



**Critical success factors of Jewish Entrepreneurs:
A South African Perspective**

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Abstract

This study aims to explore the critical success factors of Jewish entrepreneurs in South Africa. The primary purpose of this study was to determine what elements contribute to the success of Jewish entrepreneurs and what causes these elements.

In doing so, these entrepreneurs were classified into two groups, namely successful and less successful.

For the purpose of this study success was measured using two variables:

1. Turnover
2. Growth

Turnover - for the purpose of this study an annual turnover of R2 000 000 was used as an indicator to classify the different companies into successful and less successful. If a company turned over more than R 2 000 000 then it fell into the successful category and vice versa.

Growth - growth was measured by the increase/decrease of three employees from the companies' inception until its current state.

It was evident that culture plays an extremely important role in this study which was confirmed by the literature. The co-ethnic ties within the Jewish community are extremely strong and are a major contributing factor.

Information was gathered via the means of a questionnaire consisting of 28 questions. 50 questionnaires were sent out and 32 were received back. From these 32 responses, the author extracted the relevant information.

The author discovered that Jewish people in South Africa are an ethnic minority and was unable to pinpoint an exact reason for the success of Jewish entrepreneurs in South Africa.

Keywords

Jewish, Entrepreneurship, Success, Ethnic Group.

Declaration

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

Justin Milner

03 October 2012

Signature

Date

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Chapter 1: Introduction

The general review of entrepreneurship development over the past two decades has resulted in a solid foundation for declaring entrepreneurship to be a discipline that is studied in various formats and platforms. The socio-economic impact, positive economic growth relations and evidence on several developmental aspects of the entrepreneurial ecosystem, shaped a construct that provides for further investigation into the more specific performance related elements of the entrepreneurial process (Bosma & Levie, 2009). When looking at the entrepreneurial process and ethnic entrepreneurs, Bosma, Acs, Autio, Coduras and Levie (2008) reported that organisations started by Indian and White entrepreneurs are more likely to succeed and grow into big firms than any other race in South Africa.

Although White and Indian entrepreneurs are more likely to succeed, all entrepreneurial ventures, ranging from small businesses to large enterprises, are vital to every economy's growth and every country's economic ecosystem. Entrepreneurship - irrespective of race and religion - is one of the main factors that can cause economic stability, especially after a world crisis. Through entrepreneurship economies can grow and become more stable over time.

“Economic stability is an important concern for every nation-state, especially after the 2008 economic crisis. In this vulnerable situation, the world's economy cannot any longer being dependent on established corporations only. Small and medium enterprises (SMEs) led by entrepreneurs, on the other hand, have been proven to be resilient in the tough times as they create jobs and make a great contribution to a nation as SMEs act as a cushion to the sudden shocks of economic crises” (Adiguna & Shah, 2012:1).

From the above statement one can draw the conclusion that entrepreneurship is a vital element in the sustainability and success of any economy. The importance of entrepreneurship can again be seen as a general uplift to the country and the economy in terms of job creation and job sustainability (Van Stela & Storey 2004; Wong, Ho & Autio, 2005; Baptista, Escária & Madruga, 2008).

The body of knowledge within the field of entrepreneurship has extensively reported findings regarding the significant relationship between a high entrepreneurial activity rate (TEA) and economic growth (Sternberg & Wennekers, 2005; Van Stel, Carree & Thurik, 2005; Stam, Suddle, Hessels, Jolanda & Van Stel, 2007).

Van Scheer (2010) supported the latter by quoting Stam E, Suddle K, Hessels S, Jolanda A. and Van Stel A. 2007 and further by reporting the substantiating effect of entrepreneurship on an economy. The impact and contribution to survival and growth and lead through entrepreneurship and small business development.

Bosma and Levie (2009) distinguished broadly between two types of entrepreneurs: the business entrepreneur and the social entrepreneur. The business entrepreneur speeds up structural changes in the economy by driving and shaping innovation, which inevitably introduces new competition that will contribute more to productivity. The social entrepreneurs tend to fill a similar purpose in the social economy, by filling the gaps that are left by the government (Bosma & Levie, 2009). Wickham (2009) established a clear differentiating framework that created a distinction between the true business entrepreneur and the normal small business owner, namely innovation, specific strategic objectives and a growth orientation. This study will predominantly focus on the latter and moreover use these variables as selection criteria for entrepreneurial success.

This study will specifically focus on South Africa, as previous research from the South African Global Entrepreneurship Monitor reports (2001 – 2011) showed that there has been a discovery that the less developed a country is, the more necessity-driven self-employment there is. However through development of the economy, research shows that the necessity-driven entrepreneurial activity will decrease as more employment opportunities arise.

Van Vuuren and Groenewald (2007) indicated that entrepreneurial ventures are fundamental elements in creating jobs and stimulating economic growth. These ventures also tend to alleviate poverty and improve living standards. This has been recognised both internationally and locally.

According to Statistics South Africa there was recently some growth in the South African economy, with an increase in the GDP of 3.2% in the 4th quarter of 2011. This is a 1.5% increase from the 3rd quarter in 2011. Statistics South Africa has shown that there was an official unemployment rate of 23.9% in the 4th quarter of 2011, and according to the population census there were 50,59 million people in the country as at the end of 2011. This shows that there are approximately 12,9 million people who are unemployed in South Africa (Census 2011).

Through small entrepreneurial ventures this problem can be alleviated. Since democracy in 1994 there has been a vast increase in self run and owned businesses (van Scheer, 2010). Hazed (2008) stated that the small and medium sized enterprise sector plays a major role in the growth of a country by creating new job opportunities. This also has the potential to respond to the changes in the environment. The background to the research question aims to begin with an investigation into a specific ethnic group of entrepreneurs with numerous entrepreneurial success stories that evidently contribute directly to economic growth. Not only will the nature of this group be analysed, but also the contributing factors in relation to entrepreneurial performance, and likewise success.

The broad focus of the study will be ethnic entrepreneurship, and specifically within that construct the South African Jewish entrepreneur. The meaning of what an ethnic entrepreneur is can be seen when looking at a general definition. The activities of an entrepreneurial nature performed by individuals that are linked to a group with a common cultural heritage (Adiguna & Shah, 2008).

The Jewish culture shares a religion that unites them all over the world today, but when immigrating to South Africa in the early 1900s the unity that kept them together was cultural structure, heritage and a common fight for survival. Very little literature and scientific evidence exists pertaining to the entrepreneurial nature, characteristics and business models of this ethnic group in South Africa. Empirical studies conducted by Aldrich and Rosen (2007) showed that ethnic entrepreneurs make the most use out of informal networks. These informal

networks for Jewish entrepreneurs are people like family, friends, and acquaintances within the Jewish community, who gather information rather than relying on a formal network such as bankers, lawyers and accountants.

Furthermore, a study by van Scheer (2010) showed the relationship between ethnic businesses and their co-ethnic customer base, which gave the firms a better competitive advantage. This goes to show how each ethnic group is supportive of their co-ethnic counterparts, and there is a positive relationship between ethnic businesses and their co-ethnic customers. Co-ethnicity is a common cause of the ultimate success of the original ethnic start-up. Over time the ethnic brand will grow and in its ultimate stage become accepted as a local brand and be widely desired by the local population (van Scheer, 2010). An array of success stories emanate from this ethnic group, which has a rich history of entrepreneurial success.

Makura (2010) compiled a list of the most successful entrepreneurs in South Africa, of which 80% were Jewish, which ignited and substantiated the support for a study of this nature. The study aims to analyse how these entrepreneurs became successful and how, if in any way, the Jewish community at large had any contribution to this success. There has been extensive research conducted on many other ethnic groups in South Africa and an inordinate amount of information has been discovered via the process of research. The lack of substantiated evidence on the Jewish entrepreneur specifically created a need for this research intervention. The information that will be gathered will provide a greater, more in-depth view of how and why Jewish entrepreneurs are claimed to be so successful and what leads them to achieve this.

Bruder (2011) discovered that ethnic entrepreneurs face racial discrimination when applying for finance. The results of the study showed that an ethnic entrepreneur who did not hold a local passport was subject to discrimination, as they were not granted the required finance to fund the start up of their business. From this study it is evident that ethnic entrepreneurs may be perceived as survivalist entrepreneurs, as they do not get the same advantages as local entrepreneurs would. Coupling this statement into the previous one - how co-

ethnicity contributes to the survival of ethnic firms - there is evidence showing how ethnic entrepreneurs rely heavily on their community to get started and for on-going support, as there is a high level of financial discrimination against them.

The Jewish community arrived in the early 1900s in South Africa with a high level of education - mainly amongst the youth. Of this community there was a large percentage of the older immigrant population that were uneducated when arriving in South Africa. These uneducated immigrants had to find a means to support themselves and did so through entrepreneurial ways. One could hereby derive a push factor which contributed to eventual entrepreneurial performance. Through a questionnaire as a research instrument, the author aims to discover what impact the level of education, number of hours the entrepreneurs worked per day, level of family involvement and many other factors have on the success of Jewish entrepreneurs.

These factors will be used to critically evaluate the success of Jewish entrepreneurs in South Africa. This leads to the research question of why there are so many successful Jewish entrepreneurs in South Africa and what the contributing factors in significant entrepreneurial performance are.

Chapter 2: Literature Review

2.1 Introduction

This section will detail the relevant literature embraced by the research problem that drove this investigation. It will commence with the broader typology of entrepreneurship and elaborate upon the nature of the construct in the South African region. There are many different definitions that will be discussed and many points argued, which enriches the literature. Another core construct is the types of entrepreneurs and their differences - the cultures, values and norms that each one possesses. The ethnic entrepreneur is a key element to this specific literature, which has been and will be discussed further in great detail.

2.2 What is entrepreneurship?

“Over the past 200 years the definition of entrepreneurship has evolved into a complex set of ideas” (Henderson, 2002:47). In its most simplistic form entrepreneurship is the creation of a new firm. Entrepreneurship is “the process of uncovering or developing an opportunity to create value through innovation...” (County, 2008: 110). Fregetto (2010) was of the opinion that vigorous discussion and observation on the topic of entrepreneurship will eventually shape the attributes of the construct. It is therefore accepted by the researcher that there is no one true definition of the construct ‘entrepreneurship’. The author expands the argument in stating that this is a lengthy process and one of a dynamic nature with eventual acceptance and standardisation.

Within this context, attribution development towards defining the construct of entrepreneurship evolved from an array of studies (Venkataraman, 1997; Bruyata & Julien, 2001; Iversen, Jørgensen & Malchow-Moeller, 2010).

Kao (2006) and Henderson (2002) indicated that there is an underlying theme through all the different definitions of entrepreneurship: innovation. Innovation is creating something new or doing something in a new way in order to gain a competitive advantage in the formation of a new firm or process. Shinde and Shinde (2011) recently contributed to the body of knowledge in reporting entrepreneurship as an economic, profit-oriented activity. They went on to argue that there are three categories of entrepreneurship and that each one is

unique in its own way.

i. Commercial entrepreneurship

This construct can be defined as a process that contributes to the economy in many different ways, primarily in profit form through opportunities that have been taken advantage of through innovation and adaption. There is also a high level of risk that is taken with a very scarce resource pool, (Shinde & Shinde, 2011:74).

ii. Institutional Entrepreneurship

This type of entrepreneurship is derived from institutional theory. The theory speaks to the ability of institutions becoming legitimate agents within an industry and environment. Thus organisations within a particular environment will behave in such a manner in order to gain legitimacy and acceptance within this field. The main element here is not profit or organisation creation, but rather value creation in order to have an impact on other activities within the immediate environment (Shinde & Shinde, 2011),

iii. Social Entrepreneurship

Social entrepreneurship is closely related to the field of entrepreneurship, however as it is constantly evolving, it is hard to get a true definition of the term. However there seems to be a general agreement that the definitive aspects of social entrepreneurship are primarily to emphasise social benefit.

This does not necessarily mean that all social operations are set up in a not-for-profit way; rather it shows how social objectives and goals play a major role in social entrepreneurship.

Schumpeter, an Austrian economist, argued when defining entrepreneurship that the value creation process played a fundamental role for entrepreneurs in a free market system and continued further to state that entrepreneurs are individuals who tend to exploit market opportunity through organisational and technical innovation. (Schumpeter, 1934, cited in Turan & Kara, 2007).

The Harvard Business School provided a modified definition of entrepreneurship as, “the pursuit of opportunity without regard to resources currently controlled” (Turan & Kara, 2007:2). Johnson (2010) postulated that the entrepreneur is a person who is taking on the risk and the uncertainty of a specific task in the exchange for profit, however there are entrepreneurs who prefer to be their own boss or who start businesses for social benefit. From this perspective, entrepreneurship is seen as a particular type of managerial behaviour available to virtually all managers in organisations of all kinds and sizes (Turan & Kara, 2007).

This definition of entrepreneurship was first heard in 1848 and was carried all the way through to the late 19th century, explains Timmons (1999:218).

Table 1: Defining entrepreneurship

| Date | Researchers | Characteristics |
|------|------------------|--|
| 1848 | Mill | Risk propensity |
| 1917 | Weber | Source of formal authority |
| 1934 | Schumpeter | Innovation and initiative |
| 1954 | Sutton | Need for responsibility |
| 1959 | Hartman | Source of formal authority |
| 1961 | McClelland | Risk propensity and need for achievement |
| 1963 | Dauids | Ambition; need for interdependence, responsibility and self confidence |
| 1964 | Pickle | Driving force, communication, technical knowledge |
| 1971 | Palmer | Risk assessment |
| 1971 | Hornaday & Aboud | Performance motivation, |

| | | |
|------|------------------------------------|---|
| | | autonomy, aggression, power, innovation and independence |
| 1973 | Winter | Power need |
| 1974 | Borland | Internal locus of control |
| 1974 | Liles | Performance need |
| 1977 | Gasse | Personal value orientation |
| 1978 | Timmons | Driving force, self confidence, calculated risk, internal locus of control, creativity and innovation |
| 1980 | Sexton | Energy, ambition, positive failure management |
| 1981 | Welsh & White | Need for control, responsibility, self confidence, challenge need, calculated risk propensity |
| 1982 | Dunkelberg & Cooper | Growth orientation, independent orientation, skills orientation |
| 1982 | Scheré | Acceptance of uncertainty and chaos |
| 1983 | Pavetti & Lau | Conceptual skills |
| 1985 | Macmillan, Siegel, SubbaNarishimha | Knowledge of market and leadership |
| 1986 | Ibrahim & Goodwin | Ability to delegate, managing consumer and employee relationships |
| 1987 | Aldrich & Zimmer | Networking |
| 1987 | Hofer & Sandberg | Motivation and synergy |
| 1987 | Schein | Management skills |
| 1987 | Timmons, Muzyka, | Opportunity seeking propensity |

| | | |
|------|-------------------------------------|---|
| | Stevenson and Bygrave | |
| 1989 | Wheelen & Hunger | Implementation of business skills |
| 1992 | Chandler & Jansen | Self-analysis and opportunity identification |
| 1992 | McGrath, MacMillan en Scheinberg | Individualism, uncertainty and temperament |

Source: Adapted from Timmons (1999:218)

A more comprehensive definition of an entrepreneur was derived from the fact that the contemporary composition and conceptual layout of an entrepreneur is regarded as a field of study all on its own. For the sake of this study, the definitions as derived from Cornwall and Perlman (1990:4), Van Praag (1996:3), Burch (1986:4), Mare (1996:3), Drucker (1985:25); Hisrich and Peters (1998:9), and Kuratko and Hodgets (1998:31) are used. According to the abovementioned authors, an entrepreneur is someone who has the ability to develop a vision from practically nothing. From this the authors went on to say that this action is one of human nature. Entrepreneurs invest a large amount of effort into the start-up of an organisation instead of simply overlooking the process of developing a new company. The entrepreneur is one who tends to take a calculated risk when the opportunity presents itself.

The types of risks that these entrepreneurs are willing to take are comprised of many elements, such as personal, financial, psychological and social. The entrepreneurs go out of their way to ensure that they reach their goals and ultimately avoid failure. Entrepreneurs do not see the chaos and confusion that most ordinary people see when presented with a situation - rather they spot the opportunity. The fundamentals of entrepreneurship shine strong in the development of the “new”. This may vary from products and services or the increase in value from the decision making process. Entrepreneurs do not only seek the financial reward, but also the gratification of independence (Antonites, 2003).

Given the scope of this study, the continual aim is to regard concepts and constructs in accordance with generally accepted definitions. When analysing the definitions of entrepreneurship and entrepreneurs there is an underlying element of success. There is a specific path that entrepreneurs try to create or follow in order to become successful. One of the driving factors for entrepreneurial activity is success.

As the above literature has shown, there are many different definitions of what is deemed to be entrepreneurship, however Freggetto's original argument stands out, given that it shows how the words entrepreneurship and entrepreneurial are being widely used in order to define any business activity that involves risk and uncertainty, along with some kind of reward (Fregetto, 2010).

Through this research the author aims to show a greater understanding of entrepreneurship and how it may be compared to the above literature. This will be shown from a South African context. South Africa is the geographic location of this study, with a focus primarily on Jewish entrepreneurs in South Africa.

2.3 Entrepreneurship in South Africa

Bosma, Wennekers and Amorós (2011:174) stated in the Global Entrepreneurship Monitor (GEM) that South Africa had shown a positive year-on-year increase in its overall TEA (Total Early stage Entrepreneurial Activity rate) over the last two years. With the TEA for 2011 a record high of 9.14 in comparison to 5.9 in 2009 and 8.9 in 2010, it must be noted that the country still lags far behind most comparable economies. Given the country's high rate of unemployment, which is estimated at 25% of the population aged between 15 and 64 years, it is not surprising that TEA is driven largely by necessity (35%). Although a significant proportion of the population exhibits positive attitudes regarding entrepreneurship, the TEA remains dismally low as fear of failure and the desirability of formal employment have a moderating effect.

The South African Government has prioritised entrepreneurship and the advancement of small businesses as the catalyst for achieving economic growth and development (Bosma, Wennekers and Amorós, 2011). Although

legislation has provided evidence of this commitment, there is still much that needs to be done to create an environment that is conducive to entrepreneurship.

Over the last decade South Africa has shown extremely low TEA rates, however since the hosting of the 2010 FIFA World Cup there has been a positive impact on entrepreneurial activity in the country, and the TEA results for 2010 were at a record high for South Africa. However South Africa remains one of the worst performing economies with regard to entrepreneurial activity, despite its high levels of unemployment, poverty and underdevelopment due to low levels of education in the country. The low TEA rates also show that there is a lack of entrepreneurial activity which is having a negative impact on the country.

Mitchell (2006) presented findings which portrayed the level of entrepreneurial education in South Africa. They specifically targeted educators in higher educational institutions in order to measure exactly how developed South Africa is in its ability to teach entrepreneurship.

Laukkannen (2000), as quoted in Mitchell (2006), identified two areas of entrepreneurial education:

- Education about entrepreneurship – This area is designed to develop, build, learn and teach the different theories that entrepreneurs are exposed to on a daily basis. It hence develops awareness about entrepreneurship on a knowledge level. This ranges from organisation creation to levels of economic contribution and the general entrepreneurial process that entrepreneurial forms go through. This form of education will take into account undergraduates, masters and PhD students, including researchers and policy makers. “It views entrepreneurship as a social phenomenon” (Mitchell, 2006:350).
- Education for entrepreneurship. The purpose of the second area is to provide future potential entrepreneurs as well as current entrepreneurs

the skills for developing the entrepreneurial process. In doing so they will also gain the tools and knowledge that is required to start-up a new organisation (Mitchell 2006).

2.4 Types of entrepreneurs

Henderson (2002) stated that entrepreneurs belong to a different and unique group of people. He further went on to say that it is safe to assume the risk of the company that they own and reap the rewards of their success, as well as bear the consequences of their failure. A further view has been brought forward by Kirzner (year), cited in De Jong (2011:2). This particular view of an entrepreneur states he/she is an arbitrageur and by being passively alert is constantly in a position to see opportunities that others do not. Due to specific and unevenly distributed prior knowledge, they exploit current market imperfections that they perceive exist in the market and through price adjustments bring the system back into equilibrium.

There are two types of entrepreneurs, said Henderson (2002), lifestyle entrepreneurs and high growth entrepreneurs. Each one of these has different traits.

Lifestyle entrepreneurs are the type of entrepreneur that start new firms from scratch for the purpose of supporting a family and a lifestyle by means of income. The lifestyle entrepreneurs do not like to be held to a schedule and thrive under the freedom of being able to live a glamorous life, even at the sacrifice of potential growth for the firm. The lifestyle entrepreneur tends to contribute the most to the community around them by increasing the quality of life of the people in these communities (Henderson, 2002).

The next type of entrepreneur that Henderson talked about is the high growth entrepreneur. The major difference between the lifestyle entrepreneur and the high growth entrepreneur is that the high growth entrepreneurs are more motivated to start up and grow larger organisations that can generate more value. This forces the high growth entrepreneurs to constantly be on the lookout for the resources that are required to fuel the growth and expansion of their

organisation. Stam and van Stel (2011), however, showed that high growth entrepreneurs only benefit economies that are rich enough to provide resources to support these kinds of entrepreneurs. High growth entrepreneurs tend to focus primarily on GDP growth and not on general entrepreneurship. The next step for the high growth entrepreneur is to take the company public once they feel they have accomplished some form of success (Henderson, 2002).

Community leaders feel that the high growth entrepreneurs contribute more to the community because they not only generate more jobs, but they also create higher income for some, create a larger tax base for their communities, and tend to reinvest back into the community by means of schools, community service and philanthropy.

“When benefits like these outweigh the cost of supporting high-growth entrepreneurs, fostering more high-growth entrepreneurs is viewed as a sound strategy for adding economic value to communities” (Henderson, 2002:49).

Minniti and Lévesque (2010) discussed two other types of entrepreneurs, namely:

- i. Research based entrepreneurs. These entrepreneurs incur all types of expenditure such as R&D and the cost of commercialising different technologies that they have discovered.
- ii. Imitative entrepreneurs. These entrepreneurs do not like incurring the costs upfront like the research entrepreneurs, and are not as willing to get involved in the discovery of new technologies.

Fossen and Buttner (2012) referred to a different set of entrepreneurs, the first being an opportunity entrepreneur, who are drawn into the entrepreneurial world because of a favourable situation or prospect.

The second type of entrepreneur the literature refers to is a necessity entrepreneur. These entrepreneurs are pushed into self-employment as they do

not find regular and stable employment. There has been evidence to show that opportunity entrepreneurs tend to be more successful than necessity entrepreneurs.

Verheul, Thurik, Hessels and van der Zwan (2010) agreed on the two types of entrepreneurs and have discovered four major differences between the opportunity entrepreneur and the necessity entrepreneur:

- i. Socio economic characteristics, like education levels, current age of the entrepreneurs and their experience.
- ii. Motivation for the start-up may be different. This may have an impact on the way the business is run, for example a business that is started purely so the entrepreneur can earn more than he would at a job will behave differently to an entrepreneur who started a business so he could spend more time at home and take care of more family-orientated responsibilities.
- iii. In the entrepreneurship cycle the opportunity entrepreneur tends to lead the cycle by two years, whereas the necessity entrepreneurship only leads the cycle by one year.
- iv. The last factor that differentiates these two entrepreneurs is the policy making process, as some economic policies may benefit the one type of entrepreneur with absolutely no gain to the other.

The transnational entrepreneur

This entrepreneur is defined as an immigrant business owner who has business linkages to their home country (Tan, 2008). These types of entrepreneurs have also been described as self employed immigrants “who depend their success of their firms on their contacts and associates in another country, primarily their country of origin” (Tan, 2008:2).

Transnational entrepreneurs are affected by macro economic factors such as:

- Globalisation

- Immigration
- Policies in their host countries
- Socio economic development in their home country

“Transnational entrepreneurship has become an increasingly influential vehicle of business globalization and an important source of new ideas in organization theory” (Drori, Honig & Ginsberg, 2009:1).

This continues to show how influential entrepreneurs are on globalisation and economic growth, and as the literature shows, how important entrepreneurship is to economic growth, particularly transnational entrepreneurship. Drori *et al.*, (2009) described transnational entrepreneurship as a couplet of interlocking networks of social relationships in which practices, ideas and resources are unequally transformed, organised and exchanged.

The social relationships referred to above are elements such as resources, institutions and different structures that are the base of the playing field in which these transnational entrepreneurs operate.

In this context the authors provide a formal definition of transnational entrepreneurship (TE): “social actors who utilize multiple and tangible cross-border networks to promote their entrepreneurial activities for the purpose of developing business opportunities within numerous social fields” (Drori *et al.*, 2009:7).

TE’s businesses may vary in scope, type, and size. Consequently they are placed in different categories:

- Circuit enterprises
- Ethnic enterprises
- Return migrant enterprises
- Cultural enterprises

- Elite expansion enterprises

These different types of enterprises all require specific skills, knowledge, expertise, attitudes and degrees of embeddedness in the host country, which will influence the types of business strategies that entrepreneurs employ. Drori *et al.* showed that there are two market entry strategies that transnational entrepreneurs may use:

- From Above
- From Below

The “above” strategy aims to stimulate economic growth. Some countries provide non-quota immigration priority to those entrepreneurs who invest and start businesses in that country. This has become a very sought after method of doing business in the host country , which builds immigrant populations that are primarily composed of state prioritised entrepreneurs due to their business skills and financial capital. This tends to occur more often when states create attractive environments for these entrepreneurs, such as tax incentives.

The “below” strategy is when these entrepreneurs enter into a country as an economic immigrant. These entrepreneurs aim to start businesses through social capital and use networks to allow them to take advantage of opportunities in their new home country.

Transnational entrepreneurs tend to get involved in cross-national practices in order to enable them to take part in the local social capital networks. This has an influence on the TEs and becomes a significant element of their personal history (Drori *et al.*). This is seen in Chinese and Korean communities as well. The Jewish nation has very strong family ties and a close social network, thus Jewish entrepreneurs in South Africa fall in the transnational entrepreneurship category.

2.5 Defining success

The construct 'business success' has been researched extensively by Astrachan and Kolenko (1994); Yeung, Tung and Rosalie (1996); Neely, Adams and Kennerley (2002); and Headd (2003).

Tarricine and Luca (2002:54) have stated that business success specifically means profit generation. Profit generation does not just imply employees generating cash flow and contacts for the business, but also includes the ability of employees to create and maintain a positive working relationship with colleagues, clients and subordinates.

However, Beaver (2002) commented that success can often be viewed in terms of growth and profitability, but that it becomes more complicated when trying to determine the factors that contribute towards it. Johnson (2010) confirmed that one way of defining success is to judge the extent to which needs of stakeholders are met. The entrepreneur identifies the opportunity then takes advantage of that opportunity in such a way that it will meet the demands of their stakeholders. This needs to be done in order to continue down the path of entrepreneurship. The author further stated that innovation is critical by the founding entrepreneurial team in order to achieve success. The unique combination of ideas and skill brought together through innovation is vital to achieve success.

Chivukula, Raman and Ramabachandra (2009) applied two metrics in an attempt to define business success. The first was 'financial measure' and the second, 'non-financial measures'. The authors continued to report on entrepreneurial attributes and success where specific criteria were used to measure the financial success of a company. The increase or decrease in turnover and the growth in unemployment were the two metrics used to measure the financial success of the company. The non-financial metrics were more personal and about whether the entrepreneur liked his/her work experience and the amount of time the entrepreneur spent running the business. These non-financial measures were used as support by the entrepreneur to back up the financial measures.

Walker and Brown (2004) implied that from the birth of the company it might not have been the entrepreneur's intention to employ other staff and grow the organisation, but to rather keep it to himself and his immediate family. The authors added to a possible list of non-financial measures to determine success, namely self-satisfaction job satisfaction, independence and taking on challenges that one has set for himself, which are much harder to quantify than financial measures.

The environment in which businesses operate is another key factor that has an impact on the growth of an organisation. The business environment can be defined as all the variables inside and outside the company that may influence the existence and continuation of the organisation (Olawale & Garwe, 2010). There are two different environments, one being the internal environment and the second being the external environment. The internal environment (which is controlled by the business) is made up of factors such as finance, investment, technology, managerial competency, and cost of production. The external environment is made up of factors like informational frameworks, the macroeconomic and microeconomic environment, social factors, technology and the regulatory environment.

When analysing a specific group of people it is almost impossible to complete this study without understanding the culture that the study group belongs to. This element of the study is crucial to the understanding of the text and the findings from this study.

2.6 Culture

Hofstede defined culture as “the collective programming of the mind that distinguishes the members of one group or category from another” (Chrisma, Chau & Steir, 2002:114).

Therefore one may state that entrepreneurial behaviour is directly influenced by the cultural attributes of the entrepreneurs. The Jewish nation has unique cultural elements defined by the nation's shared history, therefore by gaining a greater insight of the relationship between culture and entrepreneurship one is

able to gain a more insightful understanding of the activities that take place (Arewa, 2008).

The relationship between culture and entrepreneurship is of a complex and myriad nature. (Arewa, 2008).

Arewa talks about two relationships between culture and entrepreneurship. The first one is the “pervasive global presence of entrepreneurial cultural groups for whom entrepreneurship may derive from and be closely tied to existing cultural identities, relationships and networks” (Arewa, 2008:2). These kinds of groups are primarily visible in the diaspora and in immigrant nations, which also leads to tension and violence on many occasions. These groups use cultural identities and similarities to arrange entrepreneurial activities.

The second relationship is “evident in situations where entrepreneurial activities serve as an organizing basis for the development of cultures in entrepreneurship. This pattern has become particularly prominent today as various regions, governments seek to replicate the success of prominent entrepreneurial regions such as Silicon Valley” (Arewa, 2008:3).

Through this we can clearly see the relationship between culture and entrepreneurship.

Arewa (2008:5) defined culture as the spinning of a web that creates a shared significance among the humans that are suspended from it. These cultural webs of significance encompass the shared values, beliefs and norms that characterise the specific culture of that web and the people hanging from it.

However Taras, Rowney and Steel (2009) described culture as an element that is common to specific set of individuals that are part of a stable society or group which has been in existence for a very long time.

As this study is based on Jewish entrepreneurs’ culture, values will play a major role in giving a greater understanding of the group under study. The similarities of the Jewish peoples’ actions, mind-sets and behaviours are all influenced by their culture. This culture unifies a group of people but may also segregate or isolate them.

Hofstede categorised culture into five different dimensions which he discovered by means of surveys.

The five dimensions, according to Venaik and Brewer (2010), are:

- i. Power distance - there are multiple solutions to basic human problems and inequality
- ii. Uncertainty avoidance - societal stress felt by a community looking at the unknown future
- iii. Individualism vs. collectivism – individual's integration into primary groups
- iv. Masculinity vs. femininity – the emotional difference between men and women
- v. Long-term vs. short-term orientation - present and future focus of people's efforts.

According to Yeganeh, Su and Sauers (2009:12), Trompenaar had his own dimensions of culture. They are shown as follows:

- Universalism vs. particularism – universalism is a belief that what is good and true can be discovered and applied universally, whereas particularism is a belief that unique circumstances are the determinant.
- Neutral vs. Affective – This orientation relates to the importance of reason and emotion of people. In neutral cultures people control their feelings and emotions among people, whereas in affective cultures people tend to be demonstrative.
- Achievement vs. ascription - some cultures will attach more importance to achievement than others, which would consider issues such as age, social class, gender and education.
- Specific vs. diffuse – these cultures are contrasted in their attitude to space and communication. In specific cultures people separate their

private lives from their public, compared to diffuse cultures where they may overlap.

- Individualism vs. collectivism – individualism and collectivism are related to the extent to which importance is given to the individual versus the group interests.

Schwartz (2006:143) described the six features of values:

- Values are beliefs that are linked completely to their effect.
- Values refer to desirable goals that motivate action.
- Values transcend specific actions and situations, e.g. obedience and honesty are values that are relevant at work, school, sport, business, and politics, and with family, friends, or strangers. This feature distinguishes values from narrower concepts like norms and attitudes that usually refer to specific actions, objects, or situations.
- Values serve as standards or criteria that guide the selection or evaluation of actions, policies, people, and events.
- Values are ordered by importance relative to one another to form a system of priorities. This hierarchical feature also distinguishes values from norms and attitudes.
- The relative importance of values guides action. The trade-off among relevant, competing values is what guides attitudes and behaviours.

As cultural values play a major role in shaping the way people live and the way people react and behave to specific situations, culture is a crucial element that is not to be overlooked when discussing an ethnic group such as the Jewish people in South Africa. Therefore it is only necessary to discuss ethnic entrepreneurship and the cultural values of that specific group in order to give a better understanding of how these entrepreneurs came about and how they operate.

2.7 The ethnic entrepreneur

The ethnic entrepreneur is an entrepreneur who does not represent the majority of the population of the country that he/she is doing business in (Mavoothu, 2009). There is a further benefit brought to the community, society, region and globe from these minority/ethnic entrepreneurs. In relation to this study it is evident that the Jewish people are not the majority population in South Africa.

Dana (2007) defined ethnic entrepreneurship as a set of regular patterns which enable connections to be made, and the interaction among a specific people who share these common traits and have a background of migration experience.

As this is a broad term the individuals who are involved in this type of entrepreneurship generally belong to an ethnic group, which according to Dana (2007:30) is a “segment of a larger society who’s members are thought to have a common origin and to share the important segments of a common culture and participate in specific activities in which a common culture is a significant ingredient”.

Rewa (2008) went on to show that in certain ethnic groups entrepreneurship is a cultural norm and may hold a higher value in some ethnic groups than in others. The characteristics of these ethnic entrepreneurs are wanted by most entrepreneurs (Mavoothu, 2009).

Fuller-Love, Lim and Akehurst (2006) have shown that ethnic and minority entrepreneurs face challenges of having very limited access to resources like finance, labour, markets, and language. They went on to mention that ethnic entrepreneurs generally rely on their own social groups’ capital and rely on members within their community to help them. This shows how ethnic entrepreneurs help each other out and generally stick to one specific industry where they have power numbers (Assudani, 2009).

Dana (2007) confirmed some of the major issues that these entrepreneurs will face include the inability to gather information, find capital and skilled labour. There is also the challenge of being able to provide adequate training for staff and themselves. The next challenge the author elaborated on was the issues

that these ethnic entrepreneurs face dealing with customer and suppliers, being able to handle and beat the competition and the risk of any political instability in the new host country. The types of challenges that these ethnic entrepreneurs face unifies them with their co-ethnic group and develops the ties between them. On the contrary, Arewa (2008) showed that ethnic entrepreneurs are able to access resources more easily due to networks and kinship within their communities.

When ethnic businesses are started the entrepreneurs tend to draw on co-ethnics to help them start out. That is a difficult process as these ties need to be made and earned - they are not just given out. Through this process ethnic ties are developed and small communities are developed into ethnic groups (Salaff, 2003). These ethnic ties give the entrepreneurs a sense of belonging - they show characteristics that are similar to the representative group. Dress code, food and customs generally classify someone as a 'belonger'. Belongers generally come from the same or similar place (geographic location) at a similar period in time. They may, and most probably will, share the same language and religion (Salaff, 2003).

Jewish people in South Africa are an ethnic minority and many of them are entrepreneurs. Valdez (2003) described ethnic entrepreneurship as business ownership typically owned by immigrants and ethnic group members.

The Jewish people in South Africa can therefore be classified as an ethnic group. According to the census of 2011, there are approximately 75 550 Jews in South Africa. The first ethnic groups that were founded by Jews in South Africa were the Anglo-German Jews in the mid-nineteenth century (Shain, 2011).

Furthermore there was a strong foundation of Jews that had the same heritage, which as previously explained, leads to the formation of ethnic groups and ties. These Jews were known as Litvaks, who were from Eastern Europe and settled in South Africa in the mid-1900s (Shain, 2011). However, Shain went on to state that the Anglo-German Jews settled in the Cape in 1806. The Litvaks were thus classified as the newcomers.

For the purpose of this study, going forward more information about the Jewish entrepreneurs of South Africa will be gathered through the surveys that will be explained in the methodology, as there was very little academic information provided to further this particular study.

2.8 Conclusion

Throughout this chapter many different elements have been discussed, starting with the fundamentals and basis of entrepreneurship, what it is and how it has evolved, and all the different interpretations of the meaning. Building on this base the author has provided a good feeling for the types of entrepreneurs and how each style has its own attributes. The chapter then looked at the South African context and provided an in-depth understanding as to how entrepreneurship contributes to economic growth and the current level of entrepreneurship, by providing the TEA results and the impact the World Cup had on South Africa's economy. The author used success as a measurement for the purpose of this study. The definitions and elements of success were described and expanded to generate an understanding of how the entrepreneurs will be measured. Narrowing the study down by defining culture and ethnic groups enables one to get an overview of the people under view while building on one of the major constructs of this study. Jewish entrepreneurs are the subject of review and how their behaviours are based on their cultural values and norms influence their ability to be successful. The Jewish nation's ethnic community and how its co-ethnic counterparts are a major contributor to the success of ethnic groups provides insight into the perceived success of the Litvak Nation.

The following chapter will discuss the propositions/hypotheses that the study aims to prove or reject and how each one will be measured. It will then go on to the research itself and the methods and techniques used to gather and evaluate information.

Chapter 3: Research Propositions

3.1 Introduction

The literature review has discovered that there are many different types of entrepreneurship and many ways that enable the reader to gain a better understanding of success and culture and how all these different constructs have an impact on a particular social or cultural group. The following four research questions were tested in order to gain insight into the research questions of this study. Through this the author will enlighten the reader on what the causes are that enable the Jewish entrepreneurs to be deemed so successful.

When defining success for the purpose of this study it will be broken down into two variables.

- Growth - this is measured in the increase or decrease of employees from the formation of the company up to its current position.
- Turnover - if an organisation has a turnover greater than R2,000,000 it will be classified as successful for the purpose of this study.

3.2 Research Questions

1. What demographic characteristics are evident in the successful Jewish entrepreneurs in South Africa?
2. How has the Jewish community enabled/helped the success of Jewish businesses in South Africa?
3. What are the key elements of focus within a successful Jewish-owned business?
4. What diverse factors contribute to the success of Jewish entrepreneurs?

Research Question 1

What demographic characteristics are evident in successful Jewish entrepreneurs in South Africa?

The author will test this research by discovering which of the successful entrepreneurs have used external financing from financial institutions and which used their own capital or borrowed it from family and friends. The author will also analyse the level of education of the entrepreneur as well as the gender and age of the entrepreneurs.

Research Question 2

How has the Jewish community enabled/helped the success of Jewish entrepreneurs in South Africa?

This will be analysed by analysing how many of the entrepreneurs have family involved in their organisation and how dependent they are on these people in order to keep the organisation alive.

Research Question 3

What are the key elements of focus within a successful Jewish owned business?

This will be explored by analysing if there is a direct correlation between the level of education and the success of the entrepreneurs. Then it will be seen if the number of hours that the entrepreneurs work are a direct link to growth (factor of success) and the amount of business experience the entrepreneur has.

Research Question 4

What diverse factors contribute to the success of Jewish entrepreneurs?

This question will be evaluated based on the amount of time the entrepreneur spends in different areas of the business. The author will elaborate on the key elements, ranging from hours spent at work, to getting more specifically into how many hours are spent on managing people, financial issues, operational issues and marketing and sales issues. All these factors play a major role in the success of business.

Chapter 4: Research Methodology

This chapter explains the route the researcher took in order to collect and analyse information to test the research propositions of the study and likewise answer the research questions. The information was gathered through questionnaires which were hand-delivered and e-mailed to Jewish entrepreneurs. For the purpose of this analysis, a non-probability sample was used in order to collect the primary data required. This allowed the author to have control over what elements may or may not be included in the sample at hand. The sample was taken from successful Jewish entrepreneurs in South Africa. The questionnaire's validity and reliability was tested using the Cronbach's Alpha study. A total of 50 questionnaires were sent out; of the 50 there was a response rate of 64%, i.e. 32 responses were available for use.

4.1 Research design

For the purpose and format of this proposal the research design that was applied to test the propositions of this study were quantitative in nature. Malhotra (2010) went on to define quantitative research as a methodology that seeks to quantify the data collected for a statistical analysis. The author elaborated that quantitative research is used over a large number of representative cases and is a structured method of data collection used in a statistical way. Saunders, Lewis and Thornhill (2009) explained that quantitative research is used for any data (such as a questionnaire) analysis procedure that generates the use of numerical data. Tharenou, Donohue and Cooper (2007) defined quantitative data as information that is a set of measured and observed variables.

This research design was exploratory in nature with a descriptive nature. The researcher was examining a problem or situation in order to gain a better insight and a better understanding of it (Malhotra, 2010). Saunders *et al.* (2009:140) provided information that said that exploratory research is useful when clarity on a specific problem is needed, and have developed three ways of conducting exploratory research:

1. Search of the literature

2. Interviewing 'experts' in the subject
3. Conducting focus group interviews

Exploratory research can be defined as the initial research that is done in order to clarify and give definition to a problem (Zikmund, 2003). The author promoted the thought that exploratory research is done even though the researcher is aware that further research will be required in order obtain definite evidence.

Primary data is data that has been collected specifically for the research problem at hand (Malhotra, 2010). This data was collected by the researcher by means of a questionnaire. Malhotra (2010) went on to further explain what exploratory research could be used for:

1. Formulate a problem or define a problem more precisely
2. Identify alternative courses of action
3. Develop hypothesis
4. Isolate key variables and relationships for further examination
5. Gain insights for developing an approach to the problem
6. Establish priorities for further research

4.2 Sampling method

The purpose of using a sampling method is to gather the most accurate information about the population at hand. Malhotra (2010:371) stated that a sample is “a subgroup of the element of the population selected for participation in the study.” He went on to state that a population is a specific subset of the universe in which the research problem lies, all sharing specific criteria that characterises the universe in which they belong.

A non-probability sampling technique was used so that the researcher had control over what elements may be included in the sample. This method of sampling was used as it was difficult to determine the number of successful Jewish entrepreneurs in the region of the study. Throughout South Africa there

is a wide spread of Jewish people, however there are many successful entrepreneurs in the Gauteng region. The initial sample of the entrepreneurs that were surveyed were identified through convenience sampling.

Convenience sampling, according to Malhotra (2010), is a non-probability sampling technique that attempts to obtain a sample of convenience elements. The interviewer is left with the decision of whom he wants to interview.

Saunders *et al.* (2009) stated that convenience sampling involves selecting those cases that are the easiest to obtain. Furthermore, Saunders *et al.* (2009) elaborated that this type of sampling is prone to bias as the cases only appear in the study due to the ease of collection.

The next technique that was used was Snowball sampling, which is used when it is difficult to gather or identify candidates of the desired population.

There is a method of doing this technique (2009:240):

1. Make contact with one or two cases in the population
2. Ask these cases to identify further cases
3. Ask the new cases to identify further new cases (and so on)
4. Stop when either no new cases are given or the sample is as large as is manageable.

The main problem here is to make the initial contact - once this is done all the cases (entrepreneurs in this instance) will relay the researcher on to more entrepreneurs and so the snowball effect takes place.

Malhotra (2010) explained this non-probability sampling technique where the first group of respondents is selected randomly and then they provide the interviewer with referrals of more candidates to add to the sample. This process may continue throughout all your referrals and this process can be done in sections or intervals.

In this study a sample size of 30-35 successful Jewish entrepreneurs were acquired to take part in the survey by means of the methods mention above.

A sample of 30-35 successful Jewish entrepreneurs was chosen to take part in this survey. The secondary research component of this study informed the sample selection pertaining to the criteria to be applied in selecting successful entrepreneurs. Based on a previous study of successful entrepreneurs, Govindasamy (2010) used the following two contracts that formed the criteria of the selection process. The two criteria are success factors and successful businesses. The success factors are divided into categories as follows:

- General management and business skills
 1. Hours worked per day
 2. Time spent on managerial functions per day
 3. Importance of business skills
 4. Market parameters in which the business operated
 5. Knowledge of what customers want

- Personal Factors
 1. Education
 2. Number of years business has existed
 3. Number of prior businesses started
 4. Entrepreneurial orientation
 5. Motivational factors
 6. Network of family and friends that are self-employed
 7. Involvement of family and friends in managing the business
 8. Reliance on family members to help run the business
 9. Following in the family tradition in the nature of the business

In order to group the sample into successful and unsuccessful categories, the researcher use two measures:

1. Turnover
2. Growth

- Finance and ownership of start-ups
 1. Where did the business originate?
 2. How was the company funded?
 3. Where would the business like to be in X amount of years?

4.3 Sample size

There must be 30 people or more in the survey, said Malhotra (2010), where $n=30$ or more it can be approximated by the normal distribution. A normal distribution is a statistical interface with a bell shaped appearance that is symmetrical. This implies that by interviewing 30 people or more the results will be a direct reflection of the entire population

4.4 Unit of analysis

The unit of analysis that was researched were the successful Jewish entrepreneur in the South African region. According to Tharenou *et al.* (2007), a unit of analysis can be divided into many different criteria for analysis:

1. Individuals - each person's response will taken as a separate source of information.
2. Dyads - the interaction of two people, for example a supervisor and a subordinate.
3. Groups - teams become the unit of analysis.
4. Organisations – the entire company becomes the single unit of analysis.
5. Industries - the unit is measured across specific industries, not companies or people.

For the purpose of this study the unit of analysis was individuals, specifically the successful Jewish entrepreneur in South Africa.

4.5 Population of relevance

The population of relevance consisted of Jewish entrepreneurs in South Africa. This population is approximately 75 555 people, according to the government information website. This was last updated in accordance with the 2011 census (South African Government, 2011). Saunders *et al.* (2009) defined a population as the entire set of cases from where the sample may be drawn or selected from.

4.6 Data collection process

The data was collected via a survey developed by the researcher, which was tailored for this specific topic. The survey is a popular way of gathering information on the “who”, “what”, “where” and the “how”, which shows that this specific method is useful for exploratory research.

The benefits with using a survey is that they collect lots of information for the sample or population in a very economical way. The survey method is easy to explain to the sample at hand and is easily understood by them.

Surveys are “interviews with a large number of respondents using a predesigned questionnaire” (Malhotra, 2010:145). The survey type used for this specific research was structured. This means that there was a pre-set, formal questionnaire in place that was asked in a prearranged manner, therefore the process was also direct. Malhotra (2009) further elaborated on some advantages and disadvantages of the survey method:

Advantages

1. The questionnaire is simple to administer.
2. The data that is collected from the surveys are reliable as the respondents are limited to the number of alternatives they can provide.
3. As all the questions are of a fixed response state they limit the variability in the results.
4. The data is easy and simple to code, sort and gather.

Disadvantages

1. The respondents might not be willing to provide the information required or they might not be able to provide the right answer due to the limitations of the survey.
2. Some respondents might not be willing to provide personal information.
3. Due to the nature of the survey with its fixed structure it may lose validity as it does not take into account the emotions and feelings of the respondents.
4. There could be some difficulty in wording the questionnaires.

The first step of collecting the data was to select successful Jewish entrepreneurs based on the following success criteria. As described by Chivuka, Raman and Ramachandra (2009), success can be defined either through financial or non-financial measures, however more often than not the financial measures are used in measuring success. This was the initial step in gathering data as there was a good relationship between the researcher and the selected entrepreneurs.

Once they had completed the surveys the snowball effect was used in order to generate more interest in the survey and to gain access to more of the population. The researcher personally delivered the surveys to the entrepreneurs as it showed good faith and allowed the researcher to meet these successful entrepreneurs and build relationships with them. This was a tool used to build a network for the researcher and was a perfect icebreaker and opportunity to gain access to entrepreneurs of this calibre.

4.7 Statistical analysis

The type of statistical analysis that was applied to process the data was descriptive in nature. According to Saunders *et al.* (2009), descriptive statistics provide the author with the information in a numerical way, allowing different variables to be compared with one another. Descriptive statistics are used to analyse and describe the characteristics of what the set or the individual data represents (Salkind, 2009). Saunders *et al.* (2009) went on to say that when statistics are used to describe a variable, they focus on two aspects:

1. Central Tendency

This gives a general impression of values which come across as common, middling or average. There are three ways to measure the central tendency.

- Mode - these are the values that will appear the most in the data set
- Median - this will be the mid-point of the data set once the ranking process has taken place
- Mean - this is the average of all the data gathered

The mode is generally used when the data that is being analysed are categorical in nature, and all the values can fit into one class.

The median is of use when dealing with extremely high figures and the researcher does not want to distort any of them.

Finally, when a test is done and the scores are not extremely high and they do not fall into specific categories, the mean is used

2. Dispersion

This shows how the data has been dispersed around the central tendency.

There are two ways to describe the dispersion:

- Inner quartile range - this is the difference in the middle 50% of the values that are used in the data set
- Standard deviation - this shows how far each unit of data is from the mean (average)

When using the central tendency and the dispersion options that have been defined and discussed above to analyse the data, the researcher was able to see what factors contributed the most to make these entrepreneurs so successful and how the other factors did not affect the entrepreneurs. By using these two types of measures the researcher gained a clear understanding of the success factors of the population under study.

From this the researcher was able to draw a conclusion based on statistical evidence and use it to either confirm or deny the belief, stories and the proposed propositions. The elements and calculations used for descriptive statistics is a group of statistical equations and tests that are performed on the data in order to generate useful information (Salkind, 2007).

Some tests that fall under the descriptive statistics:

- Anova - This compares the actual variation of the group to the expected outcome that is required
- Correlation – How two types of results or independent variables move in relation to one another
- Histogram – This is the graphical representation in a vertical fashion representing the data
- Moving average – They are used to identify a pattern in a moving trend
- Z-Test - This is where a normal distribution is applied and when one is dealing with large samples $n > 30$
- T-test – This assesses the statistical means of two groups and if they are different or not

4.8 Reliability

The reliability of the questionnaire was tested via the use of Cronbach's Alpha. Cronbach's Alpha was evaluated for the items in the scale used for questions 25, 26, 27 and 28, which used Likert scales.

For question 25

| Reliability Statistics | |
|------------------------|------------|
| Cronbach's Alpha | N of Items |
| .650 | 6 |

| Item-Total Statistics | | | | |
|---|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
| Increase size of existing business | 10.21 | 11.434 | .449 | .579 |
| Increase employment | 10.86 | 12.571 | .296 | .641 |
| Set up another business in different industry | 11.46 | 11.665 | .472 | .571 |
| Acquire other businesses in same industry | 11.18 | 12.597 | .359 | .614 |

| | | | | |
|-----------------------------|-------|--------|------|------|
| Merge with other businesses | 11.50 | 12.630 | .414 | .596 |
| Sell business | 11.39 | 13.433 | .296 | .634 |

A high internal reliability is seen for the variables that describe the future plans for the business as the respondents indicated. The Cronbach's alpha is 0.65.

Question 26

The Cronbach's Alpha for personal characteristics is shown in the table below:

| Reliability Statistics | |
|------------------------|------------|
| Cronbach's Alpha | N of Items |
| .588 | 9 |

| Item-Total Statistics | | | | |
|-----------------------------|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
| High level of achievement | 28.34 | 19.734 | .068 | .597 |
| Don't give up easily | 28.14 | 19.480 | .124 | .590 |
| Like challenge ^a | 28.38 | 18.172 | .290 | .563 |
| Optimistic | 28.52 | 16.330 | .496 | .513 |
| Like to work on own | 29.41 | 15.823 | .239 | .579 |

| | | | | |
|---------------------------|-------|--------|------|------|
| Quick to make a decision | 29.10 | 13.382 | .572 | .453 |
| Like to take high risks | 30.45 | 14.542 | .566 | .472 |
| Like to take medium risks | 29.59 | 15.751 | .287 | .559 |
| Like to take low risks | 29.86 | 18.409 | .003 | .656 |

The Cronbach's Alpha value was 0.588 which is low, but if the item "Like to take low risks" is removed, the Cronbach's Alpha value would increase to 0.656. The variable was removed and the Cronbach's Alpha rerun, and the results are shown below:

| Reliability Statistics | |
|-------------------------------|------------|
| Cronbach's Alpha | N of Items |
| .656 | 8 |

| Item-Total Statistics | | | | |
|------------------------------|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
| High level of achievement | 25.48 | 17.616 | .133 | .664 |
| Don't give up | 25.28 | 17.135 | .246 | .650 |

| | | | | |
|---------------------------|-------|--------|------|------|
| easily | | | | |
| Like a challenge | 25.52 | 16.401 | .287 | .641 |
| Optimistic | 25.66 | 14.448 | .529 | .588 |
| Like to work on own | 26.55 | 13.470 | .307 | .649 |
| Quick to make a decision | 26.24 | 11.904 | .562 | .555 |
| Like to take high risks | 27.59 | 12.823 | .583 | .557 |
| Like to take medium risks | 26.72 | 14.493 | .236 | .666 |

Thus, there was a high level of internal reliability.

Question 27

The Cronbach's Alpha for motivation to start a business is shown in the table below:

| Reliability Statistics | |
|------------------------|------------|
| Cronbach's Alpha | N of Items |
| .317 | 11 |

| Item-Total Statistics | | | | |
|-----------------------|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
| | | | | |

| | Deleted | Deleted | | |
|---|---------|---------|-------|------|
| Wanted greater freedom to adopt own approach to work | 27.71 | 17.323 | .182 | .263 |
| Had been out of work for a period of time | 29.96 | 19.147 | .075 | .310 |
| Always wanted to be my own boss | 27.57 | 18.402 | .138 | .286 |
| Wanted to make more money than was earning before | 27.61 | 16.544 | .283 | .216 |
| Had been made redundant | 30.21 | 20.619 | -.037 | .333 |
| Wanted to challenge myself | 27.82 | 18.893 | .071 | .312 |
| Was dissatisfied with previous job | 28.89 | 20.988 | -.179 | .445 |
| Wanted to develop previous experience/hobby into a business | 29.89 | 18.544 | .126 | .291 |
| Wanted to follow the example of someone I admired | 29.14 | 18.053 | .104 | .300 |
| Thought I would get more respect working for myself | 28.54 | 15.295 | .450 | .137 |
| Wanted to continue a | 29.07 | 17.772 | .087 | .310 |

| | | | | |
|------------------|--|--|--|--|
| family tradition | | | | |
|------------------|--|--|--|--|

The Cronbach's Alpha value of 0.317 was low, but if the item "Was dissatisfied with previous job" is removed, the Cronbach's Alpha value would increase to 0.445. The variable was not removed because the Cronbach's Alpha would still be small. Thus, there was no internal consistency on the scale for motivation.

Question 28

The Cronbach's Alpha for importance of business skills is shown in the table below:

| Reliability Statistics | |
|------------------------|------------|
| Cronbach's Alpha | N of Items |
| .767 | 7 |

| Item-Total Statistics | | | | |
|---|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
| Business linkages, industry clusters and networking | 18.17 | 13.592 | .457 | .748 |
| Computer literacy and access to the internet | 18.27 | 13.306 | .537 | .727 |
| Financial management, cash flow, pricing and | 17.73 | 13.582 | .738 | .693 |

| | | | | |
|------------------------------------|-------|--------|------|------|
| costing | | | | |
| Human resource management | 18.20 | 14.441 | .465 | .743 |
| Quality management | 18.00 | 15.172 | .479 | .742 |
| Role models (learning from others) | 18.73 | 12.961 | .651 | .701 |
| Good networks with suppliers | 17.70 | 16.700 | .159 | .798 |

There is a very high internal reliability with a Cronbach's Alpha of 0.767 for items describing the importance of business skills. The removal of the item "Good networks with suppliers" would result in an increase of the Cronbach's Alpha from 0.767 to 0.798. Since the increase was small and the coefficient was already high, the item was kept in the scale.

Chapter 5: Results

5.1 Introduction

This chapter aims to report back the results gathered from the questionnaires based on the research problem stated and will further go on to answer the research questions. The descriptive statistics below will show how the information was analysed and what was drawn out of the information.

5.2 Classification of data

As the literature review showed, the measurement of the success of these entrepreneurs will be classified into two categories, namely successful and less successful. The measure of success was based on two elements:

1. Turnover - for the purpose of this study the annual turnover of R2 000 000 was used as an indicator to classify the different companies into successful and less successful. If a company turned over more than R2 000 000, then it fell into the successful category and vice versa. This was done so that the entrepreneurs did not have to state the exact turnover as many would be reluctant to do so.
2. Growth - growth was measured by the increase/decrease in the number of employees from the companies' inception birth.

As the statistics will show, 84% of the businesses had an annual turnover of greater than R2 000 000 and the remaining 16% were less than R2 000 000. This means that 27 of the 32 companies were classified in the successful group and five were in the less successful group.

The statistics will further show the growth of the companies in question.

5.3 Demographic Information

The sample consisted of 32 respondents. Of those, 91% were male and the other 9% were female.

□

Gender of Respondents

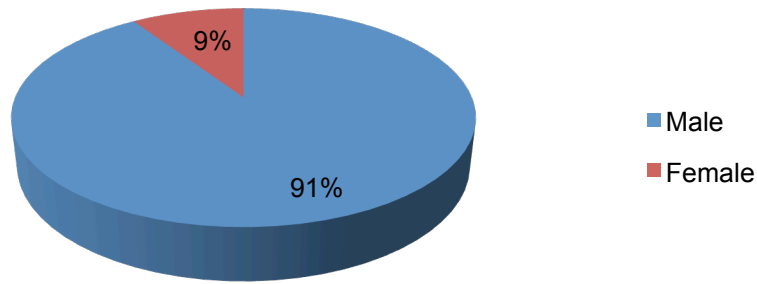


Figure 1: Gender of respondents
5.4 Nature of Business Industry

The largest proportion of the respondents (44%) had businesses in the services industry, followed by 19% in the food industry, 13% in manufacturing, 9% in hardware, 6% apiece in clothing, agriculture, energy and construction, and the lowest proportion in the jewellery business.

□

Nature of Business Industry

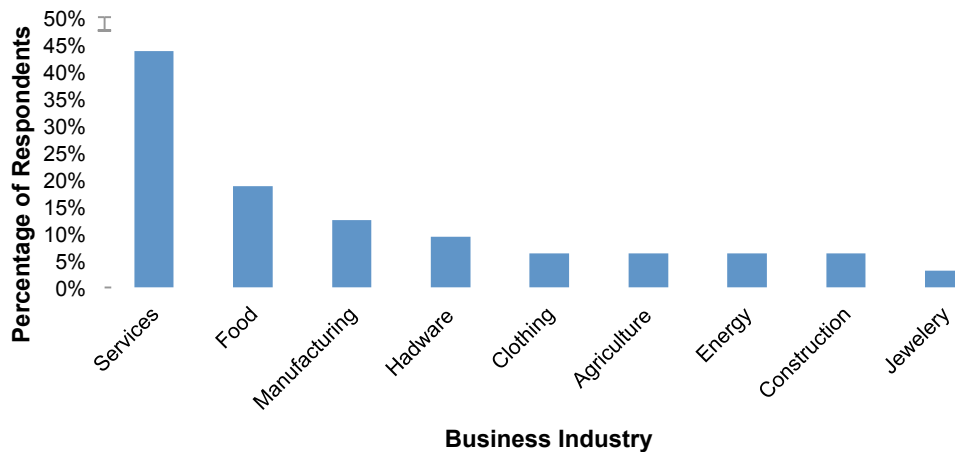


Figure 2: Nature of business industry

5.5 Age

The average age of the interviewed Jewish business people was 45.94 years, with a standard deviation of 13.83 years. The youngest entrepreneur was 24 years old and the oldest was 85 years old.

Table 2: Age of respondents

| Descriptive Statistics | | | | | |
|------------------------|----|---------|---------|-------|----------------|
| | N | Minimum | Maximum | Mean | Std. Deviation |
| Age | 31 | 24 | 85 | 45.94 | 13.83 |

5.6 Highest Level of Academic Qualification

Respondents were asked about their highest level of academic qualification. 28.1% had matric, 12.5% had diplomas, 31.3% had degrees and the remaining 28.1% had postgraduate degrees.

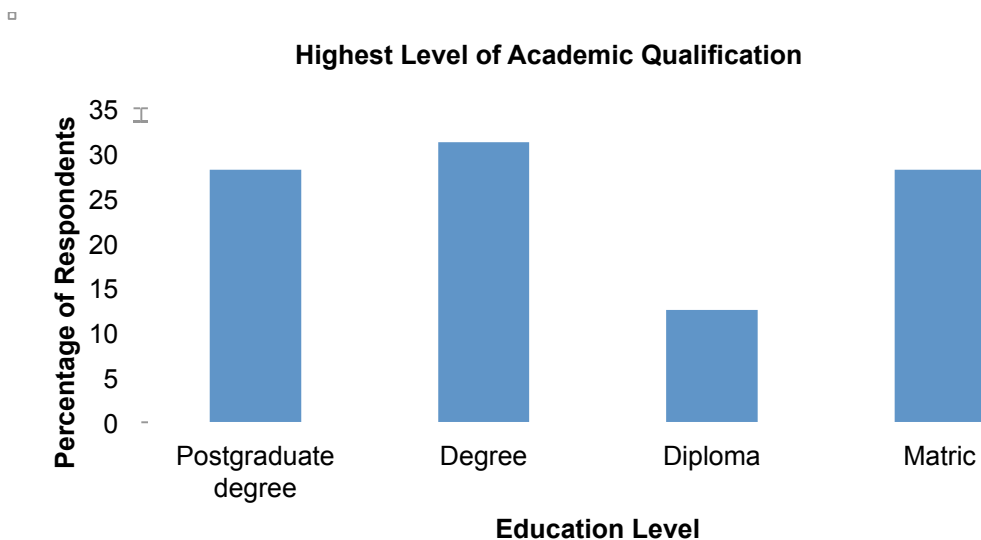


Figure 3: Level of education

5.7 Business age

On average, each business has been in existence for 20 years with a standard deviation of 23 years. The newest business was only a year old and the oldest has been in existence for 114 years.

Table 3: Age of business

| Descriptive Statistics | | | | | |
|------------------------|----|---------|---------|-------|----------------|
| | N | Minimum | Maximum | Mean | Std. Deviation |
| Years of existence | 32 | 1 | 114 | 20.00 | 23.12 |

Half of the respondents stated that the businesses that they currently own were their first businesses, whilst the others had started other businesses before.

□

First Business

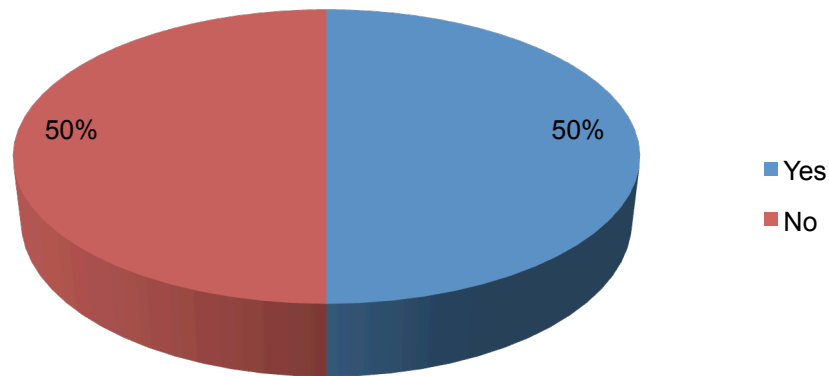


Figure 4: First business started

Of those who had started other businesses before, they on average started five businesses with a standard deviation of 7. The lowest number of businesses started was one and the highest was 30 businesses.

Table 4: Number of businesses started

| Descriptive Statistics | | | | | |
|------------------------------------|----|---------|---------|------|----------------|
| | N | Minimum | Maximum | Mean | Std. Deviation |
| Number of other businesses started | 16 | 1 | 30 | 5.13 | 7.070 |

5.8 Employees

A paired sample t-test was carried out to assess whether there is a difference in the number of employees that the respondents started business with and the current number of employees. The results are shown below:

Table 5: number of employees

| Paired Samples Statistics | | | | |
|----------------------------------|-----------------------------|--------|----|----------------|
| | | Mean | N | Std. Deviation |
| Pair 1 | Current number of employees | 143.90 | 30 | 308.421 |
| | Employees when you started | 32.47 | 30 | 96.089 |

| Paired Samples Test | | | | | | |
|----------------------------|--|--------------------|----------------|------|----|---------|
| | | Paired Differences | | t | df | P-Value |
| | | Mean | Std. Deviation | | | |
| Pair 1 | Current number of employees - Employees when you started | 111.43 | 224.36 | 2.72 | 29 | 0.011 |

The average number of employees increased from 32 to 144. The t-test for the difference between the number of employees that the respondents started business with and the current number of employees resulted in a t-value of 2.72 and a p-value of 0.05. The p-value is less than 0.05 (significance level) and thus the null hypothesis is rejected and the conclusion reached that there was an increase in the number of employees.

5.9 How the respondents became owners

Half of the respondents founded their businesses, 31% purchased their businesses, 9% inherited them, 3% worked in the businesses to gain equity, 3% were approached to become a partners, and another 3% renewed the businesses. The results are illustrated in the graph below:

□

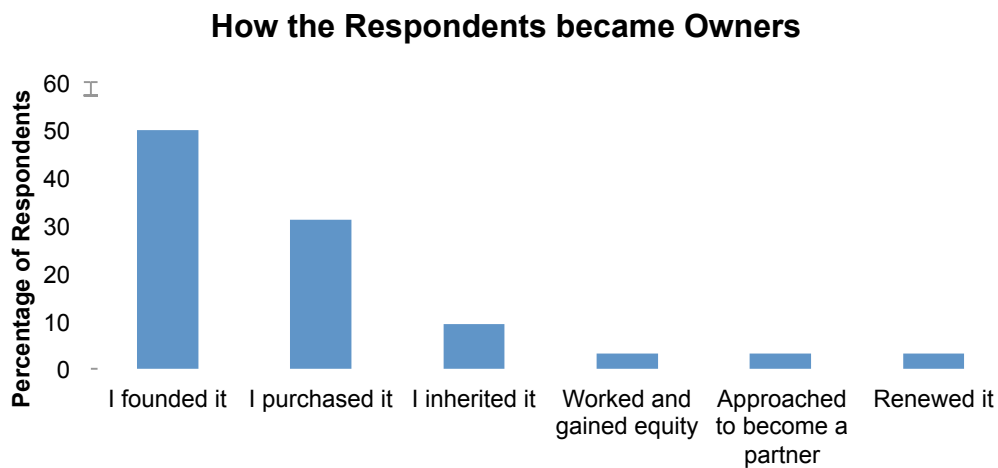


Figure 5: How the respondents became owners

5.10 Sources of Capital

Most of the respondents (56%) used their own capital to start their businesses, 34% used loans from commercial banks, 16% used loans from family, 9% used loans from friends, and 6% used venture capital. The results are summarised in the graph below:

□

Sources of Capital used in Starting a Business

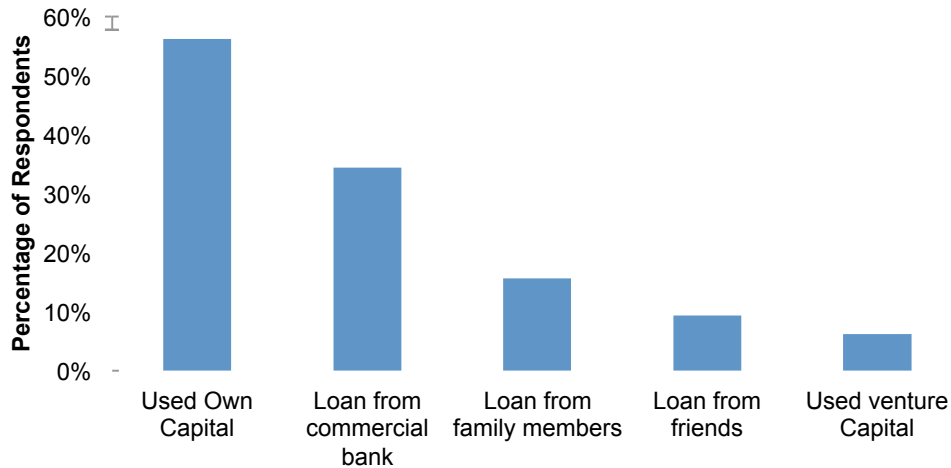


Figure 6: Source of capital used

5.11 Parents owned a business

Most of the Jewish business people (84%) came from families that owned businesses and the other 16% were from families who did not own businesses.

□

Parents Owned a Business

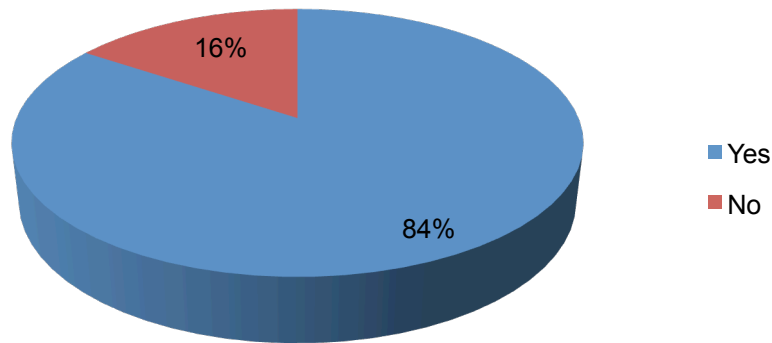


Figure 7: Parents who owned a business

Of the 27 respondents who had parents with businesses, 67% had businesses that were totally different from their parents, 15% had businesses that were moderately similar to their parents, 4% had businesses that were very similar to their parents and the remaining 15% had businesses exactly the same as their parents.

□

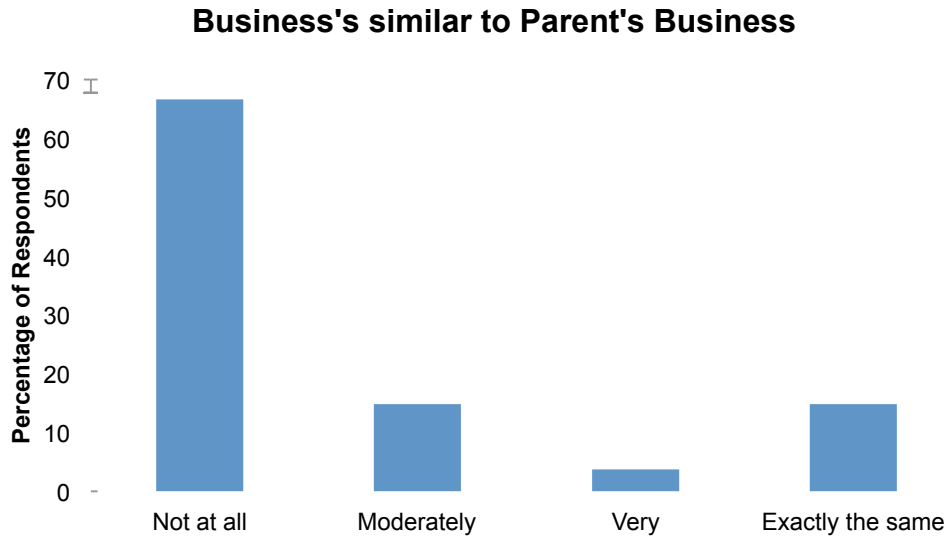


Figure 8: Business similar to parents

5.12 Family members involved in business

Respondents were asked if their family members were involved in their business and 34% said yes and the other 66% indicated that their family members were not involved in their businesses.

□

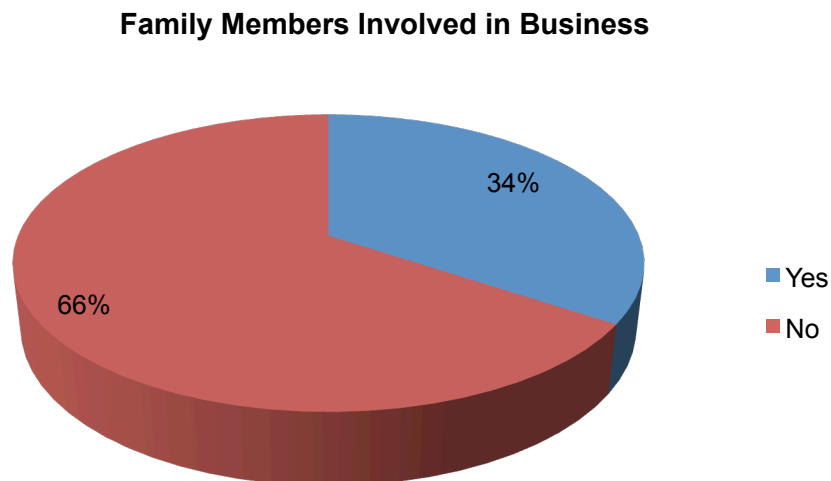


Figure 9: Family members involved in business

Of those who have family members involved in their businesses, 50% of those involved are sons, 12.5% daughters, 12.5% brothers-in-law, 12.5% husbands and another 12.5% fathers-in-law.

□

Who is involved

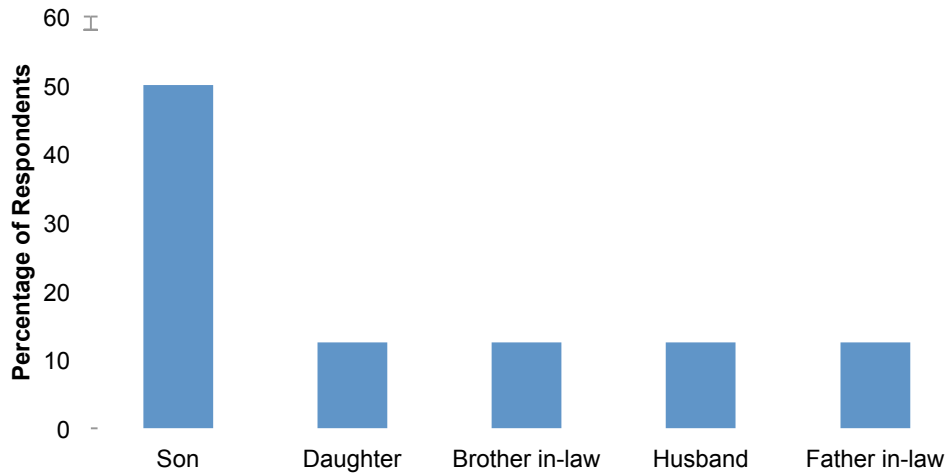


Figure 10: Who is involved?

The majority of the respondents (72%) do not depend on family at all to run their businesses, whilst 9% moderately depend on family, 13% are very dependent on family and the remaining 6% are extremely dependent on family.

□

Depend on Family to run the Business

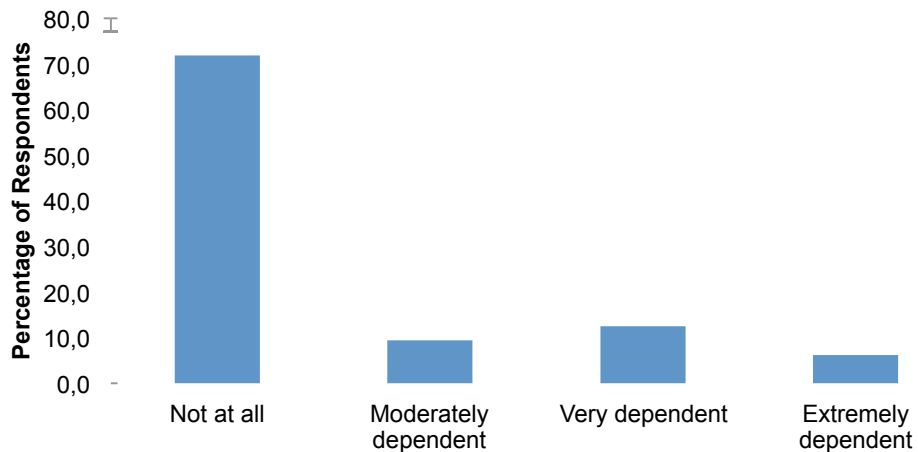


Figure 11: Depend on Family to run the Business

Most of the Jewish business people (87%) have a network of family and friends that are self-employed and only 13% do not have a network of family and friends that are self-employed.

□

Network of Family and Friends that are Self-Employed

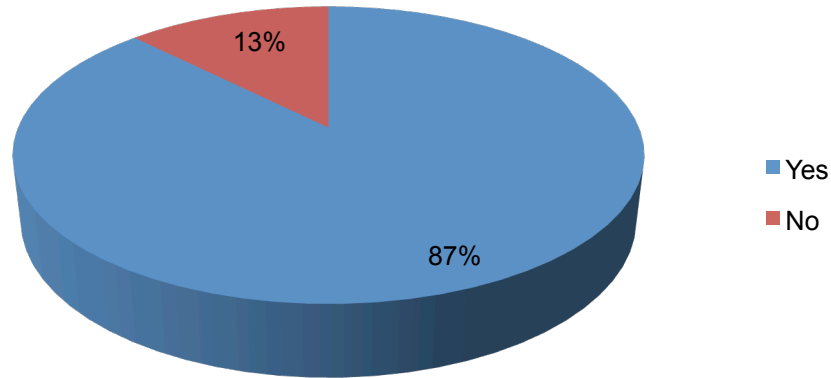


Figure 12: Network of family and friends that are self-employed

When asked to discuss the market in which they operate, 38% of the Jewish business people indicated that they compete with few competitors that are highly competitive, 31% with many competitors with fixed prices, 3% with many competitors with varying prices, another 3% with many competitors that are highly competitive and 3% of the respondents were not sure of the competitors that they compete with.

□

Description of the Market the Businesses Operate in

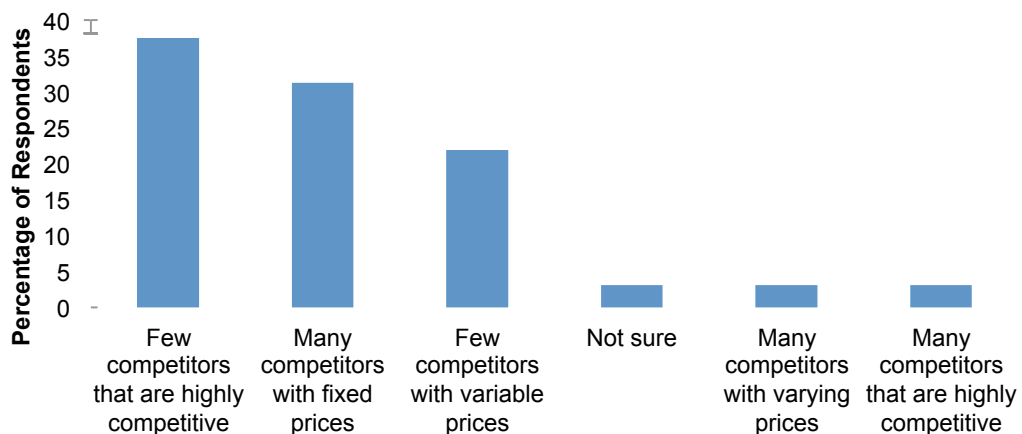


Figure 13: Description of the market the business operates in

Half of the respondents work between 11 and 15 hours a day and 9% work more than 15 hours a day. The pie chart below shows the distribution of number of hours that the business people work per day:

□

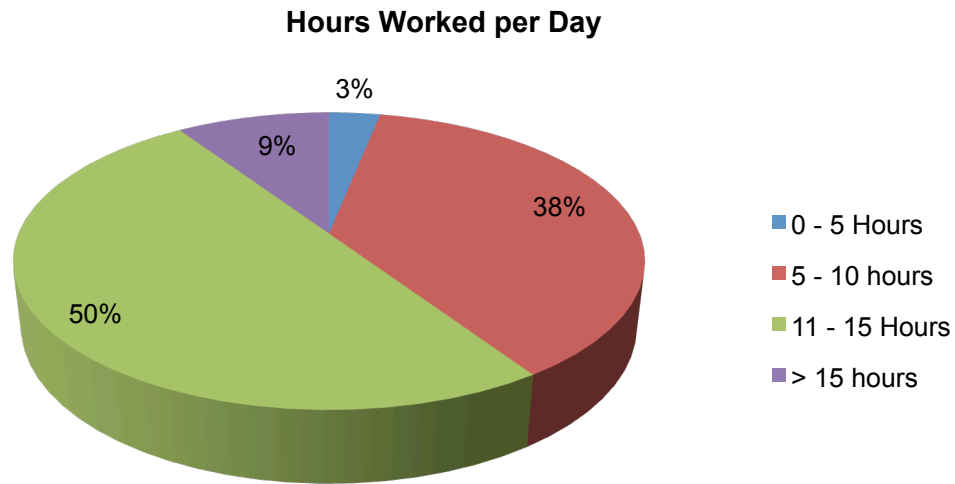


Figure 14: Hours worked per day

5.13 Time spent on different business activities

The largest proportion of respondents (41%) spend 0-1 hour per day on financial issues, 34% spend 2-3 hours and 24% spend more than 3 hours on this activity. The majority of respondents (57%) spend 2-3 hours on marketing/sales, 17% spend 0-1 hour and 27% spend more than 3 hours on marketing. Managing people has the highest proportion of respondents spending more than 3 hours on the activity. The rest of the distribution is shown in the graph below:

□

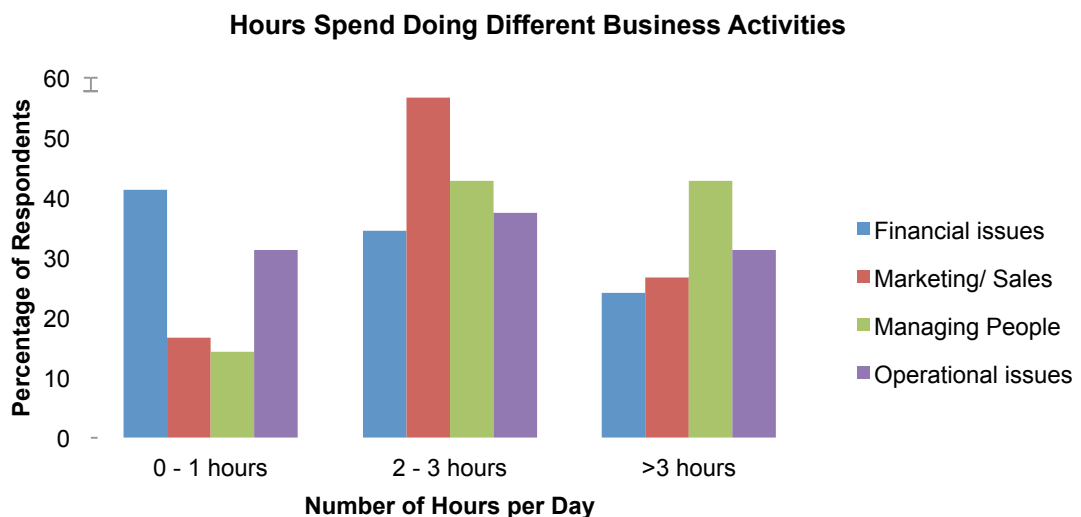


Figure 15: Hours spent on doing different business activities

Table 6: Hours spent on doing different business activities

| | | Business Activity | | | |
|---------------|-------------|-------------------|-----------------|-----------------|--------------------|
| | | Financial issues | Marketing/Sales | Managing People | Operational issues |
| Hours per Day | 0 - 1 hours | 41% | 17% | 14% | 31% |
| | 2 - 3 hours | 34% | 57% | 43% | 38% |
| | >3 hours | 24% | 27% | 43% | 31% |
| Total | | 100% | 100% | 100% | 100% |

5.14 How do you know what customers want?

The results revealed that Jewish business people mainly continuously ask customers what they want (52% strongly agree) and look at what the sales show them (50% strongly agree). The results are illustrated in the graph below:

□

Knowledge of What customers Want

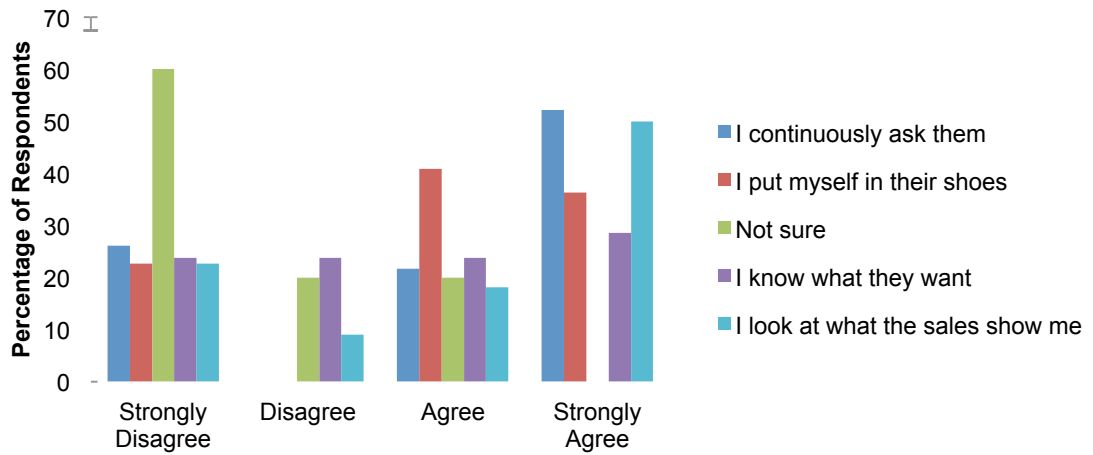


Figure 16: Knowledge of what customers want

Table 7: Knowledge of what customers want

| | I continuously ask them | I put myself in their shoes | Not sure | I know what they want | I look at what the sales show me |
|-------------------|-------------------------|-----------------------------|----------|-----------------------|----------------------------------|
| Strongly Disagree | 26% | 23% | 60% | 24% | 23% |
| Disagree | 0% | 0% | 20% | 24% | 9% |
| Agree | 22% | 41% | 20% | 24% | 18% |
| Strongly Agree | 52% | 36% | 0% | 29% | 50% |
| | 100% | 100% | 100% | 100% | 100% |

5.15 Annual Turnover

Most of the respondents (74%) have an approximate annual turnover above R5 million rands, followed by 23% with an annual turnover of between R2 million rands and R5 million rands, and the remaining 3% had annual turnover between R1 million and R2 million rands. There was no one with a business that had less than R1 million rand turnover. The results are indicated in the pie chart below:

□

Approximate Annual Turnover

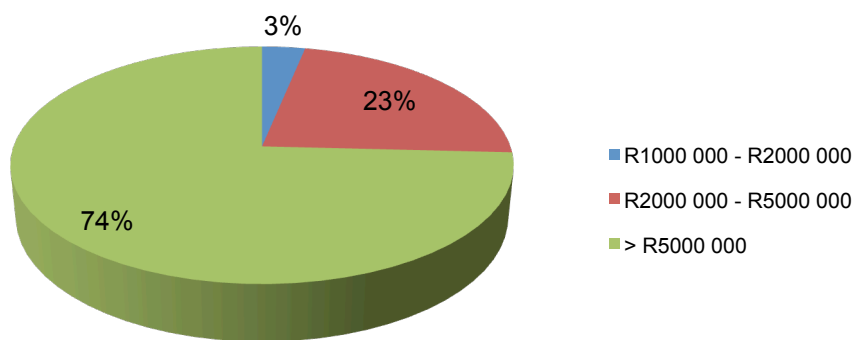


Figure 17: Approximate annual turnover 5.16 Value

The majority of the businesses (84%) had an approximate value above R2 million rands, followed by 10% of businesses with values between R1 million and R2 million, and the remaining 6% of businesses had an approximate value of less than R1 million rands.

□

Approximate Value

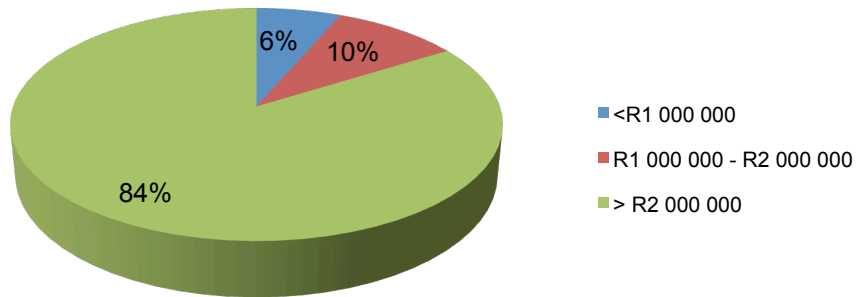


Figure 18: approximate value of the company
5.17 Financial Assistance in the last 12 months

More than half of the businesses (58%) required external financial assistance to meet their financial obligations in the last 12 months.

□

Required External Financial Assistance to meet Financial Obligations in the last 12 months

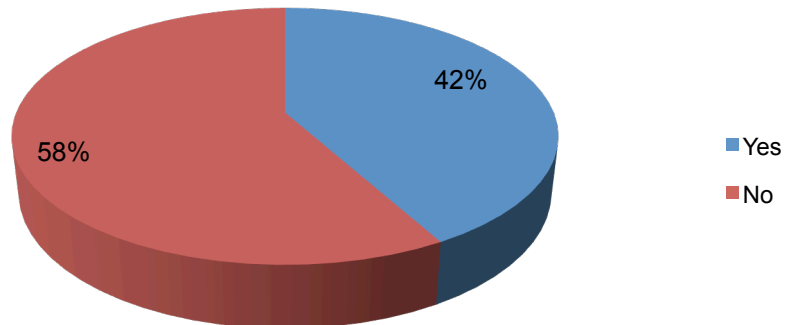


Figure 19: External financial assistance required in the last 12 months

5.18 Future plans for the Business

Most Jewish business people want to increase the size of their existing business (57% strongly agree), followed by to increase employment (32% strongly agree). On the other hand respondents do not want to merge with other businesses (54% strongly disagree) and they also would not want to set up another business in different industry (52% strongly disagree). The means are also shown in the table below:

□

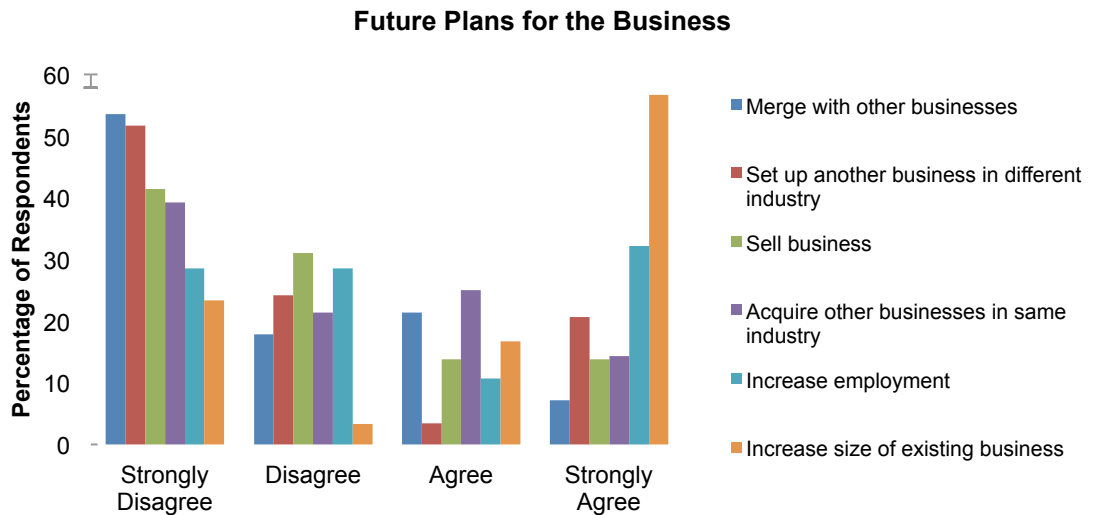


Figure 20: Future plans for the business

Table 8: Future plans for the business

| Descriptive Statistics | | | | | | |
|---|----|---------|---------|------|----------------|--|
| | N | Minimum | Maximum | Mean | Std. Deviation | |
| Increase size of existing business | 30 | 1 | 4 | 3.07 | 1.258 | |
| Increase employment | 28 | 1 | 4 | 2.46 | 1.232 | |
| Acquire other businesses in same industry | 28 | 1 | 4 | 2.14 | 1.113 | |
| Sell business | 29 | 1 | 4 | 2.00 | 1.069 | |
| Set up another business in different industry | 29 | 1 | 4 | 1.93 | 1.193 | |

| | | | | | |
|-----------------------------|----|---|---|------|-------|
| Merge with other businesses | 28 | 1 | 4 | 1.82 | 1.020 |
|-----------------------------|----|---|---|------|-------|

5.19 Personal Characteristics

The respondents were asked to rate a list of personal characteristics on a scale of 1 to 5, where 1 was strongly disagree and 5 was strongly agree. A one sample t-test was carried out against the midpoint of the scale (3) for each characteristic. The null hypothesis for each characteristic was that the respondents neither agree nor disagree with the characteristic (mean of characteristic = 3) and the alternative hypothesis was that the respondents either agree or disagree. The tests were thus two-tailed. The results are shown below:

Table 9: personal characteristics

| One-Sample Statistics | T- Test against the Midpoint of the scale = 3 | | | | | |
|---------------------------|---|------|----------------|--------|----|---------|
| | N | Mean | Std. Deviation | t | df | P-Value |
| High level of achievement | 31 | 4.39 | 0.495 | 15.598 | 30 | 0.000 |
| Don't give up easily | 32 | 4.63 | 0.492 | 18.689 | 31 | 0.000 |
| Like a challenge | 32 | 4.34 | 0.653 | 11.641 | 31 | 0.000 |
| Optimistic | 32 | 4.28 | 0.813 | 8.920 | 31 | 0.000 |
| Like to work on own | 32 | 3.34 | 1.335 | 1.457 | 31 | 0.155 |

| | | | | | | |
|---|--------|----------|-------|--------|----|-------|
| Quick to make a decision | 3 2 | 3.6 9 | 1.230 | 3.163 | 31 | 0.003 |
| Like to take high risks | 3 2 | 2.4 7 | 1.191 | -2.523 | 31 | 0.017 |
| Like to take medium risks | 3 0 | 3.1 7 | 1.262 | 0.724 | 29 | 0.475 |
| Like to take low risks | 3 0 | 2.9 0 | 1.348 | -0.406 | 29 | 0.687 |
| 1=Strongly Disagree, 2=Disagree, 3=Unsure, 4=Agree and 5=Strongly Agree | | | | | | |

The respondents agreed with the characteristics “High level of achievement” “Don’t give up easily”, “Like a challenge”, and “Optimistic”. These characteristics had a mean greater than the mid-point of the scale and a p-value of the t-test less than 0.05. This implies that the null hypothesis is rejected in favour of the alternative hypothesis at 5% significance level. The rest of the characteristics had a p-value greater than 0.05, implying that the respondents were unsure about those characteristics.

5.20 Motivation to start a business

One sample t-tests were also carried out for motivation to start a business. The null hypothesis for each factor was that the respondents neither agree nor disagree with the factor (mean of factor = 3) and the alternative hypothesis was that the respondents either agree or disagree. The results are shown below:

Table 10: Motivation to start a business

| One-Sample Statistics | T- Test against the Midpoint |
|-----------------------|------------------------------|
|-----------------------|------------------------------|

| | | | | of the scale = 3 | | |
|---|----|----------|-----------------------|------------------|----|---------|
| | N | Me an | Std. Deviati on | T | df | P-Value |
| Always wanted to be my own boss | 31 | 4.10 | 1.012 | 6.036 | 30 | 0.000 |
| Wanted to make more money than was earning before | 30 | 4.07 | 1.172 | 4.983 | 29 | 0.000 |
| Wanted greater freedom to adopt own approach to work | 31 | 4.00 | 1.211 | 4.597 | 30 | 0.000 |
| Wanted to challenge myself | 31 | 3.87 | 1.056 | 4.590 | 30 | 0.000 |
| Thought I would get more respect working for myself | 30 | 3.00 | 1.203 | 0.000 | 29 | 1.000 |
| Was dissatisfied with previous job | 29 | 2.79 | 1.473 | -0.756 | 28 | 0.456 |
| Wanted to continue a family tradition | 30 | 2.60 | 1.380 | -1.588 | 29 | 0.123 |
| Wanted to follow the example of someone I admired | 29 | 2.55 | 1.270 | -1.901 | 28 | 0.068 |
| Wanted to develop previous experience/hobby into a business | 30 | 1.90 | 1.155 | -5.216 | 29 | 0.000 |
| Had been out of work for | 3 | 1.6 | 0.964 | -7.763 | 29 | 0.000 |

| | | | | | | |
|----------------------------|--------|----------|-------|---------|----|-------|
| a period of time | 0 | 3 | | | | |
| Had been made redundant | 2 9 | 1.4 1 | 0.568 | -15.038 | 28 | 0.000 |

The results shows that the respondents agree with “Always wanted to be my own boss”, “Wanted to make more money than was earning before”, “Wanted greater freedom to adopt own approach to work”, and “Wanted to challenge myself” as the motivation factors that inspired them to start businesses. This is because the factors have a mean rating greater than 3 and p-values of t-test less than 0.05.

There is no significant difference between the mid-point of the scale and the mean of the factors “Was dissatisfied with previous job”, “Wanted to continue a family tradition”, and “Wanted to follow the example of someone I admired”, because the p-value of the t-test is greater than 0.05 and thus the null hypothesis cannot be rejected.

On the other hand, the respondents disagreed with “Wanted to develop previous experience/ hobby into a business”, “Had been out of work for a period of time”, and “Had been made redundant”, because the factors had a mean rating less than the mid-point on the scale (3) and p-values less than 0.05.

5.21 Importance of business experience

□

Importance of Business experience

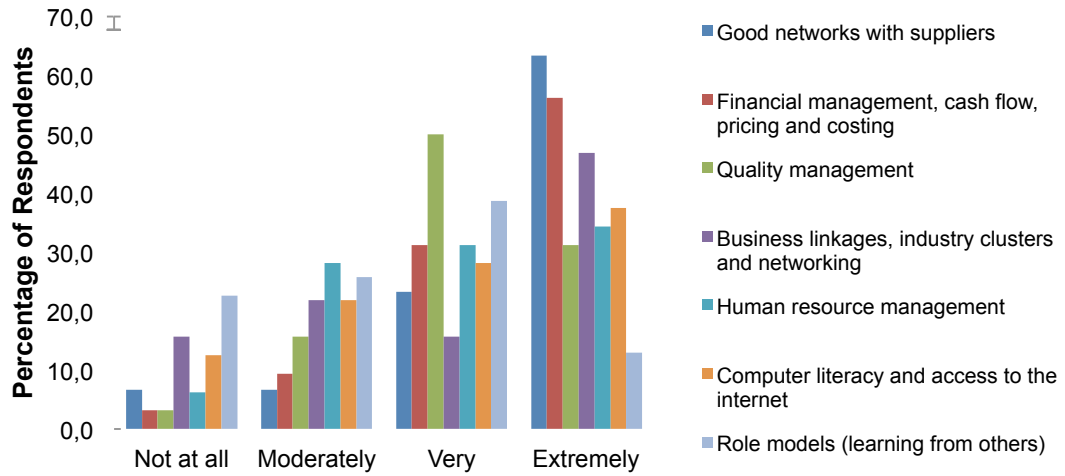


Figure 21: Importance of business experience

Table 11: Importance of business experience

| | Good networks with suppliers | Financial management, cash flow, pricing and costing | Quality management | Business linkages, industry clusters and networking | Human resource management | Computer literacy and access to the internet | Role models (learning from others) |
|------------|------------------------------|--|--------------------|---|---------------------------|--|------------------------------------|
| Not at all | 7% | 3% | 3% | 16% | 6% | 13% | 23% |
| Moderately | 7% | 9% | 16% | 22% | 28% | 22% | 26% |

| | | | | | | | |
|-----------|-----|-----|-----|-----|-----|-----|-----|
| Very | 23% | 31% | 50% | 16% | 31% | 28% | 39% |
| Extremely | 63% | 56% | 31% | 47% | 34% | 38% | 13% |

5.22 Importance of business skills

Most Jewish business people view managing good networks as a very vital skill in their businesses (63% of the respondents mentioned that it is extremely important). This is followed by financial management, cash flow, pricing and costing (56% mentioned it as extremely important), then business linkages, industry clusters and networking (47% mentioned it as extremely important). The least regarded business skill is looking up to role models (learning from others) because only 13% mentioned it as extremely important and 23% mentioned it as not important at all. The results are shown in the graph below:

□

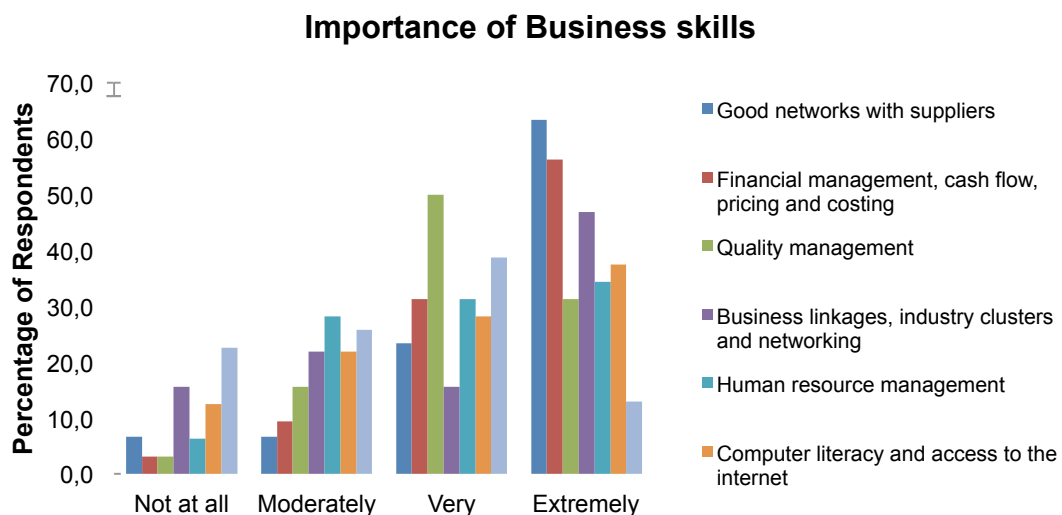


Figure 22: Importance of business skills

Table 12: Importance of business skills

| | | | | | | | |
|--|------|-----------|------|----------|------|----------|------|
| | Good | Financial | Qual | Business | Huma | Computer | Role |
|--|------|-----------|------|----------|------|----------|------|

| | networks with suppliers | management, cash flow, pricing and costing | inventory management | linkages, industry clusters and networking | human resource management | literacy and access to the internet | models (learning from others) |
|------------|-------------------------|--|----------------------|--|---------------------------|-------------------------------------|-------------------------------|
| Not at all | 7% | 3% | 3% | 16% | 6% | 13% | 23% |
| Moderately | 7% | 9% | 16% | 22% | 28% | 22% | 26% |
| Very | 23% | 31% | 50% | 16% | 31% | 28% | 39% |
| Extremely | 63% | 56% | 31% | 47% | 34% | 38% | 13% |

Chapter 6: Discussion of Results

The aim of this study was to determine the critical success factors of Jewish entrepreneurs by analysing the results of the questionnaires that were completed by these entrepreneurs for the primary purpose of this study. The author aimed to link the findings and results to the literature review where possible and to either confirm the proposed propositions or discover no linkages.

The purpose of this chapter will be to discover the links and correlations between specific variables and success, with success being one of the major constructs of this paper. As the author previously mentioned, success will be measured on two variables, the first being turnover and the second being growth.

Respondents were split into two groups - those who are successful and those who are less successful. Tarricine and Luca (2002:54) stated that business success specifically means profit generation. For this study, successful entrepreneurs were those who had an approximate turnover of more than R2 million rands and increased their headcount by at least three employees per year since their year of inception. Of all the respondents, 30 out of 32 indicated the number of employees both at the start of their business and their current number of employees. In terms of turnover, 31 respondents indicated their approximate annual turnover. Combining the two variables, 11 respondents had an annual increase in the number of employees of at least three and an annual turnover above R2 million, so were thus considered to be successful entrepreneurs in this study. On the other hand, 19 respondents had either an annual increase of less than three employees or an annual turnover below R2 million, so were thus considered to be less successful. Three entrepreneurs were excluded from this split, two of them because they did not indicate the number of employees at inception and the other one because they did not indicate their annual turnover.

6.1 Research Questions and outcome

This study consisted of four propositions. Throughout this chapter the author will attempt to develop a link between the literature and the results to determine

if this study has answered the research propositions, or at some point challenged the literature or shown supporting correlations between what has been found.

The author used Microsoft Excel to develop t-tests, Spearman's Correlation Analysis and other basic descriptive statistics in order to analyse the data and present the logical findings.

Research Questions

1. What demographic characteristics are evident amongst successful Jewish entrepreneurs in South Africa?
2. How has the Jewish community enabled/helped the success of Jewish businesses in South Africa?
3. What are the key elements of focus within a successful Jewish-owned business?
4. What diverse factors contribute to the success of Jewish entrepreneurs?

Research Question 1

The author tested how many of the entrepreneurs had used external funding from financial institutions in order to raise capital, and how many of them either used their own or borrowed from family and friends. The author will also show the education levels of the entrepreneurs, age, gender and some personal factors about the entrepreneurs

Required External Financial assistance

The table below indicates the proportion of businesses that required financial assistance in the past 12 months.

Table 13: External financial assistance required

Required External Financial assistance * Success Cross tabulation

| | | Success | | | | | |
|---|-----|-----------------|----------------|---------------|----------------|---------------|----------------|
| | | Less Successful | | Successful | | Total | |
| | | Freque ncy | Percent age | Freque ncy | Percent age | Freque ncy | Percent age |
| Required External Financial assistanc e | Yes | 6 | 33% | 6 | 55% | 12 | 41% |
| | No | 12 | 67% | 5 | 45% | 17 | 59% |
| Total | | 18 | 100% | 11 | 100% | 29 | 100% |

A greater proportion of the successful entrepreneurs (55%) required financial assistance to meet their financial obligations in the past 12 months compared to 33% for the less successful entrepreneurs.

This shows that more successful entrepreneurs tend to borrow money for the funding and financial support of their companies. Fuller-Love *et-al.* (2006) have shown that ethnic and minority entrepreneurs face challenges of having very limited access to resources like finance, and mentioned that ethnic entrepreneurs generally rely on their own social groups' capital and rely on members within their community to help them. On the contrary, Arewa (2008) showed that ethnic entrepreneurs are able to access resources more easily due to networks and kinship within their communities.

The following section describes the origin of financial resources

Source of capital

56% of the entrepreneurs used their own capital to fund their business. 34% used financial institutions such as banks, 16% borrowed money from family, 9% from friends and the remaining 6% used venture capital. The results are displayed in figure 5.

These results clearly show that the majority of the entrepreneurs use their own capital, and by having stock in the business they have more to lose at the end of the day, thus confirming the literature's view on entrepreneurship and the level of calculated risk taking (Dana, 2007).

Level of education

When looking at education levels it is clear that the successful entrepreneurs are 35% more educated than the less successful ones.

The academic education composition of the respondents is indicated in shown the table below:

Table 14: Level of education in the success groups

Academic Qualification * Success Cross tabulation

| | Success | | | | | |
|---------------------|-----------------|------------|------------|------------|-----------|------------|
| | Less Successful | | Successful | | Total | |
| | Frequency | Percentage | Frequency | Percentage | Frequency | Percentage |
| Matric | 8 | 44% | 1 | 9% | 9 | 31% |
| Diploma | 2 | 11% | 2 | 18% | 4 | 14% |
| Degree | 3 | 17% | 5 | 45% | 8 | 28% |
| Postgraduate degree | 5 | 28% | 3 | 27% | 8 | 28% |
| Total | 18 | 100% | 11 | 100% | 29 | 100% |

The successful group were on average (35%) more educated (with a diploma and higher qualification) than the less successful group, which had 44% with matric only. This is supported by Mitchel (2006), who discussed types of education in entrepreneurship.

Importance of business skills

Independent samples t-tests were conducted to assess

whether there was a significance difference in the importance attached to different business skills for successful entrepreneurs compared to the less successful ones. The rating questions were out of 4 and the results are shown below:

Table 15: Importance of business skills

| Group Statistics | | | | | t-test for Equality of Means | |
|---|-----------------|----|------|----------------|------------------------------|---------|
| Success | | N | Mean | Std. Deviation | T | P-Value |
| Business linkages, industry clusters and networking | Less Successful | 18 | 2.83 | 1.339 | 0.178 | 0.860 |
| | Successful | 11 | 2.91 | .944 | | |
| Computer literacy and access to the internet | Less Successful | 18 | 2.89 | 1.132 | -0.166 | 0.869 |
| | Successful | 11 | 2.82 | 1.079 | | |
| Financial management | Less Successful | 18 | 3.28 | 0.895 | 0.560 | 0.580 |

| | | | | | | |
|--|--------------------|--------|------|-------|-------|-------|
| , cash flow, pricing and costing | Less Successful | 1 1 | 3.45 | 0.688 | | |
| | Successful | 1 1 | | | | |
| Human resource management | Less Successful | 1 8 | 2.83 | 1.043 | 0.963 | 0.344 |
| | Successful | 1 1 | 3.18 | 0.751 | | |
| Quality management | Less Successful | 1 8 | 3.06 | 0.873 | 0.758 | 0.455 |
| | Successful | 1 1 | 3.27 | 0.467 | | |

There is no significance difference between the importance attached to all the business skills between the successful and the less successful entrepreneurs, since all the p-values of the t-tests were greater than 0.05.

Gender

The gender composition of the respondents is indicated in the below:

Table 16: Gender in the success group

Gender * Success Cross tabulation

| | | Success | | | | | |
|--------|--------|-----------------|------------|------------|------------|-----------|------------|
| | | Less Successful | | Successful | | Total | |
| | | Frequency | Percentage | Frequency | Percentage | Frequency | Percentage |
| Gender | Male | 15 | 83% | 11 | 100% | 26 | 90% |
| | Female | 3 | 17% | 0 | 0% | 3 | 10% |
| Total | | 18 | 100% | 11 | 100% | 29 | 100% |

The results indicated that within the successful entrepreneurs, all of them (100%) were males, whilst the less successful were made up of 83% males and 17% females.

Age of respondents

Descriptive statistics were calculated to find age and frequencies for the 'age' variable. The average age of the respondents is are shown in the table below:

Table 17: Age of respondents

| Group Statistics | | | | | t-test for Equality of Means | |
|------------------|-----------------|-----------|-------|----------------|------------------------------|---------|
| Success | | Frequency | Mean | Std. Deviation | t | P-Value |
| Age | Less Successful | 18 | 46.00 | 14.138 | -0.333 | 0.742 |
| | Successful | 10 | 47.90 | 15.022 | | |

The successful group (47.9 years) is older than the less successful group (46 years), but the difference between the mean age groups is not significant at 5% significance level. This is because the t-test for the difference between means resulted in a t-value of -0.333 and a p-value of 0.0742, which is greater than 0.05 (significance level).

Research Question 2

This proposition will be tested by determining how many of the entrepreneurs have family involved in their current organisation and what their level of involvement is. This will show how networks through family input play a significant role in Jewish organisations and the ability to depend of the closest section of your co-ethnic group.

Family members involved in your business

Respondents were asked if their family were involved in their businesses and the results are shown below:

Table 18: Family involvement in the success groups

Family members involved in your business * Success Cross tabulation

| | | Success | | | | | |
|--|-----|-----------------|------------|------------|------------|-----------|------------|
| | | Less Successful | | Successful | | Total | |
| | | Frequency | Percentage | Frequency | Percentage | Frequency | Percentage |
| Family members involved in your business | No | 12 | 67% | 6 | 55% | 18 | 62% |
| | Yes | 6 | 33% | 5 | 45% | 11 | 38% |
| Total | | 18 | 100% | 11 | 100% | 29 | 100% |

The successful group of respondents indicated a higher involvement of family members in their business (67%) compared to 55% for the less successful group.

Thus the data reflects that the more successful organisations have a high level of family involvement. Now that there is a direct link between these variables the author will show the level of involvement versus the success level.

In the data gathered about the entrepreneurs' personal opinions, it was discovered that most Jewish business people view good networks as a very vital skill in their businesses (63% of the respondents mentioned that it is extremely important).

Dependent on family to run the business

The results on the dependence on family to run businesses are shown in the table below:

Table 19: Family dependance to run a successful business

Dependent on family to run the business * Success Cross tabulation

| | | Success | | | | | |
|---|----------------------|-----------------|------------|------------|------------|-----------|------------|
| | | Less Successful | | Successful | | Total | |
| | | Frequency | Percentage | Frequency | Percentage | Frequency | Percentage |
| Dependent of family to run the businesses | Not at all | 14 | 78% | 6 | 55% | 20 | 69% |
| | Moderately dependent | 2 | 11% | 1 | 9% | 3 | 10% |
| | Very dependent | 2 | 11% | 2 | 18% | 4 | 14% |

| | | | | | | | |
|-------|---------------------|----|------|----|------|----|------|
| | ent | | | | | | |
| | Extremely dependent | 0 | 0% | 2 | 18% | 2 | 7% |
| Total | | 18 | 100% | 11 | 100% | 29 | 100% |

Results revealed that the less successful group of respondents indicated that 78% were not at all dependent on family help to run their business, compared to the successful group at 55%. The successful group indicated a higher dependence on family help to run the business (45%) than the less successful group (22%).

Furthermore the data has shown the positive correlation between having family involved in the company and family having a large role in the organisation and the success rate of these businesses.

Network of family and friends that are self-employed

Results on whether the entrepreneurs have a network of family and friends that are self-employed are shown in the table below:

Table 20: Successful business with a network of family and friends that are self-employed

Network of family and friends that are self-employed * Success Cross tabulation

| | | Success | | | | | |
|------------|-----|-----------------|------------|------------|------------|-----------|------------|
| | | Less Successful | | Successful | | Total | |
| | | Frequency | Percentage | Frequency | Percentage | Frequency | Percentage |
| Network of | Yes | 15 | 83% | 10 | 91% | 25 | 86% |

| | | | | | | | |
|---|----|----|------|----|------|----|------|
| family and friends that are self employed | No | 3 | 17% | 1 | 9% | 4 | 14% |
| Total | | 18 | 100% | 11 | 100% | 29 | 100% |

The majority of entrepreneurs from both groups reported having a high percentage of family and friends that are self-employed, 91% for the successful group and 83% for the less successful group.

Of the successful group, the statistics have shown that 27% of the entrepreneurs inherited their current business as opposed to 0% of the unsuccessful group. This strengthens the argument and shows that the organisations that had a high family involvement were much more successful than the companies that did not.

91% of the successful entrepreneurs' parents also owned their own business, which shows the type of family culture and the nature of the families within the Jewish communities. This once again supports the literature on culture and the influence it has on Jewish entrepreneurs.

The above correlations show that a vast majority of the entrepreneurs have a network which they can tap into of family and friends with their own businesses and a substantial size network. Taras *et al.*, (2009) showed how culture is an element that is common to a specific set of individuals. These individuals are part of a group and stable society that has been well known for a long period of time. This shows the strength of the Jewish communities' ties and how close this ethnic group is. Arewa (2008) stated that culture is the spinning of a web that creates a shared significance between its members. Furthermore, it is evident that co-ethnic community support for one another is strong, which backs up the literature by Salaff (2003) which stated that co-ethnics help and support each other.

First business you started

The table below shows the proportion of respondents who have their current business as the first business and those who have started other business by success group:

Table 21: Is this your first business?

Is this your first business * Success Cross tabulation

| | | Success | | | | | |
|-------------------------------------|-----|-----------------|----------------|---------------|----------------|---------------|----------------|
| | | Less Successful | | Successful | | Total | |
| | | Frequen cy | Percent age | Freque ncy | Percent age | Freque ncy | Percent age |
| First business you started | Yes | 11 | 61% | 4 | 36% | 15 | 52% |
| | No | 7 | 39% | 7 | 64% | 14 | 48% |
| Total | | 18 | 100% | 11 | 100% | 29 | 100% |

The majority of the successful entrepreneurs (64%) have started other business whilst on the other hand majority on less successful entrepreneurs (61%) have their current businesses as their first business.

How the Entrepreneurs Became Owners

The table below shows an indication of how the respondents became owners of the businesses.

Table 22: How the entrepreneurs became owners

How you became an owner * Success Cross tabulation

| | | Success | | |
|--|--|-----------------|------------|-------|
| | | Less Successful | Successful | Total |
| | | | | |

| | | Freque ncy | Percent age | Freque ncy | Percent age | Freque ncy | Percent age |
|-----------------------------------|-----------------------|---------------|----------------|---------------|----------------|---------------|----------------|
| How you beca me owner | I purchase d it | 8 | 44% | 2 | 18% | 10 | 34% |
| | I founded it | 9 | 50% | 6 | 55% | 15 | 52% |
| | I inherited it | 0 | 0% | 3 | 27% | 3 | 10% |
| | Renewed it | 1 | 6% | 0 | 0% | 1 | 3% |
| Total | | 18 | 100% | 11 | 100% | 29 | 100% |

In both of the comparable groups the highest proportion of respondents founded the businesses. The successful group was at 55% and the less successful group at 50%. On purchasing the business the less successful entrepreneurs indicated a higher percentage at 44% compared to the successful entrepreneurs at 18%. The successful group had a higher proportion of those who inherited their business (27%) compared to 0% for the less successful.

Did the entrepreneur's parents own a business?

The distribution of the respondents on whether their parents owned businesses or not and the success of their businesses is shown in the table below:

Table 23: Did the entrepreneur's parents own a business?

Parents owned a business * Success Cross tabulation

| | | Success | | | | | |
|--------------------------|-----|-----------------|------------|------------|------------|-----------|------------|
| | | Less Successful | | Successful | | Total | |
| | | Frequency | Percentage | Frequency | Percentage | Frequency | Percentage |
| Parents owned a business | Yes | 14 | 78% | 10 | 91% | 24 | 83% |
| | No | 4 | 22% | 1 | 9% | 5 | 17% |
| Total | | 18 | 100% | 11 | 100% | 29 | 100% |

The successful group indicated that 91% of their parents owned a business while 78% of the less successful group had parents that owned a business.

Similarity of business to parent's

The results on how the respondents rate their businesses similar to their parents' businesses are shown in the table below:

Table 24: Similarity of business to parent's

How is your business similar to your parent's business * Success Cross tabulation

| | | Success | | | | | |
|---|------------------------|-----------------|----------------|---------------|----------------|---------------|----------------|
| | | Less Successful | | Successful | | Total | |
| | | Frequ ency | Percen tage | Frequ ency | Percen tage | Frequ ency | Percen tage |
| How is your business similar to your parent's business | Not at all | 12 | 86% | 3 | 30% | 15 | 63% |
| | Moderat ely | 0 | 0% | 4 | 40% | 4 | 17% |
| | Very | 0 | 0% | 1 | 10% | 1 | 4% |
| | Exactly the same | 2 | 14% | 2 | 20% | 4 | 17% |
| Total | | 14 | 100% | 10 | 100% | 24 | 100% |

The majority of the less successful respondents (86%) indicated that their businesses were not at all similar to their parents compared to only 30% for the successful group. Of the successful group, 70% indicated that their businesses were either moderately, similar, very similar or exactly the same as their parent's business, compared to only 14% for the less successful.

Personal factors of entrepreneurs

An independent samples t-test was conducted to assess whether there was a significance difference between the personal factors of successful entrepreneurs compared to the less successful ones. The results are shown below:

Table 25: Personal factors of entrepreneurs

| Group Statistics | | | | | t-test for Equality of Means | |
|---------------------------|-----------------|----|------|----------------|------------------------------|---------|
| Success | | N | Mean | Std. Deviation | t | P-Value |
| High level of achievement | Less Successful | 18 | 4.39 | .502 | -.455 | .653 |
| | Successful | 10 | 4.30 | .483 | | |
| Don't give up easily | Less Successful | 18 | 4.44 | .511 | 2.180 | .039 |
| | Successful | 11 | 4.82 | .405 | | |
| Like a challenge | Less Successful | 18 | 4.33 | .767 | .116 | .908 |

| | | | | | | |
|---------------------------|-----------------|----|------|-------|-------|------|
| | Successful | 11 | 4.36 | .505 | | |
| Optimistic | Less Successful | 18 | 4.28 | .895 | .260 | .797 |
| | Successful | 11 | 4.36 | .809 | | |
| Like to work on own | Less Successful | 18 | 3.50 | 1.383 | -.436 | .667 |
| | Successful | 11 | 3.27 | 1.348 | | |
| Quick to make a decision | Less Successful | 18 | 3.83 | 1.339 | -.594 | .557 |
| | Successful | 11 | 3.55 | 1.128 | | |
| Like to take high risks | Less Successful | 18 | 2.28 | 1.227 | 1.202 | .240 |
| | Successful | 11 | 2.82 | 1.079 | | |
| Like to take medium risks | Less Successful | 17 | 2.71 | 1.263 | 2.385 | .025 |
| | Successful | 10 | 3.80 | .919 | | |
| Like to take low risks | Less Successful | 17 | 3.18 | 1.380 | -.696 | .493 |
| | Successful | 10 | 2.80 | 1.317 | | |

A negative t-value indicates that the less successful entrepreneurs agree with the factor more than the successful ones, and a positive t-value indicates that the successful agree more than the less successful. A p-value less than 0.05 indicates that the difference between the successful and the less successful is significant at 5% significance level and a p-value greater than 0.05 indicates that the difference is not significant.

The results show that successful entrepreneurs do not give up easily and they like to take medium risks more than their less successful counterparts.

Motivation for starting a business

Independent samples t-tests were also conducted to assess whether there was a significance difference between the motivation to start a business for successful entrepreneurs as compared to the less successful ones. The results are shown below:

Table 26: Motivation for starting a business

| Group Statistics | | | | | t-test for Equality of Means | |
|--|-----------------|----|------|----------------|------------------------------|---------|
| Success | | N | Mean | Std. Deviation | t | P-Value |
| Wanted greater freedom to adopt own approach to work | Less Successful | 17 | 4.24 | 1.251 | -1.479 | 0.151 |
| | Successful | 11 | 3.55 | 1.128 | | |
| Had been out of work for a period of time | Less Successful | 17 | 1.53 | .874 | 0.195 | 0.847 |
| | Successful | 10 | 1.60 | .966 | | |
| Always wanted to be my own boss | Less Successful | 17 | 4.00 | 1.225 | 0.440 | 0.664 |
| | Successful | 11 | 4.18 | .751 | | |

| | | | | | | |
|--|-----------------|----|------|-------|--------|-------|
| Wanted to make more money than was earning before | Less Successful | 17 | 4.06 | 1.298 | -0.324 | 0.749 |
| | Successful | 10 | 3.90 | 1.101 | | |
| Had been made redundant | Less Successful | 17 | 1.53 | .624 | -1.456 | 0.160 |
| | Successful | 9 | 1.22 | .441 | | |
| Wanted to challenge myself | Less Successful | 18 | 4.17 | .985 | -2.446 | 0.022 |
| | Successful | 10 | 3.20 | 1.033 | | |
| Was dissatisfied with previous job | Less Successful | 18 | 2.89 | 1.568 | -0.741 | 0.466 |
| | Successful | 9 | 2.44 | 1.236 | | |
| Wanted to develop previous experience/ hobby into a business | Less Successful | 17 | 1.82 | 1.131 | 0.166 | 0.869 |
| | Successful | 10 | 1.90 | 1.197 | | |
| Wanted to follow the example of someone I admired | Less Successful | 17 | 2.47 | 1.375 | 0.579 | 0.568 |

| | | | | | | |
|---|-----------------|----|------|-------|-------|-------|
| | Successful | 9 | 2.78 | 1.093 | | |
| Thought I would get more respect working for myself | Less Successful | 17 | 2.94 | 1.088 | 0.333 | 0.742 |
| | Successful | 10 | 3.10 | 1.370 | | |
| Wanted to continue a family tradition | Less Successful | 17 | 2.47 | 1.328 | 1.127 | 0.271 |
| | Successful | 10 | 3.10 | 1.524 | | |

The only significant difference is that the less successful agreed with wanting to challenge themselves as the motivation more than their successful counterparts. This is because of a negative t-value and a p-value of 0.022, which is less than 0.05 (significance level).

Research Question 3

As the primary focus group of this study is Jewish entrepreneurs and the perceived success of these entrepreneurs, the author aimed to test whether the number of hours each entrepreneur works per day and how many businesses each entrepreneur has started (business experience) has any impact or correlation on whether or not the entrepreneur is successful. The literature has developed two measures of success, namely growth and turnover (Chivukula *et-al.*, 2009).

The four relationships will be as follows:

- 1) Education and the business start-up experience of the entrepreneur

- 2) Education and the amount of time the entrepreneur works in terms of hours
- 3) The amount of hours the entrepreneur works and the growth of the organisation
- 4) The amount of hours worked and business start-up experience of the entrepreneur and the current age of the organisation

These relationships will give a good indication as to whether they have an impact on the success of Jewish entrepreneurs in South Africa.

- 1) Relationship between education and business start-up experience of the entrepreneur

H0: There is no association between academic qualification and whether one has started more than one business or not.

H1: There is an association between academic qualification and whether one has started more than one business or not.

To test this hypothesis a Spearman's Correlation Analysis was conducted between the academic qualifications against the number of businesses started by an individual. The number of businesses started by an individual was only answered by those who mentioned that their current business was not their first business, thus for the number of businesses started, each person who mentioned that their current business was the first one for them, 1 was put on the number of businesses started. The scale for education was changed to 1 for Standard 5 up to 9 for postgraduate degree so that it was on an increasing ordinal scale. Spearman's Correlation was used because one of the variables (academic education) was ordinal. The results are shown below:

Table 27: Academic Qualification and the number of businesses started

| Correlations | | | | |
|---------------------|------------------------------|-------------------------|------------------------|------------------------------|
| | | | Academic Qualification | Number of Businesses Started |
| Spearman's rho | Academic Qualification | Correlation Coefficient | 1.000 | -0.160 |
| | | Sig. (2-tailed) | - | 0.382 |
| | | N | 32 | 32 |
| | Number of Businesses Started | Correlation Coefficient | -0.160 | 1.000 |
| | | Sig. (2-tailed) | 0.382 | - |
| | | N | 32 | 32 |

The results revealed that although there is a negative correlation between education and number of businesses started (-0.160), the relationship is not significant at 5% significance level because the p-value for the test is 0.382 which is greater than 0.05. Thus the null hypothesis cannot be rejected and conclude that there is no association between academic qualification of Jewish business people and whether one has started more than one business or not (success).

2) Relationship between education and number of hours worked

H0: There is no association between academic qualification and number of hours worked.

H1: There is an association between academic qualification and number of hours worked.

To test this hypothesis a Spearman's Correlation Analysis was conducted between the academic qualifications against the number of hours worked. The scale for education was changed to 1 for Standard 5 up to 9 for postgraduate degree so that it was on an increasing ordinal scale. Spearman's Correlation was used because one of the variables (academic education) was ordinal. The results are shown below:

Table 28: Academic qualification and the number of hours worked per day

| Correlations | | | | |
|---------------------|------------------------|-------------------------|------------------------|----------------------|
| | | | Academic Qualification | Hours worked per day |
| Spearman's rho | Academic Qualification | Correlation Coefficient | 1.000 | 0.088 |
| | | Sig. (2-tailed) | - | 0.632 |
| | | N | 32 | 32 |
| | Hours worked per day | Correlation Coefficient | 0.088 | 1.000 |
| | | Sig. (2-tailed) | 0.632 | - |
| | | N | 32 | 32 |

The results revealed that the correlation between education and number of hours worked was very weak ($r = 0.088$). The relationship was not significant at 5% significance level because the p-value for the test is 0.632 which is greater than 0.05. Thus the null hypothesis cannot be rejected and there is no association between academic qualifications of Jewish business people and the number of hours worked.

3) Relationship between number of hours worked and growth (increase in employees)

H0: There is no association between number of hours worked and growth (increase in employees).

H1: There is an association between number of hours worked and growth (increase in employees).

To test this hypothesis a Spearman's Correlation Analysis was conducted between the numbers of hours against the increase in employees per year. The increase in the number of employees per year was found by dividing the difference between the number of employees when the business started and the current number of employees by the number of years that the business had been in existence. Spearman's Correlation was used because one of the variables (number of hours worked) was ordinal. The results are shown below:

Table 29: Increase in the number of employees per year and hours worked per day

| Correlations | | | | |
|----------------|---|-------------------------|---|----------------------|
| | | | Increase in number of Employees per year (Growth) | Hours worked per day |
| Spearman's rho | Increase in number of Employees per year (Growth) | Correlation Coefficient | 1.000 | 0.114 |
| | | Sig. (2-tailed) | - | 0.550 |
| | | N | 30 | 30 |

| | | | | |
|--|----------------------|-------------------------|-------|-------|
| | Hours worked per day | Correlation Coefficient | 0.114 | 1.000 |
| | | Sig. (2-tailed) | 0.550 | - |
| | | N | 30 | 32 |

The results revealed that the correlation between growth and number of hours worked is weak ($r = 0.114$). The relationship is not significant at 5% significance level because the p-value for the test is 0.550 which is greater than 0.05. Thus the null hypothesis cannot be rejected and there is no association between number of hours worked and growth (increase in employees per year).

4) Relationship between number of hours worked and business start-up experience of the entrepreneur and the current age of the organisation

H0: There is no association between number of hours worked and number of businesses started.

H1: There is an association between number of hours worked and number of businesses started.

To test this hypothesis a Spearman's Correlation Analysis was conducted between the numbers of hours worked against number of businesses started. Spearman's Correlation was used because one of the variables (number of hours worked) was ordinal. The results are shown below:

Table 30: Hours worked per day and number of businesses started by the entrepreneur

| Correlations | | |
|---------------------|--------------|-----------|
| | Hours worked | Number of |
| | | |

| | | per day | business es started | |
|-----------------------|------------------------------------|----------------------------|------------------------|-------|
| Spear man's rho | Hours worked per day | Correlation Coefficient | 1.000 | 0.159 |
| | | Sig. (2-tailed) | - | 0.558 |
| | | N | 32 | 16 |
| | Number of businesses started | Correlation Coefficient | 0.159 | 1.000 |
| | | Sig. (2-tailed) | 0.558 | - |
| | | N | 16 | 16 |

The results revealed that the correlation between number of businesses started and number of hours worked is weak ($r = 0.159$). The relationship is not significant at 5% significance level because the p-value for the test is 0.558 which is greater than 0.05. Thus, the null hypothesis cannot be rejected and it can be concluded that there is no association between number of hours worked and the number of businesses started.

The results show there is no direct relationship between any of the above variable and the success of Jewish entrepreneurs in South Africa.

Number of years the business has existed

The table below shows the number of years the business has existed for split into the success groups:

Table 31: Number of years the business has existed

| Group Statistics | T-test for Equality of Means |
|------------------|---------------------------------|
|------------------|---------------------------------|

| Success | | Frequency | Mean | Std. Deviation | t | P-value |
|--------------------|-----------------|-----------|-------|----------------|------|---------|
| Years of existence | Less Successful | 18 | 21.28 | 27.020 | .059 | .953 |
| | Successful | 11 | 20.73 | 19.257 | | |

Although successful businesses (20.73 years old) are slightly younger than the less successful businesses (21.28 years old), the difference between the mean age groups is not significant at 5% significance level. This is because the t-test for the difference between means resulted in a t-value of 0.059 and a p-value of 0.953, which is greater than 0.05 (significance level).

Approximate value

The respondents were asked about the approximate values of their businesses and the results are indicated in the table below:

Table 32: Approximate value

Approximate value * Success Cross tabulation

| | | Success | | | | | |
|----------------------|----------------------------------|-----------------|----------------|---------------|----------------|---------------|----------------|
| | | Less Successful | | Successful | | Total | |
| | | Freque ncy | Percent age | Freque ncy | Percent age | Freque ncy | Percent age |
| Approximate value | <R1 000 000 | 2 | 11% | 0 | 0% | 2 | 7% |
| | R1 000 000 - R2 000 000 | 3 | 17% | 0 | 0% | 3 | 10% |
| | > R20000 00 | 13 | 72% | 11 | 100% | 24 | 83% |
| Total | | 18 | 100% | 11 | 100% | 29 | 100% |

All the successful entrepreneurs (100%) had p=businesses with an approximate value of more than R2 million compared to 72% of the less successful business.

Research Question 4

The purpose of this question is to investigate what element of the business the entrepreneurs spend most of their time on. The relevance of this is to try to discover if there are any elements that contribute more to the success of one organisation than another.

There will also be a brief view at the market that these entrepreneurs operate in.

Hours worked per day

The respondents were asked on the number of hours that they work per day and the results are shown in the table below:

Table 33: Hours worked in the success groups

Hours worked per day * Success Cross tabulation

| | | Success | | | | | |
|----------------------|---------------|-----------------|------------|------------|------------|-----------|------------|
| | | Less Successful | | Successful | | Total | |
| | | Frequency | Percentage | Frequency | Percentage | Frequency | Percentage |
| Hours worked per day | 0 - 5 Hours | 1 | 6% | 0 | 0% | 1 | 3% |
| | 5 - 10 hours | 6 | 33% | 4 | 36% | 10 | 34% |
| | 11 - 15 Hours | 9 | 50% | 6 | 55% | 15 | 52% |
| | > 15 hours | 2 | 11% | 1 | 9% | 3 | 10% |

| | | | | | | | |
|-------|--|----|------|----|------|----|------|
| Total | | 18 | 100% | 11 | 100% | 29 | 100% |
|-------|--|----|------|----|------|----|------|

The highest proportions in both groups work between 11 and 15 hours per day, 50% for the less successful and 55% for the successful. Both groups were also similar in working more than 15 hours per day - the less successful at 11% and successful at 9%.

From this the author can deduce that there is no specific correlation between the amount of hours each entrepreneur works per day as the results for both groups are very similar.

Number of hours spent on financial matters per day

The number of hours spent on handling the business' financial issues is indicated in the table below:

Table 34: Time spent on the financial matters in the success groups
Financial issues * Success Cross tabulation

| | | Success | | | | | |
|---------------------|----------------|-----------------|----------------|---------------|----------------|---------------|----------------|
| | | Less Successful | | Successful | | Total | |
| | | Freque ncy | Percent age | Freque ncy | Percent age | Freque ncy | Percent age |
| Financial issues | 0 - 1 hours | 5 | 31% | 5 | 50% | 10 | 38% |
| | 2 - 3 hours | 6 | 38% | 4 | 40% | 10 | 38% |

| | | | | | | | |
|-------|----------|----|------|----|------|----|------|
| | >3 hours | 5 | 31% | 1 | 10% | 6 | 23% |
| Total | | 16 | 100% | 10 | 100% | 26 | 100% |

Half of the respondents in the successful group (50%) spent 0 – 1 hour per day on financial issues compared to 31% from the less successful group. On the other hand, 31% of the less successful entrepreneurs spend more than three hours on financial issues in the business per day compared to only 10% of the successful group. This indicates that financial issues are not a primary task that the successful entrepreneurs focus on.

Number of hours spent on marketing/sales issues per day

The number of hours spent on handling the business' marketing/sales issues is indicated in the table below:

Table 35: Time spent on marketing and sales in the success groups

Marketing/ Sales * Success Cross tabulation

| | | | | | | |
|--|-----------------|----------------|---------------|----------------|---------------|----------------|
| | Success | | | | | |
| | Less Successful | | Successful | | Total | |
| | Freque ncy | Percent age | Freque ncy | Percent age | Freque ncy | Percent age |

| | | | | | | | |
|---------------------|----------------|----|------|----|------|----|------|
| Marketing/ Sales | 0 - 1 hours | 3 | 18% | 2 | 20% | 5 | 19% |
| | 2 - 3 hours | 9 | 53% | 5 | 50% | 14 | 52% |
| | >3 hours | 5 | 29% | 3 | 30% | 8 | 30% |
| Total | | 17 | 100% | 10 | 100% | 27 | 100% |

The distribution of the amount of time spent on marketing/sales issues is almost the same for both groups, with 53% of the less successful spending 2 – 3 hours in this field compared to 50% for the successful group. This element clearly holds a lot of value in terms of the amount of time spent on it in comparison to financial issues for successful entrepreneurs.

Number of hours spent on managing people per day

The number of hours spent on managing people per day is indicated in the table below:

Table 36: Number of hours spent managing people in the success groups

Managing People * Success Cross tabulation

| | |
|--|---------|
| | Success |
|--|---------|

| | | Less Successful | | Successful | | Total | |
|------------------------|-----------------------|-----------------|----------------|---------------|----------------|---------------|----------------|
| | | Frequen cy | Percenta ge | Frequen cy | Percenta ge | Frequen cy | Percenta ge |
| Managi ng People | 0 - 1 hou rs | 1 | 7% | 2 | 20% | 3 | 12% |
| | 2 - 3 hou rs | 8 | 53% | 3 | 30% | 11 | 44% |
| | >3 hou rs | 6 | 40% | 5 | 50% | 11 | 44% |
| Total | | 15 | 100% | 10 | 100% | 25 | 100% |

The majority of the less successful group (53%) spends 2 – 3 hours per day managing people, compared to 30% for the successful group. Half of the successful entrepreneurs spend more than 3 hours per day managing people compared to 40% for the less successful entrepreneurs.

Managing people clearly seems to be a major focus area when running a successful organisation for the Jewish entrepreneurs.

Number of hours spent on operational issues per day

The number of hours spent on operational issues is indicated in the table below:

Table 37: Number of hours spent on operational issues in the success groups

Operational issues * Success Cross tabulation

| | | Success | | | | | |
|---------------------------|-----------------------|-----------------|----------------|---------------|----------------|---------------|----------------|
| | | Less Successful | | Successful | | Total | |
| | | Freque ncy | Percent age | Freque ncy | Percent age | Freque ncy | Percent age |
| Operatio nal issues | 0 - 1 hou rs | 6 | 33% | 3 | 27% | 9 | 31% |
| | 2 - 3 hou rs | 7 | 39% | 4 | 36% | 11 | 38% |
| | >3 hou rs | 5 | 28% | 4 | 36% | 9 | 31% |
| Total | | 18 | 100% | 11 | 100% | 29 | 100% |

The amount of time spent on operational issues is almost the same for both the successful and the less successful entrepreneurs. There is clearly no

correlation between operational issues and the success of Jewish entrepreneurial firms.

The author will analyse the rest of the data gathered through the questionnaire in order to further explain the findings and to challenge or support the literature.

Description of the market

The table below indicates results on the market in which the entrepreneurs operate:

Table 38: Market description

Description of the market * Success Cross tabulation

| | | Success | | | | | |
|---------------------------|---|-----------------|------------|------------|------------|-----------|------------|
| | | Less Successful | | Successful | | Total | |
| | | Frequency | Percentage | Frequency | Percentage | Frequency | Percentage |
| Description of the market | Many competitors with fixed prices | 6 | 33% | 4 | 36% | 10 | 34% |
| | Few competitors that are highly competitive | 6 | 33% | 4 | 36% | 10 | 34% |
| | Few competitors with | 3 | 17% | 3 | 27% | 6 | 21% |

| | | | | | | | |
|-------|--|----|------|----|------|----|------|
| | variable prices | | | | | | |
| | Not sure | 1 | 6% | 0 | 0% | 1 | 3% |
| | Many competitors with varying prices | 1 | 6% | 0 | 0% | 1 | 3% |
| | Many competitors that are highly competitive | 1 | 6% | 0 | 0% | 1 | 3% |
| Total | | 18 | 100% | 11 | 100% | 29 | 100% |

All but one respondent were able to identify the market in which they operate. The distribution is almost the same for both the successful and the less successful.

Conclusion

This chapter clearly showed the different variables that have an impact on the Jewish entrepreneurs that partook in the study. The four research questions were clearly answered and the results were shown. From this the author had illuminated the key areas of success and the areas that have no significant impact on the success of Jewish entrepreneurs in South Africa.

Chapter 7: Conclusion

7.1 Introduction

Culture, success and entrepreneurship are widely researched topics throughout the world, but when narrowing it down and applying these topics to a South African aspect and then further down by applying them to a Jewish entrepreneurs specifically , it is clear that not much research has been done in this specific frame. This aim of this paper was to explore the relationship between these factors and the success of Jewish entrepreneurs in South Africa.

This study categorised the Jewish entrepreneurs into two groups, namely successful and less successful entrepreneurs. Many factors were used to measure and test these groups.

7.2 Summation of the literature

The literature discussed in this study funnels down from a broad perspective of entrepreneurship to a closer look at an ethnic group such as Jewish entrepreneurs in South Africa. From this the author has provided a great understanding of what the entrepreneurship phenomenon is. The types of entrepreneurs were discussed in detail and the impact entrepreneurship has on economic growth in South Africa as shown by the TEA results. Furthermore the author used success as the basis to measure the entrepreneurs in the study. As the literature has shown there are meaning and understandings of the word success but for the purpose of this study there were two elements used to measure success that were turnover and growth. This classified the entrepreneurs in groups being successful and less successful. The next core constructs that were discussed played a major role in the study. They were culture and ethnic groups. From this study it is evident that the Jewish community in South Africa form an ethnic group. As Jewish entrepreneurs are the basis of this study it was vital to discuss the element of culture and the role it plays in ethnic groups. The history of the Jewish ethnic group was discussed as well as the arrival of the Litvak Nation. The Jewish community's ethnic relationship and ties were elaborated on and how the co-ethnic counterparts in

this community help contribute to the success of the Jewish community in South Africa.

7.3 Research questions

The purpose of this study was to critically evaluate the success of Jewish entrepreneurs in South Africa. For the purpose of this study the following four research questions were posed.

1. What demographic characteristics are evident in successful Jewish entrepreneurs in South Africa?
2. How has the Jewish community enabled/helped the success of Jewish businesses in South Africa?
3. What are the key elements of focus within a successful Jewish-owned business?
4. What diverse factors contribute to the success of Jewish entrepreneurs?

Through the means of a questionnaire, information was gathered to answer the above questions.

7.4 Findings

From the results it is evident that there is very little difference between the successful group and the less successful group. There was a noticeable difference in the personal factors of the successful entrepreneurs and the less successful entrepreneurs, however. There was a clear indication that the more highly educated entrepreneurs were in general, the more successful they were, but there was no major difference between the entrepreneurs who worked more hours a day than the others.

When analysing the specific elements where the entrepreneurs spent most of their time, it was evident that of the successful group, not many of them spent a lot of time on financial issues or operational issues on a daily basis.

The marketing and sales aspect of the business received fairly equal attention between the two success groups, but this element still got more attention than the the finance element.

The area that gets the most attention in the successful group was the number of hours each Jewish entrepreneur spends a day on managing people. This seems to be the most significant area of attention for these entrepreneurs.

From the results it is evident that there is very little family involvement in Jewish successful organisations.

Going forward majority of the entrepreneurs want to increase to the size of their existing business and increase the number of people they employ.

As the results show majority of the external financial requirements come from financial institutions this will be the main area of funding for the entrepreneurs when they are looking to fund expansion

7.5 Contribution

Through this study there has been a contribution towards the field of entrepreneurship and to the Jewish people in South Africa in specific elements such as:

- The role and impact family members have towards the success of a successful Jewish-owned organisation
- The contribution of the Jewish co-ethnic community has and its impact on the Jewish Litvak people.
- How education levels, the number of hours worked and the level of business experience each entrepreneur has and its correlation to the success of a Jewish owned organisation.
- How Jewish demographics and education contribute to the success of an organisation.
- The personality traits of these Jewish entrepreneurs and how they have an effect on their ability to run a successful organisation.

7.6 Further research

Futher research should be done in the following fields:

- The author recommends further research be done in order to compare the Jewish entrepreneurs in South Africa to the Jewish entrepreneurs in the rest of the world.
- A comparison of Jewish entrepreneurs to other ethnic entrepreneurial groups in South Africa to get a greater understanding of what differentiates the Jewish entrepreneurs from the rest.
- A study into the Jewish way of life and the culture that it represents to get a better understanding of how the Jewish mind operates.
- The impact religion makes on decision-making and how the Jewish religion contributed to the success of Jewish-owned businesses today.
- The impact Jewish family ties have on the success of Jewish-owned organisations, and the true make up of a family business in the Jewish community.
- Further reserch should be done in a qualitative form in order to get a greater insight into the entrepreneur and to allow the entrepreneur to priovide his personal view and opinion on the matter.

7.7 Limitations of the study

- There is very limited secondary information about Jewish entrepreneurs in the South African region.
- The use of a quantitative study was very limiting as the entrepreneurs did not get the opportunity to express their real thoughts and their opinions were limited by the questions in the questionnaire. This may not give an accurate understanding of what truly makes these entrepreneurs so successful.
- The ability to access these types of entrepreneurs poses a challenge and once one does have access to these entrepreneurs, they are generally very pressed for time and may not be as willing to help.
- There is a very small number of Jewish successful entrepreneurs in South Africa.

- The sample size was a major limiting factor

7.8 Conclusion

The primary purpose of this study was to explore the perception of why Jewish entrepreneurs are perceived to be so successful and what the key elements are that contribute to the success of these entrepreneurs in a South African context.

This study went on define success and the factors that were used to measure and categorise these entrepreneurs into successful and less successful ethnic entrepreneurs.

This study has also illuminated the impact of culture on entrepreneurship and how culture plays a major role in the Jewish community in South Africa. This ethnic group is held together by its culture and the closeness of its co-ethnic community .

This study aims to contribute to the body of knowledge of entrepreneurship and attempts to be able to categorise all types of entrepreneurs from different cultural backgrounds.

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