.5%) have an expected count of less than 5. The minimum expected count is .25.

b. The standardized statistic is 1.821.

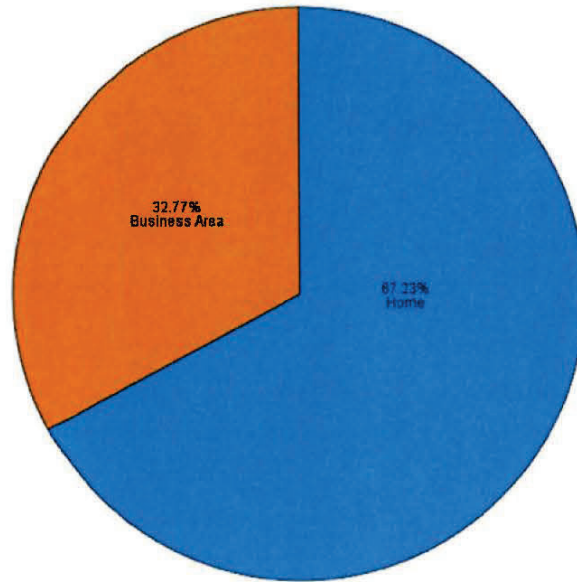
4.8.1.1.8 Premises of businesses

The table below illustrates the number of African copreneurs who operate their businesses from their respective homes and those who do so from premises in business areas. The results of this study can be utilised to understand how the African copreneurs selected their business premises and what impact this has had on those businesses.

Table 4.19: Premises of business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Home	80	67.2	67.2	67.2
	Business area	39	32.8	32.8	100.0
	Total	119	100.0	100.0	

Figure 4.8: Premises of business



The results of this study indicate that of the 119 subjects, 80 (67.2%) of the respondents operate their businesses from within their own homes, while 39 (32.8%) do so from premises that are situated in business areas.

These findings indicate that owing to the size of the businesses and the money that they received from their profits, most African copreneurs managed to operate their business from home. This is in line with Mukwarami and Tengeh (2017: 340), who mention that a majority of small businesses operate their businesses from home, which demonstrates that issues of market research and business location is a major challenge when they start their business planning. Mukwarami and Tengeh (2017: 340) opine that there are many things that business owners need to consider before choosing a location for their business such as access for customers, access to suppliers, convenience, government regulations and laws, labour pool and proximity to competitors.

Table 4.20: Cross tabulation of premises of business and business turnover

Crosstab

Count

			Q3 Business turnover				or Total
			R0- R1000	R1001- R2000	R2001- R3000	R3001 more	
Q8	Premises	of home	35	39	3	3	80

Business	Business area	5	23	8	3	39
Total		40	62	11	6	119

To explain and demonstrate the relationship, a chi-square test was conducted. Table 4.21 below demonstrates a p - value < 0.001, which demonstrates statistical significance.

Table 4.21: Chi-square tests of premises of business and business turnover

	Value	Df	Asymptotic significance (2-sided)	Exact value sided)	p- value (2- sided)	Exact p- value (1- Point probability
Pearson Chi-square	16.766 ^a	3	.001	.001		
Likelihood ratio	17.425	3	.001	.001		
Fisher's Exact Test	16.985			.000		
Linear-by-linear association	13.168 ^b	1	.000	.000	.000	.000
Number of valid cases	119					

a. 3 cells (37.5%) have an expected count of less than 5. The minimum expected count is 1.97.

b. The standardized statistic is 3.629.

4.8.1.1.9 Business location

The table below illustrates areas in the City of Cape Town where African copreneurs operate their businesses. The results of this study can be used to inform researchers or government agencies about the progress made by African copreneurs in certain areas in the City of Cape Town, as shown in the table below.

Table 4.22: Business location

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Khayelitsha	15	12.6	12.6	12.6
	Guguletu	25	21.0	21.0	33.6
	Langa	19	16.0	16.0	49.6
	Nyanga	25	21.0	21.0	70.6
	Mfuleni	19	16.0	16.0	86.6

Dunoon	16	13.4	13.4	100.0
Total	119	100.0	100.0	

The results indicate that of the 119 participants, 25 (21%) of the respondents had their business in Gugulethu; 25 (21%) in Nyanga; 19 (16%) in Mfuleni; 19 (16%) in Langa; 16 (13.4%) in Dunoon; and 15 (12.6%) in Khayelitsha. These findings show that the African copreneurs mainly operate their businesses from Black townships in the City of Cape Town. The main reason for this may be owing to financial constraints.

Table 4.23: Cross-tabulation of business location and company registration

Crosstab

Count

			Q4 Registration		Company	Total
			Yes	No		
Q10 Where is your business located?	Khayelitsha		9	6		15
	Gugulethu		8	17		25
	Langa		2	17		19
	Nyanga		11	13		24
	Mfuleni		7	12		19
	Dunoon		10	6		16
Total			47	71		118

There is a statistically significant relationship between business location and company registration (Chi-square = 13.856, df =5, exact p-value = .015).

Table 4.24: Chi-square Tests of business location and company registration

	Value	Df	Asymptotic significance (2-sided)	Exact value sided)	p- Exact (2- value sided)	p- (1- value sided)	Point probability
Pearson Chi-square	13.856 ^a	5	.017	.015			
Likelihood ratio	15.064	5	.010	.013			
Fisher's Exact Test	14.241			.013			

Linear-by-linear Association	.686 ^b	1	.407	.415	.221	.033
Number of valid cases	118					

a. 0 cells (0.0%) have an expected count of less than 5. The minimum expected count is 5.97.

b. The standardized statistic is -.828.

4.8.1.1.10 Barriers when starting a business

The table below illustrates the number of African copreneurs who faced challenges in the initial stages of their business ventures and those who did not experience any challenges when they started their business ventures.

Table 4.25 Barriers when starting a business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	32	26.9	26.9	26.9
	No	87	73.1	73.1	100.0
	Total	119	100.0	100.0	

Of the 119 participants, 87 (73.1%) of the respondents did not experience challenges when they started their respective businesses, while 32 (29.9) did.

4.8.1.1.11 Barriers when starting a business

The table below illustrates the barriers that African copreneurs experienced when they started their business. The results of this study can be utilised to examine the internal challenges that African copreneurs face when they start business ventures in the City of Cape Town.

Table 4.26: Barriers when starting a business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Space to run a business	7	5.9	22.6	22.6
	Access to finance	14	11.8	45.2	67.7
	Lack of business skills	6	5.0	19.4	87.1

	Lack of information	4	3.4	12.9	100.0
	Total	31	26.1	100.0	
Missing	System	88	73.9		
Total		119	100.0		

Space to run a business

The results of this study show that of the 119 participants, 7 (5.9%) of the respondents confirmed that the space that they had at their disposal to operate a business was a major challenge amongst African copreneurs when they start a business.

The results indicate that the African copreneurs experienced a space problem when they started their businesses. This is in line with Mukwarami and Tengeh (2017: 335), who mention that to identify suitable premises to start a business is a great challenge for small businesses. Small, medium and micro businesses use available spaces to operate their businesses without considering their businesses' needs and possible risks for their businesses because of using those particular spaces (Mukwarami & Tengeh, 2017: 335).

Access to finance

The results of this study show that of the 119 participants, 14 (11.8%) of the respondents confirmed that access to bank loans to start a business was a major challenge for African copreneurs when they start their businesses.

The results show that most African copreneurs experience challenges when it concerns funding to start their business ventures. These results could be related to a previous suggestion by GEM (2015/16:52), which noted that accessing finance to start a business remained a major challenge for small, medium and micro businesses in South Africa. Gwija (2014: 14) and Mukwarami and Tengeh (2017: 334) contend that in South Africa access to business funding for Small, Medium and Micro businesses is a huge challenge, hence most African copreneurs simply used their own money to start businesses.

Lack of business skills

The results show that of the 119 participants, 6 (5%) of the respondents mentioned that a lack of business skills was a major challenge amongst African copreneurs when they start a business.

The results of this study indicate that the African copreneurs experienced challenges in respect of a lack of business skills in their business ventures. This is in line with Mukwarami and Tengeh (2017: 335), who profess that small businesses have a problem relating to a lack of business skills such as financial management of the business, marketing of the business, managing workers, leadership skills and business administration duties. Lower levels of education was a key challenge amongst small businesses to expand and grow into the mainstream of the country's economy (Choto & Iwu, 2014: 95). These results suggest that lower education amongst African copreneurs have a negative impact on their businesses ventures.

Lack of information

The results of this study show that of the 119 participants, 4 (3.4%) of the respondents asserted that a lack of information was a major challenge for African copreneurs when they started their businesses.

The results of this study show that the African copreneurs were challenged to access information that would assist them when they started their business ventures. Information is extremely important in order to obtain the required support from institutions such as private companies, government and non-governmental organisations (Mukwarami & Tengeh, 2017: 335).

4.8.1.1.12 Experience of starting-up barriers

The table below illustrates the number of African copreneurs who faced challenges whilst operating their businesses, and those who did not. The results of this study can be utilised to determine the number of African copreneurs who experience challenges during business operations and those who did not.

Table 4.27: Experience of starting-up barriers

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	27	22.7	22.7	22.7
	No	92	77.3	77.3	100.0
	Total	119	100.0	100.0	

The results show that of the 119 participants, 92 (77.3%) of the respondents confirmed that they did not experience any obstacles whilst operating their business, while a total of 27 (22.7%) respondents said that they had.

4.8.1.1.13 Experience of operating obstacles currently

The table below illustrates various obstacles that African copreneurs faced whilst engaged in business operations in the City of Cape Town. The results of this study can be utilised to understand the external challenges that African copreneurs face when they operate their respective businesses in the City of Cape Town.

Table 4.28: Experience of operating obstacles currently

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Crime	26	21.8	74.3	74.3
	Conflict between husbands and wives	3	2.5	8.6	82.9
	Balance between family and business	2	1.7	5.7	88.6
	Lack of Government support	3	2.5	8.6	97.1
	Decision making process	1	.8	2.9	100.0
	Total	35	29.4	100.0	
Missing	System	84	70.6		
Total		119	100.0		

Crime

This result indicated that of the 119 participants, a total of 26 (21.8%) stated that crime was a major obstacle in small businesses' operations.

The results of this study demonstrate that the African copreneurs experienced crime as an obstacle to their business activities. This result could relate to a previous suggestion by

Decision-making process

The results of this study show that of the 119 participants, 1 (.8%) indicated that the lack of decision making was a major obstacle in their business operations.

This indicates that male partners took decisions without consulting their female partners in the African copreneur business ventures. This is in line with Othman *et al.* (2016: 258) who argue that in the copreneur environment, husbands regard themselves as the decision makers and regard their wives as being mere assistants within the business. They do not necessarily regard them as being equal business partners. A major problem was that the husbands perceived themselves to be sole bosses and decision makers in their business (Machek *et al.*, 2016: 246).

4.9 Personal interviews with African copreneurs

The researcher conducted interviews in order to fill certain gaps, which became apparent during the responses that were received from the questionnaires.

The researcher selected 31 interviewees from amongst African copreneurs in the selected target population. The researcher asked the same questions to all of them. The semi structured interview questions were used as a tool to guide the interviewing process, although the researcher adjusted some questions during the interview process in order to obtain more information from the interviewees.

Table 4.29: Interviewees

Area	Respondents
Nyanga	3
Langa	5
Dunoon	4
Mfuleni	6
Guguletu	6
Khayelitsha	7
Total	31

4.9.1 Personal interviews with African copreneurs

4.9.1.1 Question 1: Why did you decide to start a business with your spouse?

Most of the African copreneurs responded by saying that they decided to establish businesses with their spouses after they struggled to get a job, while a few of them said that they decided to do so because they saw an opportunity to invest their money. Some of the responses are shown below.

"We were unemployed; we were looking for something that would help us to look after our family".

"We wanted to save our money for our generation".

4.9.1.2 Question 2: What challenges do you experience as a result of working so closely with your partner?

The researcher asked interviewees about the challenges that they faced, considering that they worked so closely with their partners. Many of the interviewees said that this became a huge challenge for them at times. Some of their responses are noted below.

"We do not have any privacy".

"The greater challenge is that all calls should be business calls only".

"Males always assume that certain tasks cannot be performed by the female partners".

"Jealousy for each other is big challenge because customers have different personalities".

4.9.1.3 Question 3: How do you balance family and business activities?

The main purpose of the above question was to check whether the copreneurs were able to balance family activities and business activities in their respective business ventures. Some of their responses are presented below.

"We set up family rules and business rules in order to balance activities".

"We have job descriptions as a guiding tool for business activities in our business".

"Everybody knows his or her duties at home, therefore, there is no problem around family activities".

4.9.1.4 Question 4: How do you manage competition between you and your spouse?

This question was included because the researcher wanted to know how the African copreneurs managed competition between them. A number of the African copreneurs indicated that they do not have too much competition between themselves. Few of them said that they avoided internal competition with their partners. Some of the responses are shown below.

"We do not have competition in our business because we know the strengths and weaknesses of each other in our business".

"Female partners avoid competition with their husbands, because they always give powers to their husbands in order to ensure that their business run smooth without conflict from competition".

"We work as a team in the business; we do not have competition".

4.9.1.5 Question 5: How do you distribute responsibilities between you and your spouse in the business?

The researcher asked the interviewees how they distributed responsibilities between themselves in the business environment. A few stated that they have job descriptions, which they used as a guideline in terms of individual performances in their businesses. Some of the responses were as follows:

"We drafted a clear job description for both of us as owners of the business, which tells us what to do and how"; and

"We distribute responsibilities depending on the strengths of the individual between ourselves".

4.9.1.6 Question 6: Do you have rules or procedures in your business, and if yes, how do these work?

The researcher wanted to check whether the African copreneurs who own a business together have any established business rules and procedures. A majority of the African copreneurs did not have rules and procedures in their businesses, while a few did.

"We make a collective effort for our children; both of us know this, therefore, we do not have to write things down".

"We have set times when we open and close the business, and we also have lunch time for the staff, and leave".

"We set up times and dates to prepare tax submissions and comply with other regulations".

4.9.1.7 Question 7: What opportunities does your business offer?

This above question was included to check whether the African copreneurs' business ventures afforded opportunities in their areas. A majority of the African copreneurs stated that they play an important role because they created job opportunities for those who were unemployed, and to reduce poverty in the affected areas. Some created job opportunities for themselves too and for their families to survive.

"We employ more than five people, who support more than 30 families, including extended families".

"We make money so that our families can survive".

4.9.1.8 Question 8: How do you allocate time for family and business?

The researcher probed how the African copreneurs allocated family and business time successfully. A majority of the African copreneurs said that between Mondays and Fridays from 8 to 5 were their business hours, after which they focused on family issues. A few African copreneurs claimed that they found it difficult to allocate time, particularly those who operated their businesses at home.

"During the day, between eight and five, we focus on business matters, and after five we change our focus to family matters.

"It is difficult because my husband also expects me to cook for the family".

4.9.1.9 Question 9: How do you make decisions in your business as partners?

The above question was included to check how the African copreneurs make decisions in their businesses. The majority said that the male partner takes decisions without consulting the female partner. Only two respondents said that both of them are involved in decision making concerning their business matters. Some of the responses were as follows:

"My male partner takes business decisions without formally informing me"; and

"We set up a meeting so that we can discuss business matters before we take decisions".

4.9.1.10 Question 10: When you started this business, did you solicit funds from anyone?

The researcher sought to learn where the African copreneurs had obtained the money to start their business. All the African copreneurs maintained that they started their businesses with their own money.

"We utilised our personal savings in order to start our business".

"We borrow money from friends".

4.9.1.11 Question 11: Did you receive financial support from government?

The above question was included because the researcher wanted to check whether or not the government had contributed to small businesses in the City of Cape Town. All the African copreneurs said that they had never received financial support from the government.

"We never obtained financial support from anywhere, including the government".

"You need an insider connection to obtain government support".

Financial support from government requires a lot of professional paperwork such as a business plan before you receive it".

4.9.1.12 Question 12: What kind of support do you need from the government?

The above question was included because the researcher wanted to know from the African copreneurs what kind of support they expected from government. A majority of the African copreneurs said that they expected financial support from government so that they can be able to expand their businesses. Some of the responses were as follow:

"We want money from government so that we can expand our business premises and buy other business resources".

"We want the government to change certain regulations for small businesses, including tax laws".

4.9.1.13 Question 13: Do you participate in any City of Cape Town small-medium enterprise programmes?

The researcher sought to ascertain whether or not the African copreneurs had participated in the City of Cape Town's SMMEs programmes. A majority of the African copreneurs said that they never participated in the City of Cape Town's business programmes.

"We do not have time to attend the City of Cape Town's programmes because we look after our business every day; therefore, we cannot close our business".

"It is a waste of time; they have a lot of procedures that need to be followed, even by those who have attended the programmes".

4.9.1.14 Question 14: Do you belong to the small business forum in your township?

This question was included in order to find out whether the African copreneurs were aware of the small business forums in their areas. A majority of them indicated that they do not belong to the small business forum in their respective areas owing to the fact that the leaders or executive members of these small business forums do not have the capacity to assist them, since their leaders are not highly educated. Few said that the small business forums comprised of committees that were appointed by nepotism, hence they did not trust them. Some respondents said that the forums were a waste of time and that they could not afford to close their businesses to attend these.

"There is a lot of conflict in these small business forums".

"It is a waste of time to attend these forums because the committees do not have enough information to answer all questions raised in the forum".

"We cannot close our business because we are very busy".

4.9.1.15 Question 15: What kind of problems have you experienced in your business venture?

The researcher wanted to discover the challenges that the African copreneurs face in their business ventures. A majority claimed that the big challenge was access to finance, while some said that crime was also a huge problem.

"We struggle to obtain funds so that we can expand our businesses".

"Crime is too high in our Black townships and affects our businesses".

. "The municipality by-laws affect certain businesses".

"Renting premises is too expensive".

4.9.1.16 Question 16: Do you know any government policies or frameworks for small businesses?

The above question was included to ascertain whether or not the African copreneurs were familiar with government frameworks for small businesses. A majority of the African copreneurs were not aware of any. *"We do not know of any government policy or framework that deals with small businesses".*

4.9.1.17 Question 17: What is the service or product of your business venture?

The researcher included this question with the aim of checking the dominant industry sector amongst the African copreneurs. The study revealed that it was indeed the retail industry. This may be because other sectors such as manufacturing is too expensive, as is machinery for production.

"We sell tiles and carpets in our business".

"We sell school uniforms in our business".

4.9.1.18 Question 18: Who should provide support to your business venture?

This question was included because the researcher wanted to know whether the African copreneurs were aware of who should provide support to their businesses. A majority said that the government and banks should do so.

"The government should provide our business with support".

"Banks should support our business efforts".

4.10 Discussion of results from interviews

This study analysed challenges that African copreneurs face in the City of Cape Town. This study found that African copreneurs experience major challenges in their businesses in the City of Cape Town. The interviews demonstrated that the majority of the African copreneurs experience the challenge of accessing financial institutions in their business areas.

Some of the respondents raised questions regarding financial assistance for their businesses. Access to finance was identified as a major obstacle for African copreneurs in a quest to grow and expand their businesses in the City of Cape Town. The application process requires certain information and aspects, which some of the African copreneurs may not have. Most of the African copreneurs operate their businesses from shacks in their backyard, while some rent premises from which they operate. Mukwarami and Tengeh (2017: 334) opine that financial institutions set up their own document requirements before the application can be processed such as good business records, business plans and collateral to access loans. These requirements posed huge challenges for the African copreneurs owing to their lack of skills to compile these required documents. All businesses should have access to financial institutions in order to grow and expand business resources. Furthermore, most African copreneurs have low education levels and hence do not understand the required documents, or how to prepare them. Education and training was a key challenge for small businesses in their quest to grow and expand in their industry sectors (Choto & Iwu, 2014: 95). The African copreneurs were not aware of any government policies and procedures that could guide them to understand the finance application processes.

The City of Cape Town has a high crime rate, particularly in Black townships, where the African copreneurs have established their businesses. The majority of the African copreneurs mentioned in the study's interviews that crime is a key challenge for them in their respective business ventures in the City of Cape Town. Tengeh and Mukwarami (2017: 64) claim that in urban areas township poverty and unemployment are the main reasons that lead people to engage in criminal activities such as robbing businesses, and killing for money. All businesses need to make profits in protected places in order to grow and expand their businesses. The crime rate in Black townships pose a big challenge to African copreneurs' businesses. It seemed that the African copreneurs who operated their businesses from home were mostly affected by crime. Tengeh and Mukwarami (2017: 64) profess that small businesses in the township have to constantly pay extra money to replace stolen goods and property, and to repair damages.

The results of the interviews clearly indicated that the African copreneurs faced huge challenges in terms of making decisions as business partners. Some respondents, in particular female partners, emphasised that the male partners play owner roles, while they are forced to accept employee roles most of the time owing to the belief that the male is the head of the

household, and was also then head of everything concerning their families, including the business. These results could relate to the point that was raised by Cosson (2017: 39), who asserts that the wives pay more attention to the family, and that their emotional management demonstrates an underlying assumption that the male partners are more instrumental in setting up business ideas and implementing them.

The interviews demonstrated that some African copreneurs experienced conflict with their business partners. The background of the conflict mainly originated from calls that they received from private people. The male partners also assumed that the female partners could simply not perform certain duties. According to Machek *et al.* (2016: 246), possible conflict between spouses may cause the work performance of individuals to deteriorate. The different views within a married couple's business may also have a huge negative impact on the business. Their different views may create a climate of mistrust between them, and these different views may also lead to the business venture's poor performance (Machek *et al.*, 2016: 246).

4.11 Summary

The main findings of the investigation were summarised in each section. The results were presented and analysed with the assistance of SPSS software. After each presentation discussion followed in order to clarify the presentation. The results show that the African copreneurs face challenges in their businesses in the City of Cape Town. These challenges include a lack of capital to start a business, conflict between partners, business premises, a lack of business management skills and a lack of support from government and other institutions, particularly banks. These results show that the gap between government and small business is still too wide; therefore, the government should make greater efforts to get closer to small business owners in the City of Cape Town.

CHAPTER 5. CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter concludes the research study by deriving from its findings, which relate to challenges that African copreneurs face in the City of Cape Town. The conclusions of this study were based on the study's objectives, research questions and results of the study. The implications of these findings and the resultant recommendations are also explained, while these were based on the research study's conclusions and objectives.

5.2 Key research objectives

The main purpose of this study was to analyse the challenges that African copreneurs face, and to find ways to mitigate those challenges.

Based on the above, this study's objectives included the following:

1. To analyse challenges that African copreneurs face in the City of Cape Town;
2. To examine African copreneurs' role within the City of Cape Town's business environment; and
3. To attempt to develop a framework for proper management of African copreneurs in the City of Cape Town.

It is hoped that with the above objectives in mind, that the researcher has offered required and relevant recommendations to mitigate the challenges on completion of the research study, which dealt with an exploration of African copreneurs' challenges.

5.3 Summary of the study

This section of the research study presents the main points of each chapter, as shown below.

5.3.1 Chapter One

Chapter One provided an overview of how the researcher would conduct the research study. The main focus areas were introducing the topic, outlining the research problem, research questions and research objectives. The research design and methodology were explained, whilst the significance of the study and its validity and reliability, as well as ethical considerations, were interrogated.

5.3.2 Chapter Two

Here the research focused on definitions of copreneurs, which the study adopted to refer to the term as a married couple who owns a business together, whilst the chapter also explored a theoretical framework for copreneurs, which was utilised for the study, namely the sustainable family business (SFB) model.

The researcher identified the following important topic-related aspects as a result of conducting a relevant literature review, namely: the unique characteristics of copreneurs; their importance in South Africa; advantages and disadvantages of copreneurs; external, as well as internal challenges that they face; comparisons between copreneurs and non-copreneurs; copreneurs from global perspectives; the family domain; the business domain; challenges that copreneurs face; gender differences amongst copreneurs; management of the copreneurs; disagreement between married couples; attaining a balance between the family and the business; and partners' responsibilities in the copreneur business venture.

5.3.3 Chapter Three

Chapter Three concentrated on the research design and methodology, namely the mixed method approach, which was adopted for the research study. The semi structured questionnaire was formulated for the purpose of data collection, and semi structure interviews were also formulated for this study. Snowball sampling and non-probability sampling methods were utilised.

5.3.4 Chapter Four

Chapter Four presented an overview of the data, followed by discussion thereof. Data was presented according to the questionnaire structure. The researcher distributed the questionnaire participants personally. .

5.4 Limitations of the study

The researcher encountered the following limitations:

- This study was conducted by a first-time researcher, which may be regarded as a limiting factor;
- This study was undertaken by a researcher who was not personally involved in a business venture;
- The researcher did not have any financial support from an organization to conduct the research study, and used his personal savings to conduct the study;
- The study selected African copreneurs in certain Black townships in the City of Cape Town. This means that all other places were excluded from the study. This study was limited even within the City of Cape Town to the following areas: Khayelitsha; Guguletu; Nyanga; Langa; Mfuleni and Dunoon; and
- This study focused on African copreneurs owners only, and excluded their employees.

5.5 Future research

As the nature of research always gives rise to other questions, owing to the above mentioned limitations of the study, the researcher suggests that the following areas should be further researched as a result of the study.

- Further research should include different ethnic groups in the Western Cape, and not focus only on African copreneurs in the City of Cape Town.
- Further research should include all members of the family, namely children, and should not only focus on the couples who own the business together.
- The size of the target population should be larger, and should not only focus on certain areas within the City of Cape Town.

5.6 Recommendations

5.6.1 Access to finance

This study has shown that African copreneurs struggle to access funding from financial institutions before they start a business, and even once their business is operative. African copreneurs often operate their business ventures from their backyards and shacks owing to a lack of funds to build a proper structure for their business, according to GEM (2015/16: 32). The poor sustainability of start-ups in South Africa, relative to other countries in the GEM sample, also highlights a need for policy interventions, which are aimed at supporting and mentoring entrepreneurs through the difficult process of new small business ventures. Conversely, exits may be owing to a lack of business profitability, problems with accessing funds and running out of working capital.

GEM (2015/16: 33) mentions that African copreneurs experience obstacles in obtaining money to keep the business growing. They have difficulties securing funding to both start and expand upon their business ventures. Small businesses do not usually have assets that can be used as collateral in order to obtain money from financial institutions (GEM, 2015/16: 33).

The researcher recommends that government agencies and other financial institutions should create a program that will accommodate small businesses in this respect, in particular those that operate their businesses in Black urban area townships. Most of these small businesses operate in informal structures, where they cannot guarantee the pay-back of a loan.

5.6.2 Gender differences

This study found that female partners experience greater challenges than their male counterparts amongst African copreneurs, particularly because of womens' traditional gender roles within Black cultures. Hirigoyen and Villager (2017: 3) note that female copreneurs are inferior to their male partners in the businesses.

African copreneurs should ensure that all partners have equal status and influence in their businesses in order to build harmony in their businesses. Some females are experts in business operations, and at times more so than their male companions. GEM (2015/16: 33) concurs that many studies maintain that women face greater obstacles in becoming owners of businesses.

5.6.3 Crime

Based on the study's findings, the majority of African copreneurs face the challenge of high crime rates in their business areas. Mukwarami and Tengeh (2017: 334) contend that in small businesses crime is a major challenge, as robbers and thieves take advantage of the lack of protection and security in the business areas.

The researcher recommends that the all SMMBs should organize themselves with the aim of protecting their businesses. They should establish forums with the South Africa Police in these business areas in order to protect their business ventures from criminal activities. The SMMBs should work closely with neighbourhood watch forums in the business areas in order to ensure that their businesses are protected.

5.6.4 Lack of government support

The findings of this study show that all African copreneurs experience a challenge of obtaining funds from national government and other financial institutions to start-up and operate their businesses. Tengeh and Mukwarami (2017: 65) report that a number of informal business owners face huge challenges owing to the fact that most of them do not receive financial support to start or grow their businesses.

The researcher recommends that national government should facilitate the process between small businesses and financial institutions in order to ensure that the small businesses obtain funds from banks. The national government should intervene with the understanding that most of the small businesses are not registered, and that they operate their businesses from homes, which are often in informal settlements, or on rented premises. The Department of Trade and Industry should play a leading role to ensure that small businesses are registered so that they can be in a stronger position to access funding from financial institutions. Most small businesses are not registered owing to the fact that they have a lack of information. The Department of Trade and Industry should establish programs to educate the small business owners about business registration procedures and processes. Tengeh and Mukwarami (2017: 65) state that there are various things that lead to a lack of financial support such as limited information on the part of small businesses, a lack of collateral in order to obtain bank loans, and a lack of cash flow records.

5.7 Conclusions

The findings of this study indicate that, indeed, African copreneurs face several challenges in the City of Cape Town. The main objective of this study was to discover the challenges that they face, hence the study's objectives have been successfully accomplished, and recommendations have been proposed, accordingly. In addition to the pinpointing obstacles that African copreneurs face, the following challenges were also found, namely access to finance, and crime. African copreneurs struggle to grow owing to a lack of business resources

in their business ventures in the City of Cape Town. The lack of business resources, which is a result of a lack of access to finance. High crime rates is another major obstacle for African copreneurs because they operate their business ventures in townships, where they are often victims of criminal activities such as robberies, theft and break-ins.

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APPENDIX A: Interview schedules

Interview questions

1. Why did you decide to start a business with your spouse?

2. What are the challenges of working so closely with your partner?

3. How do you balance family and business activities?

4. How do you manage competition between yourself and your husband or wife?

5. How do you distribute responsibilities between yourself and your husband or wife in the business?

6. Do you have rules or procedures in your business? If yes, how do they work?

7. What opportunities does your business offer?

8. How do you allocate time for family and business?

9. How do you make decisions in your business, as partners?

10. Do you think that your business gives you a competitive advance over other businesses?

11. Did you receive financial support from the government?

12. What kind of support do you require from government?

13. Do you participate in any City of Cape Town small-medium enterprise programmes?

14. Are you a member of the small business forum in your township?

15. What kind of problems do you experience in your business venture?

16. Do you know of any policies or framework for small businesses in government?

17. What service or product does your business venture provide?

18. Who should provide support to your business venture, based on your experience?

APPENDIX B: Questionnaire

SURVERY QUESTIONNAIRE

Please place an X in the appropriate box below.

Demographic information

1. Gender

Male	
Female	

2. Age group

Under 18	
18-30	
31-40	
41-50	
51-60	
61 and above	

3. Marital status

Single	
Married	
Divorced	
Widow	
Life partner	

4. Ethnic group or home language

Xhosa	
Zulu	
Sotho	
Northern Sotho	
Swazi	
Tswana	
Venda	
Afrikaans	
English	
Tsonga	
Ndebele	
Other specific	

5. What is your highest education?

No formal education	
Grade 1-11	
Matric	
Certificate/ diploma	
Undergraduate degree	
Postgraduate degree	
Other specify	

Copreneur's/Business information

6. How long have you been operating the business?

Less than a year	
1-5 years	
5-10 years	
10-15 years	
15-20 years	
20 years or more	

7. What is your business turnover per week?

R0-R1000	
R1001-R2000	
R2001-R3000	
R3001-R4000	
R4001-R5000	
More than R5000	

8. Is the business registered with the Companies and Intellectual Property Registration organisation?

Yes	
No	

9. How many people do you employ?

1-10	
11-50	
51-500	
500 and more	

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

Family		
Friends		
Personal saving		
Others		

11. What motivated you to start your business venture?

Money	
Unemployment	
Independence	
Job dissatisfaction	
Other specific reasons:	

12. Does your copreneurial business operate primary from your family home, or from a business area?

Home	
Business area	

13. What is the objective of your business venture?

Growth	
Sustaining family needs	
Other? Be specific	

14. In which area does your businesses operate?

Khayelitsha	
Guguletu	
Langa	
Nyanga	
Mfuleni	
Dunoon	
Other? Be specific	

15. Did you experience any barriers while starting up your business?

Yes	
No	

16. If the answer to question 15 is yes, brief describe the main barriers that you experienced.

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17. Do you experience any obstacles in operating your business currently?

Yes	
No	

18. If the answer to question 17 is yes, briefly describe the main obstacles that you experience.

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APPENDIX C: Letter of consent



Good day Sir/Madam

I am a postgraduate student, studying towards completing the Masters of Technology: Business Administration (Entrepreneurship) qualification at the Cape Peninsula University of Technology. I am requesting that you please participate in a research study, which intends to understand challenges that African copreneurs face in the City of Cape Town. Should you agree to participate, please be assured of the following: (1) you are not obliged to disclose your identity; (2) the information that you offer me will only be used for this research study's purpose; (3) you are free to withdraw from the research at any time; and (4) should you require, I am willing to share the study's findings with you.

I wish to indicate that your views are important and will add value to copreneurial development, especially in the City of Cape Town.

Thank you.

Yours faithfully

Zolile Myeko

0723444488

NPO NO. 176-007

To whom it may concern

Greetings, I pray that this email finds you in good health and in excellent pirit. We are sending you this email as the above-mentioned organisation to give permission to Mr Zolile Myeko to conduct his professional research regarding his studies on an analysis of challenges faced by African entrepreneurs in the City of Cape Town, Western Cape.

For further information or queries, contact the secretary whose details are given below.

Kind Regards

Interim Secretary

Questar Ncetezo (0719056780)

BLACK

BUSINESS CHAMBER

18 September 2017

To whom it may concern

Khaya Cishe, in my capacity as Secretary General of Black Business Chamber, whose offices are in the City of Cape Town, gives consent in principle to allow Mr Zolile Myeko, a student at the Cape Peninsula University of Technology, to collect data from members of the Black Business Chamber in the City of Cape Town areas as part of his MTECH: Business Administration research. The student has explained to me the nature of his research and the nature of data to be collected.

Further details in the way these members will be accessed, will be discussed in due course.

We wish you a successful study as you undertake your thesis.

Thank you

Secretary General
Khaya Cishe
0744621956

— Protea Hotel Colosseum, Century Way, Century City, Cape Town 7441

APPENDIX D: Ethical clearance

Symphony Road Bellville 7535

Office of the Chairperson Research Ethics Committee	Faculty: BUSINESS AND MANAGEMENT SCIENCES
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At a meeting of the Faculty's Research Ethics Committee on 02 November 2017, Ethics Approval was granted to Zolile Myeko (214272028) for research activities related to the Mtech: Business Administration (Entrepreneurship) at the University of the Cape Peninsula University of Technology

Title of dissertation/thesis/project:	CHALLENGES FACED BY AFRICAN COPRENEURS IN THE CITY OF CAPE TOWN, WESTERN CAPE Lead Researcher/Supervisor: Professor C G Iwu
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Comments:

Decision: APPROVED

 Signed: Chairperson: Research Ethics Committee	29 January 2018 Date
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Clearance Certificate No | 2017FBREC497

APPENDIX E: Grammarian certificate

GRAMMARIAN CERTIFICATE

SHAMILA SULAYMAN PROOF READING AND EDITING SERVICES

28 August 2018

Dear Sir / Madam

This confirms that I have proof read and edited Chapter One – Five, as well as the References section of the research study entitled: “***CHALLENGES FACED BY AFRICAN COPRENEURS IN THE CITY OF CAPE TOWN, WESTERN CAPE***”, 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 F: SPSS Data analysis

Respondents' gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	71	59.7	59.7	59.7
	Female	48	40.3	40.3	100.0
	Total	119	100.0	100.0	

Age group

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18 - 30	6	5.0	5.0	5.0
	31 - 40	53	44.5	44.5	49.6
	41 - 50	48	40.3	40.3	89.9
	51 - 60	11	9.2	9.2	99.2
	61 or above	1	.8	.8	100.0
	Total	119	100.0	100.0	

Marital status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married	104	87.4	87.4	87.4
	Divorced	4	3.4	3.4	90.8
	Widow	1	.8	.8	91.6
	Life Partner	10	8.4	8.4	100.0
	Total	119	100.0	100.0	

Ethnic groups and home language

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Xhosa	86	72.3	72.3	72.3
	Zulu	7	5.9	5.9	78.2
	Sotho	26	21.8	21.8	100.0
	Total	119	100.0	100.0	

Highest education levels

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No formal education	1	.8	.8	.8
	Grade 1-11	26	21.8	21.8	22.7
	Matric	53	44.5	44.5	67.2
	Certificate/ diploma	29	24.4	24.4	91.6
	Undergraduate degree	9	7.6	7.6	99.2
	Postgraduate degree	1	.8	.8	100.0
	Total	119	100.0	100.0	

Years of business existence

		Frequency	Percent	Cumulative Percent
Valid	Less than a year	22	18.5	18.5
	1 - 5 years	44	37.0	55.5
	6 - 10 years	39	32.8	88.2

11 - 15 years	12	10.1	98.3
16 - 20 years	2	1.7	100.0
Total	119	100.0	

Objectives of the business

		Frequency	Percent	Cumulative Percent
Valid	Growth	63	52.9	52.9
	Sustaining family needs	56	47.1	100.0
	Total	119	100.0	

Business turnover

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	R0-R1000	40	33.6	33.6	33.6
	R1001-R2000	62	52.1	52.1	85.7
	R2001-R3000	11	9.2	9.2	95.0
	R3001-R4000	1	.8	.8	95.8
	More than R5000	5	4.2	4.2	100.0
	Total	119	100.0	100.0	

Company registration

		Frequency	Percent	Valid Percent	Cumulative Percent
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Valid	Yes	47	39.5	39.8	39.8
	No	71	59.7	60.2	100.0
	Total	118	99.2	100.0	
Missing	System	1	.8		
Total		119	100.0		

Number of employees

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-10	116	97.5	97.5	97.5
	11-50	2	1.7	1.7	99.2
	51-500	1	.8	.8	100.0
	Total	119	100.0	100.0	

Start-up finance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Family	50	42.0	42.0	42.0
	Friends	15	12.6	12.6	54.6
	Personal saving	53	44.5	44.5	99.2
	Others	1	.8	.8	100.0
	Total	119	100.0	100.0	

Reason to start a business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Money	42	35.3	35.3	35.3
	Unemployment	45	37.8	37.8	73.1
	Independence	27	22.7	22.7	95.8
	Job dissatisfaction	5	4.2	4.2	100.0
	Total	119	100.0	100.0	

Business premises

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Home	80	67.2	67.2	67.2
	Business Area	39	32.8	32.8	100.0
	Total	119	100.0	100.0	

Business location

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Khayelitsha	15	12.6	12.6	12.6
	Guguletu	25	21.0	21.0	33.6
	Langa	19	16.0	16.0	49.6
	Nyanga	25	21.0	21.0	70.6
	Mfuleni	19	16.0	16.0	86.6
	Dunoon	16	13.4	13.4	100.0

Total	119	100.0	100.0
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Barriers when starting a business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	32	26.9	26.9	26.9
	No	87	73.1	73.1	100.0
	Total	119	100.0	100.0	

Barriers when starting a business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Space to operate a business	7	5.9	22.6	22.6
	Access to finance	14	11.8	45.2	67.7
	Lack of business skills	6	5.0	19.4	87.1
	Lack of information	4	3.4	12.9	100.0
	Total	31	26.1	100.0	
Missing	System	88	73.9		
Total		119	100.0		

Operating obstacles

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	27	22.7	22.7	22.7

No	92	77.3	77.3	100.0
Total	119	100.0	100.0	

Operating obstacles

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Crime	26	21.8	74.3	74.3
	Conflict between husbands and wives	3	2.5	8.6	82.9
	Balance between family and business	2	1.7	5.7	88.6
	Lack of Government support	3	2.5	8.6	97.1
	Decision making process	1	.8	2.9	100.0
	Total	35	29.4	100.0	
Missing	System	84	70.6		
Total		119	100.0		

APPENDIX G: Cross-tabulation and Chi-square analysis

Cross-tabulation of number of years in business and company registration

		Crosstab		
Count		Q4 Company Registration		
		Yes	No	Total
Q1 Years of Business	Less than a year	2	20	22

Existence	1 - 5 years	13	30	43
	6 - 10 years	18	21	39
	11 - 15 years	12	0	12
	16 - 20 years	2	0	2
Total		47	71	118

A p-value < 0.001 was received from a chi square test, explaining the relationship of the results that were received above. The results of the test are shown below in Table 4.8.

Chi-square tests of number of years in business and company registration

	Value	df	Asymptotic significance (2-sided)	Exact p- value (2- sided)	Exact p- value (1- sided)	Point probability
Pearson Chi-square	32.127 ^a	4	.000	.000		
Likelihood ratio	38.726	4	.000	.000		
Fisher's Exact Test	33.680			.000		
Linear-by-linear association	28.434 ^b	1	.000	.000	.000	.000
Number of valid cases	118					

a. 3 cells (30.0%) have expected count less than 5. The minimum expected count is .80.

b. The standardized statistic is -5.332.

Cross tabulation of business turnover and age group

		Crosstab				
Count		Age group				
		18 - 30	31 - 40	41 - 50	51 or above	Total
Q3 Business Turnover	R0-R1000	3	22	14	1	40
	R1001-R2000	2	26	29	5	62
	R2001-R3000	1	4	2	4	11
	R3001 or more	0	1	3	2	6
Total		6	53	48	12	119

Statistically, there is a significant relationship between age and business turnover (Chi-square = 19.513, df =9, exact p-value = 0.025). The crosstab shows that respondents over 50 years of age indicated that their turnover ranges from R1000 to R3000 or more, whereas most of the younger respondents reported turnovers of between R0 to R2000.

Chi-square tests of the business turnover and age group

	Value	Df	Asymptotic significance (2-sided)	Exact p- value (2- sided)	Exact p- value (1- sided)	Point probability
Pearson Chi-square	19.513 ^a	9	.021	.025		
Likelihood ratio	17.076	9	.048	.058		
Fisher's Exact Test	17.120			.022		
Linear-by-linear association	9.385 ^b	1	.002	.002	.001	.001
Number of valid cases	119					

a. 11 cells (68.8%) have expected counts of less than 5. The minimum expected count is .30.

b. The standardized statistic is 3.064.

Cross tabulation of reason to start a business and age group

		Crosstab				
Count		Age group				
		18 - 30	31 - 40	41 - 50	51 or above	Total
Q7 Reason to start a business	Money	5	14	20	3	42
	Unemployment	0	27	16	2	45
	Independence	1	10	12	4	27
	Job dissatisfaction	0	2	0	3	5
	Total	6	53	48	12	119

To explain the relationship between the two variables, a chi- square test was conducted.

Table 4.18 below indicates A P- Value < .002, which demonstrates a statistical significance.

Chi-square tests for reason to start a business and age group

	Value	Df	Asymptotic significance (2-sided)	Exact p- value (2- sided)	Exact p- value (1- sided)	Point probability
Pearson chi-square	28.174 ^a	9	.001	.002		
Likelihood ratio	25.196	9	.003	.003		
Fisher's Exact Test	21.434			.003		
Linear-by-linear association	3.316 ^b	1	.069	.075	.040	.011
Number of valid cases	119					

a. 10 cells (62.5%) have an expected count of less than 5. The minimum expected count is .25.

b. The standardized statistic is 1.821.

Cross tabulation of premises of business and business turnover

		Crosstab	
Count		Q3 Business turnover	Total

		R0- R1000	R1001- R2000	R2001- R3000	R3001 or more	
Q8 Business premises	Home	35	39	3	3	80
	Business area	5	23	8	3	39
Total		40	62	11	6	119

To explain and demonstrate the relationship, a chi-square test was conducted. Table 4.21 below demonstrates a p - value < 0.001, which demonstrates statistical significance.

Chi-square tests of the business premises and business turnover

	Value	Df	Asymptotic significance (2-sided)	Exact p- value (2- sided)	Exact p- value (1- sided)	Point probability
Pearson chi-square	16.766 ^a	3	.001	.001		
Likelihood ratio	17.425	3	.001	.001		
Fisher's Exact Test	16.985			.000		
Linear-by-linear association	13.168 ^b	1	.000	.000	.000	.000
Number of valid cases	119					

a. 3 cells (37.5%) have an expected count of less than 5. The minimum expected count is 1.97.

b. The standardized statistic is 3.629.

Cross – tabulation of business location and company registration

Crosstab

Count

		Q4 Company registration		
		Yes	No	Total
Q10 Where is your business located?	Khayelitsha	9	6	15
	Gugulethu	8	17	25
	Langa	2	17	19
	Nyanga	11	13	24
	Mfuleni	7	12	19
	Dunoon	10	6	16

Total	47	71	118
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There is a statistically significant relationship between business location and company registration (Chi-square = 13.856, df =5, exact p-value = .015).

Chi-square tests of business location and company registration

	Value	Df	Asymptotic significance (2-sided)	Exact p- value (2- sided)	Exact p- value (1- sided)	Point probability
Pearson chi-square	13.856 ^a	5	.017	.015		
Likelihood ratio	15.064	5	.010	.013		
Fisher's Exact Test	14.241			.013		
Linear-by-linear association	.686 ^b	1	.407	.415	.221	.033
Number of valid cases	118					

a. 0 cells (0.0%) have an expected count of less than 5. The minimum expected count is 5.97.

b. The standardized statistic is -.828.