

Owner-manager human capital and business coping ability in African immigrant small businesses in Southern Africa

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Abstract

African immigrant-entrepreneurs arrive in foreign countries with just their human capital that helps them birth small businesses. Like other small businesses, these have the potential to contribute to the economic development of host nations, often by creating jobs; an important role given the high levels of unemployment in the Southern African region. Unfortunately, the potential is deflated by the inability of the African-immigrant entrepreneurs to cope with running the businesses.

This empirical study utilised a non-probability sampling technique to identify and collect data from African immigrant entrepreneurs in Southern Africa. Descriptive statistical analysis show that managerial skills and level of education are perceived to play the highest and lowest roles, respectively, as it concerns coping ability. Interestingly, despite the perception, multiple regression analysis conducted reveal that both level of education and managerial skills demonstrate significant relationships with the business coping ability of African immigrant small business owner/managers.

Keywords: Human capital, African Immigrants, Entrepreneurship, Coping Ability, Managerial skills

1. Introduction

The gains of the emergence of entrepreneurial immigrants cannot be over-emphasized, as they can become a significant driving force in the creation of new businesses (Fatoki, 2013:209). Studies by Gebre et al. (2011), Tengeh et al. (2012) show that immigrant entrepreneurship can create good opportunities that have far-reaching effects on host nations. Beyond this, immigrant-owned businesses have the potential to penetrate foreign markets, especially those in countries that are culturally similar to the migrant's home country (Genc et al. 2012:3). Furthermore, immigrants typically increase the economic efficiency of their host-countries by reducing skill-shortages in the local labour market and this explains why most advanced countries strive to attract the right immigrants into their country (Furchtgott-Roth, 2013:1). All these, underline the important position that immigrant-owned businesses occupy in the economic landscape of countries.

Most of these gains, it is easy to see, would however only crystallise if the immigrant entrepreneurs overcome whatever obstacles they face and continue to prosecute their business

operations. Indeed, immigrant-owned businesses in the small business sector face a plethora of challenges, not drastically dissimilar to those that encumber many small businesses. It is plausible that the added twist of the immigrant status of the owner may exacerbate these challenges, given that the immigrant-entrepreneur is operating in a social, physical and economic environment that he/she is not particularly familiar with. Despite this unique situation of immigrant entrepreneurs, new immigrant-owned businesses continue to emerge, some survive, some thrive and some fail. According to Eresia-Eke (2013:763), the human capital factors of the entrepreneur can be considered to be central to the performance of the business. In the light of the touted gains that immigrant-owned businesses can bring to host-countries, the project to understand some of the human capital factors that enable immigrant-entrepreneurs cope with their businesses and also contribute to employment creation appears to be an interesting prospect. This arguably becomes even more appealing in the context of developing countries, particularly in Africa, where high unemployment and slow economic growth remain evident. The stakes for investing in the survival of immigrant-owned businesses are heightened by Dana & Morris (2007:809) who posit that the existence and growth of such businesses can reduce criminal and gang activities, possibly because of the gainful employment that they provide. This position helped to fan this study's interest in investigating the role that human capital, as a resource, plays in the coping ability of African immigrant-entrepreneurs that own small businesses in the Southern Africa region.

The gains of a thriving immigrant-business sector cannot be over-emphasised, more so in a situation where research focused on the study of African immigrant entrepreneurs in the specific context of the Southern Africa region appears to be lacking. This, together with the socio-economic consequences of failed small businesses, amplifies the need to understand some of the factors that enable some immigrant entrepreneurs to cope and become established businesses while others fail. In this regard, the interest of the study is linked to human capital factors as Owualah (1999) argues that many small business enterprises are lengthened shadows of their respective owners. Therefore, a determination of the specific human capital factors considered as important by African immigrant entrepreneurs and how these are instrumental to their coping ability which is gauged by employment growth in the business, is likely to be invaluable.

2. Literature review

The human capital theory was at first designed to understand and estimate employees' income distribution from their investment in human capital (Unger et al. 2011:342). The theory stems from the neoclassical school of economics and suggests that individuals invest in education and training in the hope of maximising their own economic interests, which could be associated with higher incomes in the future (Tan, 2014:412). Dess & Picken (2000:28) assert that human capital consisting of the individual's capabilities, knowledge, skills and experience, is often relevant to any task at hand. It is the human capital theory that informs the upper echelons theory of Hambrick & Mason (1984) which proposes that organisational outcomes are partially determined by the characteristics of members of the top management team. In the specific case of small businesses, Sandberg's (1986) position that business success is a function of the

characteristics of the owner is clearly instructive. In the context of African immigrant-owned businesses, the human capital of the African immigrant-entrepreneur could be pivotal to his/her ability to cope with running the business and creating employment opportunities. This is the backdrop against which this study focuses on the human capital components of managerial skills, education, experience and risk propensity so as to determine the extent to which they are related to the business coping ability of African immigrant-entrepreneurs. The measure of employment growth in the small businesses of the African immigrant entrepreneur was relied upon as an indicator of the coping ability. This is premised on the thinking that an African immigrant entrepreneur whose business is experiencing employment growth can be adjudged to be coping with the demands of the business.

The Southern African Development Community (SADC) includes countries like Angola, Botswana, Democratic Republic of Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia Seychelles, South Africa, Eswatini, Tanzania, Zambia and Zimbabwe. Due to the number of countries in the region, the potential for regional trade and development is high, despite the fact that the countries exhibit significant differences in their level of development (Dihel, Fernandes & Mattoo, 2010:2). There is no gainsaying the fact that the issue of employment is a critical component of the development equation; especially so, in the face of high levels of unemployment which is characteristic of many African nations. The ramifications of high levels of unemployment include loss of income, criminal activities, despondency on the part of the unemployed and loss of tax revenue for government (see Dana & Morris, 2007). All these, pose concerns for the citizenry. Small businesses have however been recognised as having the ability to create job opportunities and consequently contribute to employment growth (see Demishkevich, 2015; Scarborough & Zimmerer, 2003). The employment creation potential is likely to be the same in the small businesses owned by African immigrant-entrepreneurs and that is why their business coping ability and its possible association with the variables of managerial skills, level of education, previous experience and risk-taking propensity are of interest to this study.

2.1. Managerial Skills (MS)

Human capital resources are viewed as strategic assets and the possession of competent managerial skills is often regarded as a source of key competitive advantage (Tonidandel et al. 2012:636). Managerial skills are a set of knowledge, abilities, behaviours and attitudes that contribute to personal effectiveness (Smith & Kruger, 2008:124). The positive role of managerial skills in the business performance equation is emphasised by Mooney (2002:2) who insists that the ability of business owners to achieve set goals in an effective and efficient manner, through planning, organising, controlling and directing organisational resources is dependent on their managerial skills. As observed by Fatoki (2014:142), the lack of managerial experience and skills are the main reasons why small businesses fail. Thaimuta & Moronge (2014:7) also argue that managerial skills help managers to resolve issues that are associated with the current fast shifting business environment; as managing today requires the full breadth of managerial skills and capabilities.

Bosma et al. (2004:229) posit that this specific competency of the entrepreneur positively influences firm performance. It could therefore imply that the coping ability of the owner of any business, including immigrant businesses, may depend on the managerial competencies of the business owner. This invariably suggests that managerial competencies could be important to the performance of small businesses, albeit those owned by African immigrant-entrepreneurs. Eresia-Eke (2016:576) hints that there are no known existing studies that suggest a negative association between managerial skills and organisational performance. However, Sandberg & Hofer (1987) as well as Eresia-Eke (2016), failed to establish any significant relationship between the two variables in their respective studies.

Cognisant of the predominant view in extant literature that managerial skills are vital for the growth of businesses, the study hypothesises that:

H₁: There is a positive relationship between the African immigrant-entrepreneur's managerial skills and business coping ability

2.2 Level of Education (LE)

Successful entrepreneurship has been linked to education (Tengeh 2013:247). Similarly, Wanigasekara & Surangi (2011:1) found a strong link between education and business success. In the specific context of immigrant-owned businesses, Chrysostome (2010:146) argues that education helps the immigrant entrepreneur understand the challenges faced in the host country and the best approaches for tackling them. This could be why immigrants are able to explore and stake out business segments that have better opportunities though requiring small capital outlays to set-up (Kloosterman & Rath, 2001:191). Bates (1994:686) argues that survival and growth of minority businesses are directly related to the level of education of the owner. Researchers such as Blackburn et al. (2013), Gartner & Frid, (2012), Dunkelberg & Cooper, (1982), Roper, (1999) and van Praag & de Wit (2001), all found that a positive relationship exists between education and business performance. Cooper et al. (1994) indicate that while 10 out of 17 earlier studies found positive relationships between level of education and business performance, the other seven studies could not clearly establish any significant relationship between level of education and the dependent variable of business performance.

The predominance of studies that hint at a positive relationship between level of education and business performance may have motivated Cooper et al, (1994) to prematurely declare that no known studies have reported negative relationships between both variables. However, Westhead (1995) found a negative association between both variables and submitted that higher educational levels tended to inhibit business performance. Eresia-Eke's (2013) study on level of education of small business owners and loan default, which is an integral part of business performance found no statistical significant relationship between the two variables for all categories of small businesses.

These positions reveal a lack of agreement in extant literature which exposes the importance of context in the scheme of determining the existence or otherwise of a relationship between education and entrepreneurial performance and so the study elects to hypothesise that:

H₂: There is a positive relationship between the African immigrant entrepreneur's level of education and business coping ability

2.3 Previous experience (PE)

Toohey (2009:13) states that experience comes in different forms such as industry experience and start-up experience among others and is arguably an important factor in driving the performance of businesses. It is important to note though, that small businesses typically lack history and so whatever abilities they possess are more easily linked to the previous experiences of the owner(s) of the business (Chrisma et al. 2005:776). In a South African study, Chiliya & Roberts-Lormabard (2012:465) concluded that previous experiences of the SME owner have a significant impact on the performance of the business. Christopher (1998:65) also supports this finding and posits that there is a significant effect of previous work experience on business performance. In other words, previous job experiences positively correlate with firm performance (Marvel & Lumpkin, 2007:810) and this could be why Vinogradov & Elam (2010:120) actually assert that previous experience is a critical factor in the survival of immigrant-owned businesses.

Interestingly though, Khan & Butt (2002:65) identified a negative relationship between the experience acquired before starting the business and performance of the new venture. They tried to explain this curious finding by suggesting that the business owners may have learned incorrectly or applied knowledge from previous experience rigidly in their new business environment. It is instructive though that given the existence of contradictory opinions as it concerns the association between previous experience and business performance, the exact nature of this relationship in the case of African immigrant-entrepreneurs in the SADC region cannot be inferred with any reassuring certainty. In deference to the predominance of arguments supporting the existence of a relationship between previous experience and firm performance, the study projects that in the specific case of the studied population where coping ability rather than firm performance is considered as a dependent variable,:

H₃: There is a positive relationship between the African immigrant-entrepreneur's previous experience and business coping ability

2.4 Risk-taking propensity (RP)

Risk is usually seen as reflecting variation in the distribution of possible outcomes, their likelihood and their subjective values (March & Shapira 1987:1404). There has been a notion that entrepreneurs are willing to take higher risks than employees are and that being an

entrepreneur means making risky decisions. Managing a business typically includes dealing with the risks associated with the business.

Levie & Autio (2013:9), show that there is a direct relationship between growth intentions and risk-taking propensity. Neneh & Vanzyl (2014:175) point out that entrepreneurs that are risk-tolerant are more likely to have an ambition to grow their businesses. Berger & Gabriel (1991:315) studied the relationship between risk aversion and earnings among US immigrants and found that the higher the degree of risk aversion, the lower the earnings. In Germany risk aversion is a serious impediment to entrepreneurship in general (Van Praag & Cramer, 2001:57) and this may also be the case with immigrant-entrepreneurs in particular, given their similar circumstances. Schneider & Lopez (1986:536) as well as March & Shapira (1987:1411) agree that immigrant entrepreneurs who are risk-averse tend to overestimate the probability of loss resulting from strategic choices that have uncertain results, while immigrant entrepreneurs that are risk-seeking tend to overestimate the probability of gains.

Risk-taking, as the above discussions may suggest, is an integral part of the immigrant business. So, it is important for the immigrant entrepreneur to take, just the right amount of risk, especially due to the circumstances surrounding their businesses. This position encourages this study to posit that:

H₄: There is a positive relationship between the African immigrant-entrepreneur's risk-taking propensity and business coping ability

3. Research methodology

This research was undertaken from a positivist standpoint. The research approach aligned with a deductive reasoning process. Cooper & Schindler (2011:72) aver that deductive reasoning purports to be conclusive, leveraging off precursory reasons provided. Further, Bux (2016:131) argues that deduction begins with the general and ends with the specific. This description fits the trajectory that the current study has followed. The hypothesis that are expected to be tested were formulated on the basis of the review of extant literature related to the variables of interest as well as the study's unit of analysis, the African immigrant-entrepreneur.

The African immigrant-entrepreneur population utilised in the study was made up of those operating in the small business sector in South Africa, Eswatini and Mozambique. For South Africa, data was collected in Johannesburg and Pretoria; for Eswatini, data collection was done in Mbabane and Manzini; for Mozambique, the data was obtained in Maputo and Boane. These cities were considered due to their commercial nature and their high concentration of African immigrants. In the light of the dispersion of the targeted African immigrant-entrepreneurs, the study can be described as a cross-country study covering six cities. Such a study, focussed on African immigrant entrepreneurs and the important issue of coping ability, has not been attempted previously in the SADC region.

In order to identify potential respondents for the study, the national associations of different African countries existing in South Africa, Eswatini and Mozambique were approached for a possible list of members from which immigrants with small businesses were identified. The executives of the social associations were selected as key informants and volunteered information about members who were entrepreneurs. Thereafter, the study resorted to the use of the snowball sampling technique. Due to the absence of a compendium of African immigrant-owned businesses, possibly because a number of them operate in the informal sector, the study could not determine with any certainty, the exact size of the population of African immigrant entrepreneurs operating in the selected cities. Consequently, the study elected to distribute 2500 questionnaires. Respondents were selected on the basis of the non-probability techniques of convenience and snowball sampling. 976 of the questionnaires distributed, were returned, which is indicative of a 39% response rate. Ultimately, 829 questionnaires were deemed valid implying a 33% effective rate of questionnaire-return closely matching a 33.3% return rate that was achieved by Watt et al. (2002) in a similar study.

Before the data analysis, the study's variables were evaluated against the measurement scales and the questions with factor loadings below the 0.5 standard were deleted. This process led to the elimination of four questions Q2.1 (MS), Q2.4, Q2.9 (LE) and Q2.17 (RP) from further analysis. As part of the statistical effort to undertake an evaluation of the measurement model used in the study, a common methods variance assessment was undertaken. According to Podsakoff et al. (2003:884), common methods variance in the predictor and outcome variables inflate the empirical relationship among variables. For the assessment of the original scale measures for common method variances, a Harmon's single-factor test was employed. The results showed that for the human capital factors of LE, MS, PE and RP, the percentage variance explained by a single factor was 26.49%. This falls short of the 50% threshold and is therefore indicative of the fact that more than one sub-factor underlies the human capital construct and this justifies the inclusion of all the measurement items in the study.

4. Research findings

Immigrant-entrepreneurs who participated in the study were from a diverse business background. Descriptive statistics showing the country and the industry that the respondents were drawn from are shown in Table 1. The specific industry categories adopted by this study are manufacturing, services and retail, and the respondents' profile reflective of country of operation is presented in Table 1.

Table 1: Respondents' profile (n = 829)

	Industry		
	Manufacturing	Services	Retail

Total sample	n	93	386	350
	%	11.2%	46.6%	42.2%
Country	South Africa 313	11.2%	51.4%	37.4%
	Eswatini 218	21.1%	49.5%	29.4%
	Mozambique 298	4.0%	39.3%	56.7%

The table reveals that the service industry houses 51.4% of the 313 businesses in South Africa, 49.5% of 218 businesses in Eswatini and 39.3% of the 298 businesses in Mozambique. Taken holistically, 46.6% of the studied African immigrant-entrepreneurs were operating in the service industry, 42.2% in the retail industry and 11.2% in the manufacturing industry. The relatively low level of participation in the manufacturing industry could be due to the high cost of machinery needed to set up most manufacturing outfits. This finding is in line with the thoughts of Schinck and Sarkar (2012:2), who stated that entrepreneurs tend to create small business ventures that require minimal start-up capital.

Table 2 presents descriptive statistics of means and standard deviations associated with items in the questionnaire as well as the final overall model fit statistics (after the removal of items with loadings less than 0.5). The composite reliability (CR) and Cronbach alpha (CA) values subsequently ranged from 0.6 to 0.9. These indicators of internal consistency and reliability are above the minimum recommended value of 0.6 as recommended by Pallant (2011:100).

Table 2: Questionnaire Item and overall model-fit statistics

IV	QI	IM (SD)*	VM (SD)	ITC	CA	CR	FL
MS	A business owner with managerial skills training will transact better with customers	4.11 (0.704)	4.07 (0.563)	0.562	0.754	0.727	0.534
	A business owner with managerial skills is likely to have what it takes to attract more customers	4.09 (0.788)		0.555			0.530
	Managerial skills help a business owner resolve business conflicts quickly	3.96 (0.768)		0.513			0.727
	A business owner with managerial skills negotiates better terms with suppliers	4.12 (0.706)		0.579			0.721
LE	Business owners with higher educational qualifications are better equipped to secure business assistance from business support organisations	3.54 (1.061)	3.45 (0.914)	0.629	0.857	0.849	0.737
	Higher levels of education on the part of a business owner would enable better communication with customers and suppliers	3.54 (1.063)		0.767			0.889

	A business owner needs a high level of education to properly understand the business environment	3.34 (1.123)		0.693			0.691
	Ability to identify business opportunities increases with the level of education of the business owner	3.38 (1.123)		0.718			0.728
PE	Previous experience can help a business owner secure business assistance from other organisations	3.85 (0.915)	3.97 (0.746)	0.540	0.650	0.771	0.743
	Previous experience would enable a business owner better decide on the type of business to undertake	3.83 (0.919)		0.551			0.747
	Previous experience would assist a business owner know where to get stock	4.00 (0.819)		0.577			0.752
	A business owner with previous experience is better equipped to overcome some business challenges	4.15 (1.915)		0.261			0.290
	Customers' needs will be better understood if the business owner has prior experience	4.02 (0.810)		0.453			0.589
RP	Business owners with higher risk-taking abilities will explore more new business opportunities	3.95 (0.728)	3.94 (0.633)	0.620	0.786	0.788	0.734
	A risk-taking attitude will help the business owner appreciate that risk-taking is a vital part of all businesses	3.94 (0.763)		0.655			0.788
	Risk-taking ability can help the business owner achieve business success	3.93 (0.777)		0.604			0.708

IV = Independent Variable; QI = Questionnaire Items; IM = Item Mean; VM = Variable Mean; SD = Standard deviation; ITC = Inter Total Correlation; CA = Cronbach Alpha; CR = Composite Reliability; FL = Factor Loading. *Scores: 1 = Strongly disagree, 2 = Disagree; 3 = Neither agree nor disagree; 4 = Agree; 5 = Strongly agree. *CFA measurement model fit: Chi-square (df) = 1 108,609 (425), $p < 0,000$; Cmin/df = 2,608; GFI = 0,921; AGFI = 0,902; TLI = 0,919; CFI = 0,930; RMSEA = 0,044; SRMR = 0,039

As shown in Table 2, the highest mean score associated with a single questionnaire item on the 5-point Likert scale is 4.15 which is tending towards a strong agreement with the statement that previous experience would enable an African immigrant entrepreneur overcome business challenges. Conversely, the lowest mean score of 3.34 is linked to the statement that a higher of education would enable the African immigrant entrepreneur understand the business environment better. At the level of the study's independent variables, the results show that respondents did not disagree with the opinion that MS, LE, PE and RP contribute to their ability to cope with their businesses. More specifically, a stronger agreement that managerial skills aid the business coping ability of African immigrant-entrepreneurs, relative to the others was evident, given its associated mean score of 4.07. Indeed, the results reveal that the independent variable that the respondents thought was least valuable to their ability to cope was level of education with a mean score of 3.45.

The study divided its cohort of small businesses into two major groups of start-up and established businesses. The categorisation was based on the position of GEM (2014:25) that

businesses that have been in operation for a minimum of 42 months can be considered as established businesses while those that are yet to operate for 42 months are categorised as start-ups. As shown in Table 3, the results indicate that 51.3% of immigrant entrepreneurs operate start-up businesses, while 48.7% have established businesses.

Table 3: Years in operation (n = 829)

		Business Status	
		Start-up Businesses	Established businesses
Total sample	n %	425 51.3%	404 48.7%
Country	South Africa 313	48.2%	51.8%
	Eswatini 218	70.6%	29.4%
	Mozambique 298	40.3%	59.7%
Industry	Manufacturing	67.7%	32.3%
	Services	52.1%	47.9%
	Retail	46.0%	54.0%

The study sought to determine a possible difference in the perceptions of two groups of the studied African immigrant-entrepreneurs as it concerns the issue of whether the human capital variables of interest helped them cope with running their businesses. The T-test was employed as the statistical tool for the investigation. The t-test looks at the difference in means between two groups. The groups in this case are the African immigrant entrepreneurs with start-up businesses and those with established businesses. The results of the analysis are shown in Table 4.

The respondents with start-up businesses returned an MS mean score of 4.13 (SD = 0.574) and an RP mean score of 3.98 (SD = 0.650). Those in the cohort of established businesses had an MS mean score of 4.00 (SD = 0.545) and an RP mean score of 3.89 (SD = 0.612). However, the magnitude of the difference in the means for both variables is considered very small (eta squared = 0.01). Nonetheless, it is evident that there are significant differences in the perceptions of the respondents as it relates to the extent to which they consider the variables of MS ($p=0.001 < 0.05$) and RP ($p=0.035 < 0.05$) as being instrumental to their coping ability. The results therefore suggest that the studied African immigrant entrepreneurs with established businesses tend to place less emphasis on the contributory role of managerial skills and risk-taking propensity to coping ability when compared with their counterparts who own start-up businesses.

Table 4: Group differences in perceptions of the contribution of MS, LE, PE and RP variables to coping ability

	Business status	N	Mean	SD	T (df)	Sig.	Eta squared

MS	Start-up	425	4.13	0.574	3.373 (826.99)	0.001	0.01
	Established	404	4.00	0.545			
LE	Start-up	425	3.51	0.951	1.918 (825.81)	0.056	0.00
	Established	404	3.39	0.870			
PE	Start-up	425	4.01	0.855	1.793 (827)	0.073	0.00
	Established	404	3.92	0.609			
RP	Start-up	425	3.98	0.650	2.107 (827)	0.035	0.01
	Established	404	3.89	0.612			

The mean scores obtained for the group of African immigrant-entrepreneurs with established business were 3.39 (SD = 0.870) for LE and 3.92 (SD = 0.609) for PE while those for the respondents who owned start-up businesses were 3.51 (SD = 0.951) and 4.01 (SD = 0.855) for LE and PE respectively. At a 95% confidence level, the results also suggest that there is no statistically significant difference in the perceptions of the two groups of African immigrant entrepreneurs as it concerns the degree to which the LE and PE variables lend themselves to the coping ability of the African immigrant-entrepreneurs.

The study hypothesised the existence of relationships between the independent variables of MS, LE, PE, RP and the dependent variable of business coping ability in their businesses. Multiple regression analysis was carried out. The multiple regression model, with the four predictors, generated an adjusted r-square of 0.247 which indicates that 24.7% of the variance in the dependent variable can be explained by the model. The ANOVA returned an F-value of 5.077 and a statistically significant p-value of 0.000. The regression analysis produced a constant of -1.485. The unstandardized coefficients linked to the independent variables and associated p-values are presented in Table 5. The table shows that PE ($r = -0.303$, $p = 0.075$) and RP ($r = 0.071$, $p = 0.715$) bear no statistically significant association with the business coping ability of the African immigrant-entrepreneur.

Table 5: Multiple regression analysis results for hypothesised relationships

Hypotheses		Unstandardized Coefficients	p-value	Decision
H_1	<i>There is a positive relationship between the African immigrant entrepreneur's managerial skills (MS) and business coping ability</i>	0.517	0.022	Supported

<i>H₂</i>	<i>There is a positive relationship between the African immigrant entrepreneur's level of education (LE) and business coping ability</i>	0.544	0.000	Supported
<i>H₃</i>	<i>There is a positive relationship between the African immigrant entrepreneur's previous experience (PE) and business coping ability</i>	-0.303	0.075	Not Supported
<i>H₄</i>	<i>There is a positive relationship between the African immigrant entrepreneur's risk-taking propensity (RP) and business coping ability</i>	0.071	0.715	Not Supported

Conversely, the results indicate that MS ($r = 0.517$, $p = 0.022$) displayed a statistically significant association with the business coping ability of the African immigrant-entrepreneur. Similarly, a statistically significant relationship exists between LE ($r = 0.544$, $p = 0.000$) and the business coping ability of the African immigrant entrepreneur. On the basis of these results, the hypothesised relationships between owner-manager MS, LE and his/her business coping ability, have statistical support. The results also provide evidence of the fact that the nature of the relationships is positive even though the strength of both relationships is relatively low.

Given the r -values obtained, it is obvious that associated r -squared values are not high but according to Frost (2013), the imperfections associated with relationships in the human and behavioural sciences often make it relatively difficult to obtain r -squared figures in excess of 50%. For the relationships that were shown to be statistically significant, these results reveal that 27% and 29% of the variation in the coping ability of African immigrant entrepreneurs can be explained by the variations in the independent variables of MS and LE, respectively. This also means that the residual portion unexplained by these independent variables may be due to others that were not considered by the study but which nonetheless could have some bearing on the business coping ability of the African immigrant-entrepreneurs.

5. Conclusion

Knowledge of the fact that the issues of managerial skills and level of education are associated with the business coping ability of the African immigrant-entrepreneur is important. The importance of this is that prospective African immigrant entrepreneurs have to place some premium on managerial skills. The credibility of this assertion is enhanced by the study of Fatoki & Patswawairi (2012) on immigrant entrepreneurs in South Africa that found that a lack of managerial skills is one of the barriers to the performance of immigrant entrepreneurs. Beyond this, the established existent relationship between managerial skills and business

coping ability emphasises the need for budding African immigrant-entrepreneurs to invest substantial effort in the acquisition of managerial skills and to deploy them for the benefit of their businesses. On the part of policy makers, it is imperative to consider the establishment of dedicated training centres to assist immigrants with the development of managerial skills. The incentive for government in doing this is that it is likely to engender improved productivity in immigrant-owned businesses, while concurrently helping to tackle the unemployment challenge.

In the studied population, a high level of education, has also been shown, to be related to business coping ability. The relevance of education is reinforced by the fact that descriptive statistics revealed that the respondent population deemed education to be important to coping ability. This finding is in contrast with the stance of Habiyakere et al. (2009:65) who found that among African immigrant entrepreneurs in Finland, level of education does not play a significant role in the success of the immigrant-owned businesses. The value placed on education in the scheme of African immigrant-entrepreneurship, has important practical implications for current or future African immigrant-entrepreneurs. Indeed, policy-makers that are keen on supporting immigrant entrepreneurship should spare some thought for the creation of mechanisms that incentivise educational development amongst immigrant-entrepreneurs in the SADC region.

Declaration of Interest

We confirm that the study was not sponsored and indeed that there are no financial interests or benefits from the conduct of the study or its output.

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