



**The role of communication in self-employment of university
graduates in South Africa**

by

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OPSOMMING /ABSTRACT

OPSOMMING

Daar is toenemende werkloosheid te midde van ekonomiese groei in Suid-Afrika. Alhoewel 'n afname in werksgeleenthede 'n wêreldwye neiging is, word dit in Suid-Afrika vererger deur die wanbalans in geskoolde en ongeskoolde arbeid. Onlangse navorsing deur die RGN (Raad vir Geesteswetenskaplike Navorsing) toon dat verdere werkloosheid (veral onder die ongeskooldes) oor die volgende vyf jaar verwag kan word. Werkskepping is van kardinale belang in Suid-Afrika. Entrepreneuriese aktiwiteit word gesien as 'n belangrike bron vir ekonomiese groei en die ontwikkeling van klein, medium, en mikro besighede kan werkskepping stimuleer.

Selfindiensneming word gesien as die dryfkrag vir ekonomiese groei. In Suid-Afrika was daar 'n 15% groei in selfindiensneming sedert 1991. Ongelukkig vaal die meeste pogings tot selfindiensneming. Ware entrepreneurskap behels waardetoevoeging vir sake-eienaars, belangegroepes, kliënte, werknemers en die ekonomie as 'n geheel. Suid-Afrika met sy hoë werkloosheid moet verseker dat selfindiensneming waarlik entrepreneuries is, eerder as net 'n werkssubstituut om bloot te oorleef. Navorsing het getoon dat suksesvolle klein, medium en mikro besighede gewoonlik deur *hooggeskoolde* en *ervare* entrepreneurs wêreldwyd bestuur word. Indien hierdie hooggeskoolde werkgewers aangespoor moet word om meer werk te skep, moet die struikelblokke wat hulle ervaar, aangespeek word.

Die ontwikkeling van menslike hulpbronne is die eerste stap tot ekonomiese groei. Wat benodig word is kwaliteit onderwys en opleiding en nie bloot kwantiteit nie. Meer samewerking tussen tersiêre instellings, die staat, en die sake sektor met betrekking tot inhoud van programme en geleenthede vir *praktiese ervaring* word benodig. Eerstens moet die *vaardighede* wat nodig is om groei te bewerkstellig, geïdentifiseer word. Kwaliteit opvoeding kan bydra tot die ontwikkeling van hierdie vaardighede. Hierdie vaardighede kan bydra tot kwaliteit sakeondernemings wat uitvoere van hoogstaande gehalte, gerig op die behoeftes van die kliënt, lewer. Vaardighede wat ontwikkel behoort te word is leierskap, tegniese vaardighede, bestuursvaardighede, rekeningkundige vaardighede, kommunikasievaardighede, en bemarkingsvaardighede wat vir suksesvolle entrepreneurskap in die wêreldgemeenskap vereis word.

Die hoof fokus van die studie is dus op die vaardighede wat kan differensieer tussen selfindiensneming en entrepreneurskap. Die rol van kommunikasievaardighede spesifiek, word meer in diepte ondersoek. Alhoewel verskeie rolle met verskillende fases in die ontwikkeling van 'n sakeonderneming vereis word, is kommunikasie met elke fase belangrik. Voor die aanvang van 'n sakeonderneming moet *netwerke* met 'n hoë intensiteit van interaksie opgebou word, aangesien netwerke entrepreneurs met hulpbronne verbind en geleenthede vir inligtingsuitruiling verskaf. Wanneer die onderneming eers in aanvang is en begin groei, moet die leier die visie of doel van die onderneming met ondergeskiktes deel sodat hulle instaatgestel word om die take te bemeester en deel te word van die proses.

Die belangrikste suksesfaktore word bespreek. 'n Positiewe houding was die eerste stap tot sukses. *Uithouvermoë, harde werk, geloofwaardigheid, en verantwoordelikheid* was die belangrikste faktore wat tot sukses bygedra het. Uithouvermoë, harde werk, geloofwaardigheid, en verantwoordelikheid word egter bereik deur ware leiers wat gebruik maak van transformasionele prosesse om doelwitte te bereik en ander te oorrede om hul visie vir die organisasie te aanvaar. Oop kommunikasie bou vertroue wat tot meer oop kommunikasie lei en meer vertroue.

Sterk leierskap in plaas van blote tegniese vaardighede word vereis. Vir ondernemings en verdere groei, word gevorderde inligting en kommunikasiesisteme benodig. 'n *Netwerkstrategie* is byvoorbeeld 'n gevolg van tegnologiese ontwikkeling en behels die gebruik van kommunikasiemeganismes vir koördinerende in 'n organisasie wat moet kan aanpas by verandering en onsekerheid in die omgewing. In organisasies wat groei, is noue samewerking en kommunikasie tussen die bestuurder en die ander werknemers nodig in die beslegging van geskille en in die motivering van ander tot die strewende na 'n gemeenskaplike doelwit.

Die belangrikste struikelblokke tot die bereiking van doelwitte was hoë belasting, markbeperkings, geweld, finansiële beperkings, arbeidswetgewing, skaarsvaardighede, en onvoldoende geleenthede vir kommunikasie en netwerkskepping. Die *persepsie* onder sommige selfindiensnemende gegradueerdes dat arbeidsmarkwetgewing 'n inpak het op hul ondernemings, die hoë werkloosheid in die land en die feit dat meeste selfindiensnemers aangetoon het dat hulle nie hul besighede wil uitbrei nie (selfs die met 'n hoë omset), plaas 'n vraagteken agter die *behoorlike kommunikasie* van die vereistes van huidige wetgewing.

Selfs al is meeste wetgewing nie van toepassing op selfdiensnemers nie, bestaan die persepsie dat dit wel 'n inpak het, of 'n inpak sal hê, indien ondernemings uitgebrei word. Selfs 'n persepsie het gevolge. Dit is van kardinale belang dat wetgewing aangespreek word en dat vereistes wat aan kleinsake gestel word in teenstelling met dit wat aan groot en medium ondernemings gestel word, behoorlik en in eenvoudiger terme gekommunikeer word. Die regering moet egter struikelblokke aanspreek, aangesien meeste selfdiensnemers uit vrees vir hoë belasting, geweld en wetgewing, nie van plan is om hul sake uit te brei nie.

ABSTRACT

Amidst economic growth in South Africa, there is increasing job losses. Although a decline in work opportunities is a worldwide trend, in South Africa it is aggravated by the imbalance between skilled and unskilled labour. Recent HSRC (Human Sciences Research Council) research indicated that further job losses (especially for unskilled labour) can be expected over the next five years. Job creation is important to South Africa. Entrepreneurial activity is seen as an essential source of economic growth and the development of small, medium, and micro enterprises (SMMEs) can stimulate job creation.

Self-employment is seen as the driving force of economic growth. In South Africa there has been a growth of 15% in self-employment since 1991. Unfortunately, failure is the rule. True entrepreneurship entails value creation for owners, stakeholders, customers, employees and the economy as whole. South Africa with its high unemployment urgently needs to assure that self-employment is truly entrepreneurial rather than only a job substitute to merely survive. It has been indicated that successful SMMEs were generally run by *highly educated* and *experienced* entrepreneurs the world over. If these highly educated employers were to be inspired to create more jobs, the constraints they experience, should be addressed.

The development of human capital is the first step towards economic growth. *Quality education* and not just quantity of education is required. More co-operation between tertiary institutions, government, and the business world with regard to contents of programmes and opportunities for *practical experience* is required. First, however, the *skills* required for growth need to be identified and developed. Quality education can contribute to skills development and quality businesses that can increase exports that are of high quality and tailor-made to the needs of the consumer. Skills that need to be improved are leadership skills, technical, managerial, accounting, communication, marketing, and sales skills that are required for successful entrepreneurship in the global village.

The main focus of the study is thus on the required skills that could differentiate between self-employment and entrepreneurship. The role of especially *communication skills* is looked into with more depth. Although different roles are required at various stages of development in a business, at each stage communication is crucial. Prior to the start-up phase, networks with a high level of interaction should be developed, as networks link entrepreneurs to resources and

provide information exchange opportunities. Once the venture has been initiated and begins to grow, the leader needs to become more concerned with communicating the vision or plan with providing subordinates with the power to accomplish tasks and participate in the process.

The main success factors are discussed. A positive attitude was the first step towards success. *Perseverance, hard work, trustworthiness, and responsibility* were the main factors that contributed to success. True leaders who use transformational processes to achieve goals and persuade others to accept their vision for the organisation can achieve perseverance, hard work, trustworthiness, and responsibility. Open communication builds trust that leads to more open communication and more trust.

Strong *leadership* instead of only narrow technical skills were required. For venturing and further growth, enhanced information and communication systems were required. In order to deal with change and turbulent environments, organisations must incorporate communication mechanisms for coordination. The *network strategy* of organization is appropriate for organisations that have to cope with high levels of uncertainty. In growth organizations, close collaboration of a manager with other people was necessary in resolving differences and in inspiring others towards a common goal.

The main constraints to achieving desired goals were high taxation, market constraints, crime, access to finance, labour legislation, scarce skills, and inadequate opportunities for communication and networking. The perception among some self-employed graduates that labour market laws impact on their businesses, the high unemployment in the country and the fact that most self-employed graduates indicated that they did not wish to increase the staff complement of their companies (even those who had a high turnover), places a question mark on the appropriateness or appropriate communication of the requirements of the present regulations and legislation. Even if many of the legislative requirements were not applicable to most self-employed graduates, the *perception* was there that it impacted or will impact on their businesses if they increase their staff complement. Even a perception has its consequences. It is crucial to address the legislation and communicate clearly that which is required from very small firms as opposed to that which is required from medium and large firms in more simplified terms. It is crucial that government takes note of the constraints, as many self-employed graduates did not have the will to grow in fear of detrimental consequences for their businesses, may it be high taxation, crime or the impact of legislation.

DECLARATION

I declare that “The role of communication in self-employment of university graduates in South Africa” is my own work. It is submitted for the degree Magister Philisophiae: Communication Management in the Department: Marketing and Communication Management at the University of Pretoria. It has not been submitted before, for any degree or examination at any other university.

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