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**Entrepreneurial team formation in the craft sector  
in South Africa:  
the case of the Ekurhuleni crafter groups**

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## **ABSTRACT**

The aim of this study was to determine entrepreneurial team formation criteria in the craft sector in South Africa, aimed at creating employment opportunities for the marginalized unemployed in the informal economy through linkages to the formal economy.

A quantitative research approach was used in a descriptive research design, based on social network characteristics, as determined from the literature review, to identify team member absorption criteria to an entrepreneurial crafter group. The unit of analysis was existing crafter groups in Ekurhuleni. A questionnaire was used to gather the data in face-to-face interviews. Frequency tables, cross tabulations and Chi-square analysis were undertaken to determine the highest responses across all the variables.

The outcome of the analysis indicated that new team members were selected to a team based on strong tie connections and Small World Networks. The majority of team members indicated that they would not have been selected to the group if the team leader did not trust them, indicating the importance of trust in the selection criteria. The financial position of the majority of team members had not improved as a result of membership to a crafter group. The critical role of weak ties, to link crafter groups to the formal sector, became evident to ensure sustainability of the crafter groups.

## 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 at any other university. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

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Anna Maria Sophia Tovey

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## 1. INTRODUCTION

The blemished socio-economic situation in South Africa encompasses alarmingly high levels of unemployment and poverty. Unemployment levels and poverty indicators are worse now than at the end of apartheid in 1994 (Rogerson, 2006). According to McGrath and Akoojee (2007) it is accepted that: between 45% and 55% of the South African population are poor; and between 20% and 25% live in extreme poverty. The labour market participation rate increased by 23%, during the period 1996 to 2006 while the labour absorption rate increased by only 13% (South Africa Survey, 2006/2007). It is clear that the market is unable to absorb all new entrants to the job market and solutions are required urgently.

The high levels of public and private infrastructure investment have helped to sustain the South African economy in the midst of the global recession and have provided many people with employment during a period of expected economic hardship (Appel, 2009). Questions are being asked how these programmes will be funded in the current economic downturn with the inevitable reduction of government revenues (Berger, 2009). In the light of these challenges, alternative employment opportunities must be explored, one of which is the role of entrepreneurship in the tourism industry and specifically the craft sector, which is investigated in this study.

The aim of this study is to determine entrepreneurial team formation criteria in the craft sector in South Africa aimed at creating employment opportunities for the marginalized unemployed in the informal economy through linkages to the formal economy.

Studies worldwide have clearly shown the positive influence that entrepreneurship can have on regional economies (Maas & Herrington, 2007). It is also important to note that a direct correlation between the existence of a high entrepreneurial activity rate and economic growth is reported over time [(Theodosiou (1996), Morris & Pitt (1995); Davidson, in Theodosiou (1996); Radley (1996); Mahadea (1994); Kuratko & Hodgetts (1998), as quoted by Antonites (2003)].

Ladzani and Van Vuuren (2002) suggest that the development of small and medium enterprises (SME's) contribute significantly to job creation, social stability and economic welfare across the globe. The authors reveal that South Africa's enterprise density (the number of people in the population for whom self-employment is the primary source of household income per 100 people) is 2%. In comparison, the enterprise density overseas is: United States 2,8%, Germany 3,3% and Italy 5,9% (Ladzani & Van Vuuren, 2002). The position of South Africa, based on the above comparative situational assessment, shows it to be way behind the countries used in the comparison.

Maas and Herrington (2007) indicate that South Africa is progressing regarding entrepreneurship, but that there is room for improvement. It is understandable that South Africa still has some ground to cover, as the promotion of smaller entrepreneurs only started in earnest with the promulgation of the Small Business Development Bill in 1995 (Maas and Herrington, 2007). It is interesting to note that Bosma, Acs, Autio, Coduras and Levie (2008) found that a group of future entrepreneurs interviewed in the 2008 Global Entrepreneurship Monitor (GEM) were less pessimistic than the total adult population and did not regard the current economic crisis as a deterrent to starting their own businesses. The authors believe that this is so as this group of individuals draws more heavily on their own capabilities to start a business.

The 2007 GEM report highlights the difference between opportunity entrepreneurs, who start a business based on an inherent desire to do so in order to explore the perceived opportunities that have been identified, versus a necessity entrepreneur who starts a business because there is no other choice (push factors or survival strategy) (Maas & Herrington, 2007). According to the authors, opportunity entrepreneurs earn more income than necessity entrepreneurs and one could therefore assume that more opportunity entrepreneurs are required for a growing socio-economic environment.

The World Bank identified the tourism sector as an opportunity to promote small and medium sized enterprises in Africa (Rogerson, 2007). According to an industry forecast, tourism is one of South Africa's fastest growing industries, directly and indirectly contributing 4,9% of GDP in 2001, this grew to 7,1% in

2002, with an estimated 6,9% of the country's workforce being employed in this sector (Economist Intelligence Unit, 2005). Tourism contribution during 2006/2007 was at 8,2% of GDP and the aim is to increase this to 12% in 2010 with the World Cup (Appel, 2007).

Leiper (1979) used a systems approach when he defined tourism as: the optional travel and temporary stay of persons in places away from their normal residence for a period of one or more nights, and taking part in tours or entertainment that were created with the aim of earning money in stop over points en route. The author went on to say that the elements of the system are: tourists, generating regions, transit routes, destination regions and a tourist industry.

According to Kirsten and Rogerson (2002) the tourism sector will become one of the key drivers of economic expansion and employment creation in South Africa and the authors stressed the importance of achieving this through small, medium and micro enterprise businesses. The tourism industry is particularly valuable as it is labour-intensive and not necessarily high-skill intensive. This means rapid development of the industry in South Africa will not be constrained by the economy-wide skills shortages (Rogerson, 2003).

As indicated by Thomas (2004) the tourism industry is an ideal industry to achieve business linkages between established tourism enterprises and small local firms through outsourcing of a host of activities, including food supply, handicrafts, laundry, furniture production, transport services and guided tours.

For this reason, the tourism industry will form the industry framework of this research paper with specific focus on the craft sector as an employment generator.

### *1.1. Problem definition*

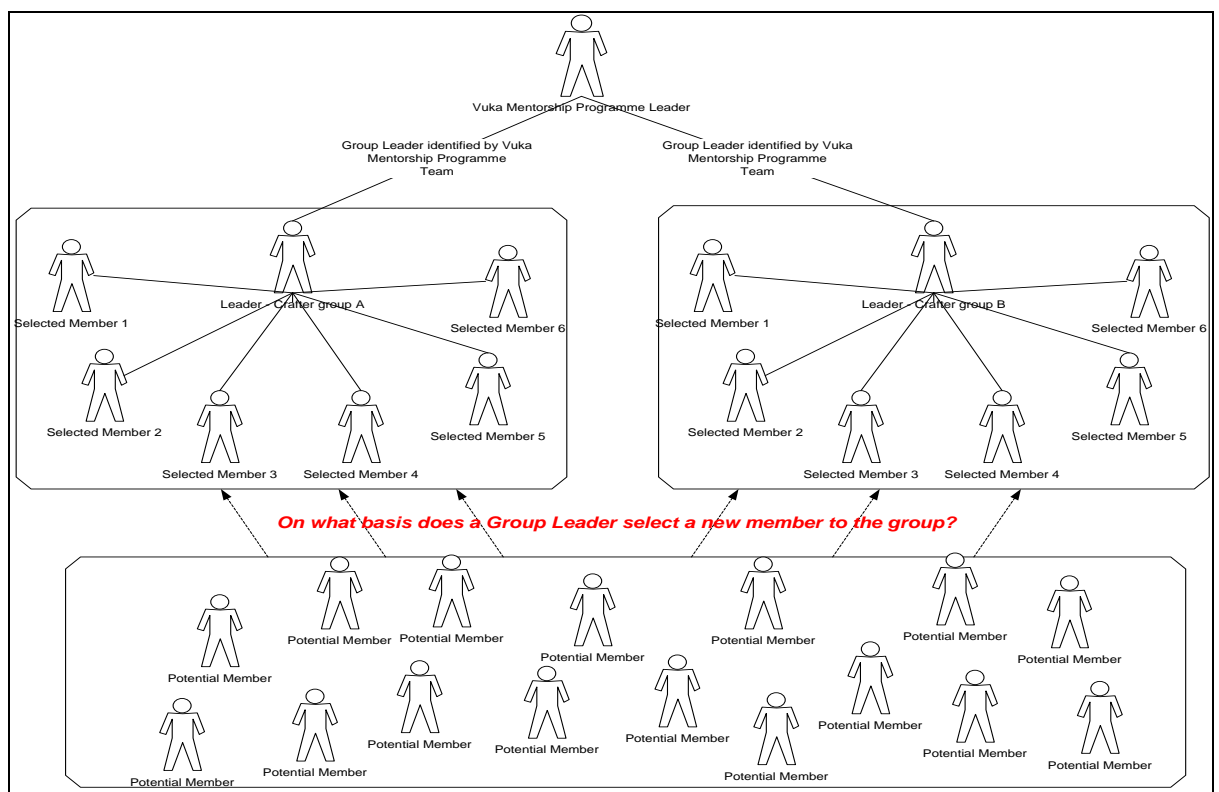
In light of the above unemployment and poverty, the Gauteng government developed a Gauteng Craft Development strategy to promote entrepreneurial opportunities in the craft sector for the creation of jobs in the province (Tovey, 2009a).

Various entrepreneurial crafter groups were established in the province to create products that are aimed at tourists and formal economy markets. These crafter groups play an important role in creating jobs for the unemployed in the province. Some of the groups are formed informally; in some instances, entrepreneurial group leaders are selected, trained and mentored as part of the Local Economic Development Plans (LEDP), such as the Ekurhuleni Metropolitan Municipality Vuka Craft Mentorship Programme for crafter groups. The aim of this programme is to develop and train entrepreneurial group leaders to select and manage their own entrepreneurial crafter groups in order to create labour intensive products in the informal economy that can be marketed to the formal economy.

As can be seen from the diagram below (*see: Figure 1 Group formation schematic*), in the case of the Vuka Craft Mentorship Programme, the

programme leader identifies and selects a community member who exhibits leadership qualities and high skills levels in a particular craft. This person completes the Vuka Mentorship Programme. Afterwards the person is encouraged to manage his or her own entrepreneurial group to produce skill intensive craft products for which a demand exists in the tourist or formal economy. Currently, only existing group leaders are selected to the programme. In the case of the Vuka Craft Mentorship programme, innovative and creative products are often designed by the Art Curator, for manufacture by the various specialist crafter groups.

Figure 1: Group formation schematic (own compilation)



As there are many potential group members to select, the basis on which individuals become a member of a group is unclear. According to the Vuka Craft

Mentorship Programme leader, the selection is based on the matching of the craft skill of the potential member to the skills need of the recruiting craft leader and the physical location of the potential member in proximity to the recruiting crafter group (the latter in order to reduce transport constraints). However, experience has shown that if a member is identified, based on skill and location, and added to a group by the Ekurhuleni Metropolitan Municipality programme leader, the group disintegrates or the new member is simply not accepted as a member of the group (Tovey, 2009a). It is also important to note that there are many crafter groups in operation in the Ekurhuleni Metropolitan Municipal area and some of these teams are formed independently of the Vuka Craft Mentorship Programme.

This lack of definitive clarity on team formation criteria of the crafter groups makes it more difficult to replicate the initiative. The objective of Ekurhuleni Metropolitan Municipality, according to Ms Hannelie Swart – Manager: Policies and Research, is to establish a craft hub in Ekurhuleni. This is part of the creation of an entrepreneurially orientated enabling environment by which to attract tourists to the area and thereby creating more employment (Tovey, 2009b).

By looking at previous literature on entrepreneurial team formation and a case study of crafter groups in Ekurhuleni, this study aims to establish the basis on which new members become part of an entrepreneurial crafter group and the impact that this process has on the success of the crafter group and the individual group member. Social network theory, in the context of

entrepreneurial team formation, with particular focus on strong and weak ties and the role of trust relations, will form the basis of the analysis. The main benefit of this study will be to contribute to the understanding of the ability of entrepreneurial crafter group team formation to create sustainable employment.

## 1.2. *Social networks in entrepreneurship*

Aldrich, in Anderson and Jack (2002), points out that in recent years, entrepreneurship literature has highlighted the significance of social networks in the creation and sustaining of new ventures. The authors indicate that the role of social networks is clear, but little is known about how people become located within a network or how the network is operated.

According to O'Reilly, in Due, Holstein, Lund, Modvig and Avlund (1999, p.662), social networks are defined as: "An analytic concept, used to describe the structure of linkages between individuals or groups of individuals. Such networks have a variety of functions of which the provision of social support is but one. Social support is provided through the behaviours or actions of members of a network and communicated through the network's structure".

Jack and Anderson (2002) argue, that in order to understand the entrepreneurial process, one has to look at the social context that shapes and forms entrepreneurial outcomes. The authors state that embedding is the



mechanism whereby an entrepreneur becomes part of the local structure and is the enabler to draw upon and use resources. Embeddedness is defined by the authors as the nature, depth and extent of an individual's ties to the environment; social capital is created through the embedding process (Anderson and Jack, 2002).

Coleman (1988) parallels social capital to the concepts of financial capital, physical capital and human capital, but with the difference being that it is embodied in the relations between people. The author defines this further by explaining that social capital, like other forms of capital, is productive, making possible the achievement of certain objectives that would not be possible in its absence.

The links that come about from the social capital relations, referred to as strong and weak ties by Granovetter (in Anderson and Jack (2002)), can provide access to privileged information or access to opportunities. De Carolis, Litzky and Eddleston (2009) define social capital, in the context of entrepreneurship, as the good will and resources that emanate from an individual's network of social relations. Hite (2005) developed the concept of social relations further by stating that ties can involve three different components of social relationships, namely personal relationship, dyadic economic relationships and social capital. These components, according to the author, provide a more descriptive explanation of network ties and consist of several subordinate attributes that describe and define each, with trust becoming a governance strategy.

In an analysis of previous research done on social networks to identify gaps, Jack (2008) points out that further analysis around the strength of ties in networks and the process through which ties are selected for entrepreneurship are required, specifically in terms of the factors and decisions that impact on the process of tie selection.

### *1.3. Research motivation and purpose*

South Africa has been experiencing one of the highest unemployment rates in the world (Klasen & Woolard, 2009). According to the authors, the highest measured unemployment rates by far are in Sub-Saharan Africa. Zimbabwe currently stands at an unemployment rate of 94% as reported by agents of the United Nations Office for the Co-ordination of Humanitarian Affairs (Kaswende, 2009). Unemployment in South Africa remains unacceptably high, with semi-skilled and unskilled workers reflecting the highest levels of unemployment (Lewis, 2001).

Two definitions exist in South Africa to calculate unemployment, namely: a strict (official) definition of unemployment and an expanded definition of unemployment (South Africa Survey, 2007/2008). Statistics South Africa (Stats SA) defines the unemployed as those in the economically active population who:

- Have not worked during the seven days prior to being interviewed;

- Want to work, and are available to start work within a week of being interviewed by Stats SA; and
- Have taken active steps to look for work or to provide themselves with self-employment in the four weeks preceding the interview.

The strict unemployment rate is the proportion of the economically active population (persons between the ages of 15 and 65 years, excluding people of working age who are not available for work, such as full-time housewives, students, pupils and those who were unable or unwilling to work) that conform to the above definition. The expanded definition excludes the third criteria above and therefore counts jobless people, who are too discouraged to look for work, as unemployed. The employment numbers take into account those employed in both the formal and informal sector of the economy as well as the self-employed (South Africa Survey, 2007/2008).

A comparative unemployment rate for 1997 and 2007, according to the strict unemployment definition, is presented in the table below; it displays unemployment numbers across race groups. It is clear that unemployment over the ten year period under review increased by 8,3% (South Africa Survey 2007/2008):

Figure 2: Unemployment numbers 1997-2007 (strict definition)

1997	African	Coloured	Indian/Asian	White	All Groups
Economically active population	6 475 000	1 431 000	509 000	1 371 000	9 787 000
Unemployed	1 895 000	229 000	52 000	62 000	2 238 000
Unemployment rate	29,3%	16,0%	10,2%	4,6%	22,9%
2007	African	Coloured	Indian/Asian	White	All Groups
Economically active population	12 543 000	1 740 000	492 000	2 109 000	16 919 000
Unemployed	3 740 000	325 000	41 000	91 000	4 199 000
Unemployment rate	29,8%	18,6%	8,3%	4,3%	24,8%
<b>Increase/Decrease</b>	<b>1,7%</b>	<b>16,3%</b>	<b>-18,6%</b>	<b>-6,5%</b>	<b>8,3%</b>

The South African labour market is unusual in that informal sector employment is very low compared to other developing countries where unemployment in formal sector jobs is compensated by an increase in jobs in the informal sector (Kingdon and Knight, 2004). It was noted by the authors that the so-called informal sector in developing countries is highly stratified, requiring skills, experience and contacts and that cohesive networks can exercise control over entry into the sector.

Despite this anomaly, Rogerson (2007) states that informal employment is one of few areas of employment growth in the post-apartheid period. Lund and Skinner (2005) indicate that the formal economy is in a process of informalisation, which is similar to that of international trends. The South African government committed support for small enterprise development as a whole, including survivalist informal enterprises (Rogerson, 2007). However, according to Devey, Skinner and Valodia (2006) the national government lacks a clear policy regarding the informal economy and it needs to be addressed urgently in order to provide support.

If one looks at key features of the South African economy and labour market, it is clear that the above situation is not likely to change under the current economic climate. According to Klasen and Woolard (2009), South Africa is a middle income country, with: a high dependence on mining and mineral activities; a sizeable manufacturing sector (about 20% of total employment); a large service sector; a small capital intensive, commercialized agricultural sector with a very small-scale subsistence agricultural sector in the former homelands (with total agriculture production at about 5% of GDP and absorbing 10% of employment).

According to Banerjee, Galiani, Levinsohn, McLaren and Woolard (2007); the composition of employment has changed substantially in South Africa, with a decrease in the mining and agriculture sectors and an increase in wholesale and retail sales and the financial sector. This altered composition of employment favoured more skilled workers (Banerjee *et al.* 2007). Furthermore, the latest figures indicate that manufacturing production is down by nearly 17 percent year on year (Seria, 2009), which poses a risk of further job losses. Added to this, recent reduced demand for platinum and other commodities have given rise to increasing unemployment fears for South Africa's mining market with an estimated 50 000 predicted job cuts (Reed, 2009).

If one considers the above trends and government employment creation targets, it is clear that the informal economy plays an increasingly important role in the fight against unemployment in South Africa, specifically in creating

opportunities to absorb lower skilled unemployed workers. Entrepreneurial initiatives, such as the crafter groups in Ekurhuleni, become pivotal in this fight. It is for this reason that the understanding of entrepreneurial team formation criteria for the absorption of the unemployed into an entrepreneurial crafter group becomes critical.

Schmahmann (2000) posed the question of how to define a successful craft project during an assessment of needle work projects in South Africa. The author states that success in this context is a relative term, as it can be measured in terms of the number of participants who can secure a steady income or the number of awards that are won by the needle workers, or it can be defined based on the creative voice that is granted to those who participate. In the context of this research project, success could be defined as a means to assist the unemployed to participate in a group to secure a steady income; although it could also be argued that the entrepreneurial crafter groups meets all three of these criteria.

#### *1.4. Research problem*

In an analysis of previous research done on social networks to identify gaps in entrepreneurship, Jack (2008) points out that the role networks play, their nature, formation and function over time, remain less explored. The author notes that: networks are formed on the basis of relationships; the extent to which individuals within a network know each other are relevant; that ties vary in

terms of strength, that there are different measures of centrality and reachability and that networks enable individuals to access resources and social support.

However, the author indicates that fuller investigation of the dimensions of tie strength and the process through which ties are selected for entrepreneurship is required. This includes questions such as what factors and decisions impact on this process and whether the process is rational or irrational (Jack, 2008). Hite (2005) reveals that relationally embedded ties could potentially influence the economic decision-making process of emerging firms and quotes the example of a close friend being more likely to influence the entrepreneur than an unknown or untrusted person. If one considers the set-up of the Ekurhuleni crafter groups, these questions are particularly relevant.

It is to this body of knowledge that this study aims to contribute in the context of the Ekurhuleni crafter groups' entrepreneurial team formation. The main objectives of this research are to:

- Determine if crafters are absorbed into a group based on the skill that they bring to the group (rational approach) or based on network ties (irrational or Social Psychological approach), or on a combination of both
- Establish the relevance of a trust relationship between the group leader and the potential team member in the team formation process

- Identify what impact the team formation criteria has on the performance of the group
- Determine to what extent the concept of entrepreneurial crafter groups improve the financial situation of group members



## 2. THEORY AND LITERATURE REVIEW

### 2.1 *Introduction*

This literature review is used to position this study both in the domain of academic research and as a main source of data on which to base the analysis. The research used meta-analysis of previous articles as a source to identify key attributes to be used to identify entrepreneurial team formation criteria.

The literature review investigated the enabling environment for entrepreneurship and the role of government in South Africa. As the focus of the research was on employment creation through entrepreneurial crafter team formation in previously disadvantaged geographical areas, it covered aspects of the informal economy (globally and specific to South Africa) tourism and the craft sector in an entrepreneurial context. This was followed by an analysis of entrepreneurial team formation criteria and the role of social networks in this process.

### 2.2 *Informal economy*

In the mid-1950's, Arthur Lewis developed a theoretical model of economic development, which was based on the assumption that the traditional (informal) sector (comprised of petty traders, small producers and a range of casual jobs in developing countries) would eventually be absorbed into the formal economy and disappear (Becker, 2004). However, the author stated that in 1972 the first

International Labour Organisation (ILO) employment mission to Kenya found that the informal sector had not just persisted, but had in fact expanded.

According to Rogerson (2007) this trend of an ever expanding informal economy has grown massively on a global basis, emerging in new guises and in unexpected places, even on the streets of developed countries. Becker (2004) indicated that the *informal sector* is increasingly being referred to as the informal economy as it cuts across many sectors. The term “Informal economy” also emphasizes the existence of a continuum from the informal to the formal ends of the economy and therefore highlights the interdependence between the two sides (Becker 2004). Skinner (2006) denoted that there is increasing consensus in development literature that informal activities should be viewed as part of an entire economy which has two ends: informal and formal.

### 2.2.1 Defining the informal economy

Bagachwa and Naho (1995) stated that the second economy has had many definitions and interpretations, but defined it to include all economic activities according to the national income conventions that are not captured by official national accounts statistics. The authors indicated that it may be conceived of as consisting of three categories: the informal economy, the parallel economy and the black market. The authors also pointed out that these terms are often used interchangeably, but that it is important not to do so as each describes different phenomena.

According to the ILO in Bagachwa and Naho (1995) the informal economy consisted of very small-scale units producing and distributing goods and services which are produced by both employed and independent self-employed persons in urban and rural settings and which are unregistered and, hence, unrecorded in official statistics. Lindauer, in Bagachwa and Naho (1995), stated that the parallel economy involves illegal production and trade of goods and services that are legal in themselves (and therefore have an alternative legal market), but which developed in response to excessive government intervention and restriction that creates excess demand or supply in terms of a particular product. The authors further defined black market activities as producing and or distributing goods that are illegal and strictly forbidden by the government statutes. According to Sassen (1993), the “informal economy” refers to those income generating activities occurring outside the state’s regulatory framework and it can only be understood in terms of its relationship with the formal economy in terms of regulated income-generating activity.

Becker (2004) stated that there are three main schools of thought regarding the relationship between formal and informal economies, viz:

- The dualists: who regard the informal economy as a separate marginal economy not directly linked to the formal economy, which provides income or a safety net for the poor.
- The structuralists: who believe the informal economy is subordinated to the formal economy. In order to reduce costs, privileged capitalists seek to subordinate petty producers and traders.

- The legalists: who consider informal work arrangements to be a rational response by micro-entrepreneurs to over-regulation by government bureaucracies.

The ILO seeks to include not only enterprises that are not legally regulated, but also employment that is not legally regulated and, therefore, defines the informal economy as being “comprised of all forms of “informal employment” – that is, employment without labour or social protection – both inside and outside informal enterprises, including both self-employment in small unregistered enterprises and wage employment in unprotected jobs.” (Chen, 2004, p2)

Stats SA defined the informal sector in South Africa as businesses that are not registered and that are generally small and seldom run from business premises, rather they are run from street pavements, homes or using some other types of informal arrangement (South Africa Survey, 2006/2007).

### 2.2.2 Characteristics of the informal economy

Becker (2004) identified the following characteristics applicable to the informal economy:

- Low entry requirements in terms of capital and professional qualifications
- A small scale of operation
- Skills are often acquired outside of formal education
- Labour-intensive methods of production and adapted technology

According to the author, informal economy activity should not be confused with illegal activity, such as tax evasion or infringing labour legislation or other regulations.

### 2.2.3 Tourism and the informal economy

According to Ashley, Boyd and Goodwin (2000) the informal sector is where the opportunities for small-scale enterprise or labour by the poor is maximized. The authors quoted the example of Bai Chay, Ha Long Bay in Vietnam, where families run small private hotels, but pointed out that local involvement in tourism spreads far beyond this to an estimated 70-80% of the population. Apart from those with jobs in the hotels and restaurants, local women share the running of noodle stalls and anyone with a boat or motorbike hires these out to tourists. But the authors indicated that the informal sector is often neglected by planners.

Hinch & Butler (2009) pointed out that most successful tourist enterprises have done well because they offer products that are unique or rare and attract the attention of modern tourists because the products are generally environmentally and socially friendly and are different from the large scale international world in which tourists live. According to the authors, this type of tourism is likely to remain a niche market, mostly small scale, dependent on mainstream tourism linkages for access to and from markets, but of increasing importance to many communities as an income generator.

Ashley, Boyd and Goodwin (2000) specifically highlighted that tourism can generate four different types of local cash income, generally involving four distinct categories of people, viz:

- Wages from formal employment
- Earnings from selling goods, services, or casual labour (e.g. food, crafts, building materials, guide services)
- Dividends and profits arising from locally-owned enterprises
- Collective income: this may include profits from a community run enterprise, dividends from a private sector partnership and land rental paid by an investor

According to Thomas (2000) by promoting new or alternative tourism forms (stylized as small scale, locally owned with low import leakages and with a higher proportion of profits remaining in the local economy) the growth prospects for small firms are seen as more promising than under conventional tourism. Allal and Chuta (1984) found that in rural areas, handicrafts and cottage industries constitute important sources of employment in developing countries and that 20% or more of the rural labour force is primarily engaged in artisan and craft activities.

### *2.3 Informal economy in South Africa*

According to Van Rooyen and Antonites (2007), a study conducted by the Bureau of Market Research conveyed that the informal sector of South Africa

represents a significant portion of the total workforce. The authors further stated that the informal sector contributed 4,6% of GDP in 2004, which amounts to total expenditure of R51,7 billion. The average total turnover of these businesses was R68 930 in 2004, with an average of 2,3 employees per business.

According to Bernstein, in Jackson (2004), 50% of SMME's are survivalists and this number has increased by 74% since 1999. Berry, Von Blottnitz, Cassim, Kesper, Rajaratnam and Van Seventer (2002) suggested that South Africa's survivalist and micro-enterprises show little or no prospect for growth. However, Dorfling, in Jackson (2004), argues that survivalist and micro enterprises have an important role in income generation and poverty alleviation due to the size of the sector and the people involved (women, disabled people and very poor rural families).

### 2.3.1 Tourism and the informal economy in South Africa

According to Rogerson (2005), the South African tourism SMME economy consists of a group of lifestyle entrepreneurs and an expanding body of marginal or survivalist tourism entrepreneurs. Both groups site a lack of marketing at provincial and government level as a big concern, followed by a lack of assistance with enhancing skills (Rogerson, 2005). The author highlighted the known poor quality of available official data relating to the tourism sector in South Africa as a problem.

Dieke (2003) pointed out that the local tourism companies in Africa are mostly SMME's that serve useful functions in developing linkages. However, most of these firms face a daily struggle for survival and lack the required business skill. As a result, the author stated that these businesses are unable to capitalize on the advantages of economies of scale. According to the author the real challenge for these SMME's is to develop marketing strategies that will help them to overcome some of these difficulties and therefore sell their products.

It is estimated that by 2010 more than 174 000 new jobs could be directly created and a total of 516 000 employment opportunities could be generated, directly or indirectly across the broader South African travel and tourism economy - the majority of these jobs anticipated to be found within the SMME economy (Thomas, 2004). The author indicated that the tourism sector is recognized as important in South African development planning in terms of its potential role as an employment-intensive sector. A further important development in the South African tourism industry is the government's focus on policy to develop cultural and township tourism (Rogerson, 2005).

It is clear from the literature that the tourism industry is an important sector for labour-intensive job creation in South Africa. It is also clear that a number of constraints still exist. These are explored in more detail later in this document.

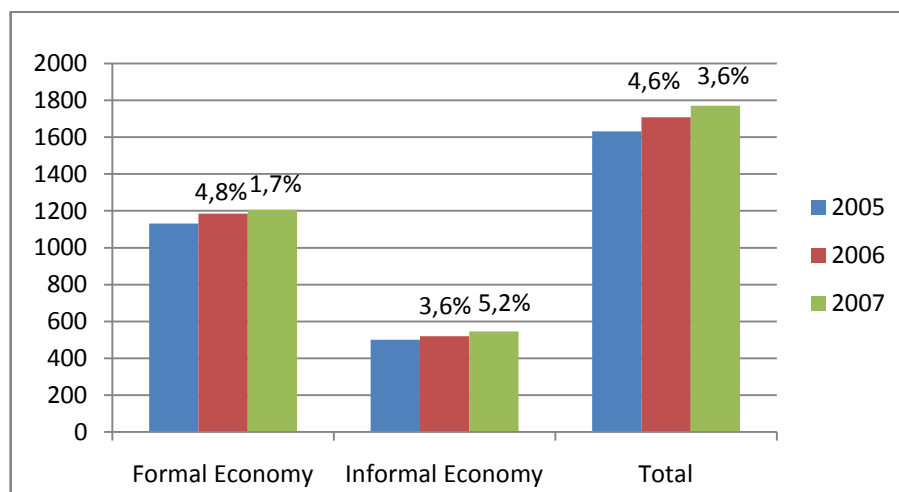


### 2.3.2 Craft sector in South Africa

Rogerson and Sithole (2001) maintained that the activities of rural handicraft producers represent a special category of tourism, i.e. small, medium and micro-enterprise SMME, or, more particularly, a form of informal tourism enterprise. The authors stated that rural handicrafts are seen as an integral part of the travel and tourism-linked SMME economy of South Africa and indicated that, internationally, writing on rural handicraft activities is optimistic about the potential of handicraft for making a positive contribution towards the goal of rural development in Africa, Asia and Latin America.

The South African craft and related trade workers sector represented 13,7% of the total working population in 2006 and 14% in 2007, of which 30% and 31% (respectively) were in the informal economy (South Africa Survey, 2006/2007; 2007/2008). The graph below depicts the employment growth of the craft industry in the formal and informal sectors in South Africa over the period 2005-2007 (South Africa Survey, 2006/2007; 2007/2008).

*Figure 3: Craft sector employment growth 2005-2007*



It is evident that informal craft sector employment increased substantially in 2007, compared to the formal craft sector, which showed slower year-on-year growth. This could be as a result of the informalisation of the economy, the fact that the craft sector poses a means to earn an honest living or an increased demand for creative, locally manufactured craft items.

#### *2.4 Enabling environment for entrepreneurship in South Africa*

During the 1990's the policy environment began to change in South Africa and promotion of the SMME economy began to be linked to optimistic policy objectives, including: poverty alleviation, job creation and enhancement of national economic growth (Thomas, 2004). The author argued that at the base of this new approach to small firm development is the 1995 White Paper on Small Business. The primary goal of the White Paper was to create an enabling environment in terms of national, regional and local policy frameworks for SMME's (Thomas, 2004). Some key objectives in the White Paper, pertinent to this study were:

- The creation of long term jobs
- The stimulation of economic growth through addressing obstacles and constraints that prevent SMME's from contributing to overall growth
- The leveling of the playing fields between large enterprises and smaller SMME's and between rural and urban businesses

The institutional support network that was created was organized around Ntsika Enterprise Promotion Agency (non-financial or business development services)

and Khula Enterprise Finance (wholesale finance institution supporting a range of retail finance intermediaries that would deal directly with SMME entrepreneurs) (Thomas, 2004). Ntsika has since merged with NAMAC Trust under the newly formed Small Enterprise Development Agency (SEDA).

This was followed in 1996 with the White Paper on the Development and Promotion of Tourism in South Africa, with tourism being identified as a priority for national economic development (Rogerson, 2004). Six key guiding principles were put forward for developing responsible tourism in South Africa. These were that (Rogerson, 2004):

- Tourism will be driven by the private sector
- Government will provide the enabling framework for the industry to flourish
- Effective community involvement will form the basis of tourism growth
- Sustainable environmental practices will form the basis of development
- Partnerships and cooperation among key stakeholders must be established for tourism development to take place
- Tourism will act as a developmental tool to empower disadvantaged communities and women in these communities

If one considers the points raised by Rogerson (2005) in terms of the dominance in South Africa of a few large tourism operators and the existence of a large number of marginal operators (who quote a lack of marketing and skills

development in this sector as constraints almost ten years after the development of the two White Papers) one has to question the overall success of the initiatives against the stated objectives. This view is supported by O'Neill and Struwig, in Robinson (2004), who indicated that many of the ideals stated in the White Paper on Small Business have in fact not materialized. Hence, it is clear that more is to be done to explore and develop alternatives to benefit the mass of unemployed in South Africa.

## 2.5 *The role of government in South Africa*

According to Nel and Rogerson (2007, p4) South Africa's framework Local Economic Development (LED) document, titled *Stimulating and Developing Sustainable Local Economies*, offers a vision of promoting "robust and inclusive local economies, exploiting local opportunities, real potential and competitive advantages, addressing local needs and contributing to national development objectives" as per the Department of Provincial and Local Government (DPLG). According to the authors, the document states that the role of national government is to enable local action. A further point raised by the authors is that the core focus of the national framework is to enhance local competitiveness through the involvement of all stakeholders.

Rogerson (2008) pointed out that the "second economy" is another critical theme on the LED policy landscape and that the micro-enterprise sector is highlighted as a special focus for national government support programmes

under the revised 2006 Integrated Small Enterprise Development Strategy. Masango-Makgodho, in Rogerson (2008), highlights the importance of leveraging support for “community empowerment”, cooperative development and unleashing local creativity and innovation.

It is clear that government (at national, regional and local levels) has a responsibility to create an environment in which all citizens are enabled to earn a sustainable living for themselves and their children. In South Africa this responsibility is more profound in the light of historical disparities. The Ekurhuleni Metropolitan Municipality aims to provide an entrepreneurially enabled environment for craft leaders in the community, whereby they are able to craft a living for themselves and their teams.

The aim of the next section is to explore existing literature on entrepreneurial team formation criteria and processes.

## *2.6 Social network theory and entrepreneurial team formation*

According to Jack (2008), networks are increasingly perceived as a key element of entrepreneurship. The author stated that entrepreneurs are a product of their social environment and how they perceive opportunities is influenced by their social interaction and social background. As the aim of the Ekurhuleni Metropolitan Municipality is to develop entrepreneurial groups, social network theory in the entrepreneurial context will be applied with the specific objective of

determining the basis in which members are absorbed into a team or not. The following aspects are considered:

- Selection to a team based on Rational Process versus the Social Psychological model
- The role of different Social Network types
- Mechanisms of group composition
- The role of strong and weak ties in entrepreneurial social networks
- Trust in social networks

#### 2.6.1 Selection to a team based on a Rational Process versus the Social Psychological Model

According to Aldrich and Kim (2007), Forbes argued that two principles of team formation dominate the business strategic literature. The first is the Rational Process model of team formation, which emphasizes the selection of team members based on instrumental criteria such as complementary skills and work experience. This indicated that competency should be the bases of selection to ensure the team possesses the capabilities to achieve growth (Aldrich and Kim, 2007).

The second is the Social Psychological model that emphasizes the interpersonal fit between team members, which contributes to smoothly functioning group processes (Aldrich and Kim, 2007). According to Forbes, Borchert, Zellmer-Bruhn (2006), Bird suggested that team selection “is in part

driven by a desire to duplicate their own qualities and in part by a desire to perpetuate the type of business or atmosphere which already exists". Forbes *et al* (2006) added that the Social Psychological theories explain the finding in many studies that similar relationships, personal connection and backgrounds are evident in new members of entrepreneurial teams, even though the rational approach calls for such commonalities to be overruled by a need for more diverse knowledge and experience. Aldrich and Kim (2007) highlighted the importance of positive social relations in a team in order to create a supportive context within which people are encouraged to undertake innovative actions.

These two processes are not mutually exclusive, according to Aldrich and Kim (2007). The authors argue that: within the constraints of interpersonal attraction, teams can still search instrumentally for members; and within the constraints of instrumental processes, teams can still choose people to whom they feel attracted. Regardless, the business strategy literature claims that members ought to be selected based on knowledge demands and resource connections; yet evidence shows that, in reality, new member addition takes place based on the Social Psychological theory (Aldrich and Kim, 2007). The authors speculate that team members are selected using instrumental criteria mainly *within* networks of embedded ties.

Forbes *et al.* (2006) indicated that Chandler and Lyon made the point that functional diversity is not a major criterion for considering an addition to a new venture team; rather the most common criteria stated is a common interest in

the technology or service provided by the business. Aldrich and Kim (2007) state that the Social Psychological model fits best for the vast majority of team selections, because the teams are embedded in disconnected local clusters.

Francis and Sandberg (2000) maintained that the importance of the affective (social psychological) aspects of group relations are secondary to the non-affective (rational) component of task-based, formal relationships because people satisfy their affective needs in other settings. However, the authors argue that this is not always the case as is evident from a case study of German military units during the latter days of World War II. The case study reported that some units continued to fight effectively and soldiers still reported high levels of solidarity and comradeship despite the negative circumstances the soldiers found themselves in. Shils and Janowitz in Francis and Sandberg (2000), attribute this to the soldiers' reliance on the military unit to satisfy primary needs, such as affection, esteem or power. Francis and Sandberg (2000) describe this as a typical situation where the rational task-oriented *gesellschaft* was also a *gemeinschaft* or community. This, according to the authors, may exist in organizations when personal and collective goals are blended.

### 2.6.2 The role of different social network types

Aldrich and Kim (2007) identified three social network models that focused on the extent to which the social world is organized into local clusters of densely connected individuals who interact primarily with one another. According to the



authors this speaks to the issue of recruitment into entrepreneurial teams across locations.

The three network models identified by Aldrich and Kim (2007) are:

- Random Networks which is the most egalitarian network in that people's current locations do not limit their access to others. This would mean that a "dream team" can be selected as everyone has access to everyone else.
- Small World Networks suggest that rather than connections being formed randomly across entire populations, relationships are clustered around local networks, such as neighbourhoods, friendship circles or workplaces. This limits the extent to which two people may encounter one another. According to Ruef, Aldrich and Carter (2003), these ties are based on homophily, rather than randomness. McPherson, Smith-Loven and Cook (2001) indicated that homophily is the principle that contact between similar people occurs at a higher rate than among dissimilar people and that the pervasive fact of homophily means that cultural, behavioural, genetic, or material information that flows through networks will tend to be localized.

Aldrich and Kim (2007) stated that existing clusters recruit new members either by direct contact or through drawing on their current ties, e.g. through kinship ties. This, according to the authors leads to dense local networks that reinforce themselves by only attracting members that

share similar experiences and interests. The authors indicated that this leads to a lower turnover within the local network and reduces the likelihood of people leaving the network. De Carolis *et al.* (2009) emphasized that dense connections within a group enhance self-enforcing values and behaviours, which allows the group to function and achieve goals.

- Truncated Scale Free Networks follow a power law in the distribution of ties and these networks arise through a hierarchical process of preferential attachment (Aldrich and Kim, 2007).

Macpherson and Holt (2007) indicated that networks appear to be important to small firm growth as it is perceived to provide potential knowledge resources that support small firm growth. The authors maintained that social relationships are recognized to be important at start up, whereas social, industry, professional and institutional links appear to become more important over time. The authors also make the point that it is not necessarily the type of network that is important, but the fact that networks provide access to specific and relevant knowledge on business processes and markets. Greve and Salaff (2003) indicated that networks have a number of useful properties for entrepreneurs and that networks can be enlarged when needed to obtain useful information from other resources.

### 2.6.3 Mechanisms of group composition

Ruef, Aldrich and Carter (2003) considered five mechanisms of group composition in their analysis of the formation of entrepreneurial teams. The authors argued that although their hypothesis is examined in the context of organizational formation, these apply more broadly to the formation of task groups within a variety of settings (Ruef *et al.* 2003).

The mechanisms examined by Ruef *et al.* (2003) are:

- Homophily explains group composition on the basis of the similarity of members' characteristics. Lazarsfeld and Merton in McPherson *et al.* (2001), distinguished between: *status* homophily, in which similarity is based on ascribed characteristics, such as race, ethnicity, sex, age and acquired characteristics like religion, education, occupation or behavior patterns; and *value* homophily, which is based on values, attitudes and beliefs. McPherson *et al.* (2001) stated that in diverse societies, race and race-like ethnicity create the most defined determinants of homophily.
- Functionality is in opposition to the mechanism of homophily and argues the importance of diversity among members, specifically in relation to achieved characteristics, such as task expertise. Ucbasaran, Lockett, Wright and Westhead (2003) suggested that where one or more entrepreneurs have prior entrepreneurial experience, these individuals may try to dominate those who are inexperienced entrepreneurially, thereby reducing cohesion and creating conflict-induced team turnover.

- Status expectations talk to the attraction of higher status individuals or groups, an example is the attraction of “old boys clubs or networks”. This attracts male members of similar status and aspiring men who want to be part of the “in” club.
- Network constraint, according to Ruef *et al.* (2003), is the process of group formation: the choice of members is based on structural opportunities for social contact and involves prior network ties among group members. The authors indicated that these ties can be broadly characterized by three concentric circles of social relationships, namely: family members (strong ties), acquaintances and friends (weak ties) and strangers.
- Ecological constraint, according to Ruef *et al.* (2003), influences what associations are likely to form, based on the spatial distribution of individuals with distinctive characteristics.

The authors found that homophily played a significant role in both ascribed and achieved characteristics (in particular gender, ethnicity and occupation) and that composition is based on similarity not differences (Ruef *et al.*, 2003). This finding was supported by Hinds, Carley, Krackhardt and Wholey (2000) in a study to determine on what basis people choose work group members for new (yet to be established) groups. The authors found that people of the same race indicated a strong preference for working with each other, independent of competence or familiarity. They argued that this might be so as similarity leads to easier communication and higher levels of trust - and therefore higher levels

of predictability. The negative aspect of this, however, is a decrease in creativity and an increase in group-think (Hinds *et al.*, 2000).

Reagans, Zuckerman and McEvily (2004) reinforced the notion that the optimal network structure of a team is characterized both by high internal density (which promotes the development and enforcement of norms that emphasize the importance of high performance) and high external range (members selected from various teams, thereby increasing ties external to the current team). High internal density, it is argued, is achieved through homophily; high external range, however, is achieved through diversity and weak ties. The authors maintained attributes such as education, gender and race are highly associated with function in an organization and as such are largely fixed. The authors found that network variables are more predictive of team performance than demographic variables.

The study by Ruef *et al.* (2003) found that ecological constraint played a significant part in the isolation of minorities. They found: that the composition of entrepreneurial teams is likely to reflect the patterns of association in which people are embedded within families, friendship circles, workplaces and residential areas and that relational embeddedness reduces functional diversity achieved through weak ties (Ruef *et al.*, 2003). The authors established that founders of organizations appear to be more concerned with trust and familiarity at the early stage of the business, than with functional competence. The authors maintained that entrepreneurs seek out people whom they can trust, as well as

those with whom they already have strong interpersonal relationships, while avoiding strangers who could bring new ideas (Ruef et al., 2003).

Macpherson and Holt (2007) recognized that small firms make a significant contribution to economies and point out that new firms participating in new venture programmes are better able to capitalize on knowledge resources from outside the firm. The authors maintained that these firms have survival rates in excess of the general population of new businesses.

#### 2.6.4 The role of strong and weak ties in entrepreneurial social networks

It is clear from the literature that ties play an important role in social networks, acting as a connector between people. The purpose of this section is to investigate the role of strong and weak ties as a connector for selecting people to teams. Granovetter (1973) stated that the strength of a tie is based on a combination of: time, emotional intensity, the intimacy (mutual confiding) and the reciprocal services which characterize the tie. A strong tie is therefore determined based on high levels of the aforementioned and weak ties on lower levels.

Hoang and Antoncic (2003) stated that network content, interpersonal and inter-organisational relationships are the means through which individuals gain access to a variety of resources held by others. The authors denoted that the key benefit of networks in the entrepreneurial process is the access they

provide to information and advice. Elfring and Hulsink (2007) highlighted the importance of strong ties during the emerging phase of a start-up as strong ties usually provide access to resources. The authors maintained that, during the early growth phase, entrepreneurs expand their network to include weak ties in order to gain information on new business leads.

Jack (2005) indicated that unless activities require their reactivation and existence, strong ties remain dormant within the network. The author argued against Granovetter's (1973) point that frequency of interaction determines a strong tie. Instead, Jack (2005) argued that the strength of ties is reflected in: 1) the type of information provided; 2) the usefulness and applicability of the relationship to the entrepreneurial situation at a particular point in time; and 3) the extent to which respondents are prepared to trust the information provided by family, personal and employee ties for economic purposes. Strong ties are, therefore, developed and formed on the basis of knowledge, experience and trust and develop over time (Jack, 2005). The author indicated that strong ties provide the mechanism to invoke weak ties in a wider social context: strong ties are instrumental in business activity for entrepreneurs.

Granovetter (1973) made the point that weaker inter-racial ties can be seen to be more effective in bridging social distance. The author also indicated that American blue-collar workers found out about new jobs through personal contacts rather than any other method (Granovetter, 1973). This finding is in evidence among the unemployed population in South Africa where a common

method of finding work is to wait for a call from family or friends (Kingdon and Knight, 2007). Granovetter (1973) stated that those to whom one has strong ties are most motivated to help, but those to whom one have weaker ties move in different circles and therefore has access to different information. The author argued that weak ties are an important resource in making mobility opportunities possible and that weak ties are more likely to link members of different small groups than are strong ties, which tend to be concentrated in the same group.

Bruderl and Preisendorfer, in Hoang and Antoncic (2003), found that strong ties were more critical than weak ties in explaining firm success as measured by firm survival. Hoang and Antoncic (2003) expanded on this by stating that the focus on strong ties may be more relevant during the founding stage and early growth stage of a new venture when such ties are likely to be most valuable as ready, low-cost links to critical resources. Jack (2005) stated that the effectiveness of a network depends on both strong and weak ties since different forms of ties provide distinct and different resources.

According to Friedkin (1980) Blau, argued that weak ties are significant, because they are disproportionately involved in inter-group cohesion of heterogeneous networks. Friedkin (1980, p422), in his study of integration in networks of face-to-face interaction, stated that there are different bases of macro (across groups) and micro integration (within groups) and that “macro integration can be based on weak ties which permit episodic transmissions of



information *among* groups, while micro integration is based on a cohesive set of strong ties which permit regular transmissions *within* groups.”

According to Ruef (2002), Uzzi held the view that economic action often benefits from initial increases in relational (strong) ties, but suffers if actors are highly embedded, due to an increased demand for conformity, which decreases innovation. Jack (2005) confirmed the point that strong ties can be problematic as strong tie obligations can limit, and even constrain, business activity and lead to tension in the network.

#### 2.6.5 Trust and social networks

Krackhardt (1992) argued that strong ties constitute a base of trust and that change is facilitated by a particular type of strong tie, namely *philo*. The author stated that *philos* are based on trust, which is developed through a combination of factors, namely: interaction creates opportunity for the exchange of information that may be confidential in nature; affection creates motivation to treat the other in a positive way; and time creates the experience to allow each person to predict how the other will use shared information.

Gabarro, in Francis and Sandberg (2000), maintained that greater knowledge of the other person increases the predictability of the other's actions in various situations and thus enables greater trust. Krackhardt (1992) concluded that,

where major change is required, trust plays a critical part in bringing about the required change. The author stated that change is the product of strong, affective and time-honoured relationships. Duke and Long (2007) indicated that building trust is one of the critical success factors for NGO's to achieve success in a community project.

Hite (2005) developed the concept of trust in networks further through the processes of relational embeddedness, namely: network entry, social leverage and trust facilitation. According to the author, network entry is the first step toward the development of a relationally embedded network and identified three entry processes (ties) that are supported by social leverage (social components that enable network ties), viz.:

- Personal relationship, which is based on personal knowledge of the person, such as family or friend ties
- Dyadic economic interaction, which is based on market relationships, such as cold ties (contractual agreement to deliver a piece of work)
- Social capital, which is based on a common third party acting as a broker to introduce the entrepreneur to the person, such as a brokered tie

Hite (2005) explains that the social components facilitate a different type of trust in the ensuing relationship. The author identifies the following types of trust:

- Personal goodwill trust, developed in personal relationship ties

- Personal competency trust, developed in dyadic economic interaction ties based on historic knowledge of each other's competency
- Social trust, developed based on information from a third party

The author states that these types of trust form a governance strategy, but for the relational governance to be effective, all three types of trust must be present: that is, full relational embeddedness generated more governance protection.

## *2.7 Literature review in summary*

The literature review highlighted the growing importance of the informal economy in South Africa and the world. South Africa is an anomaly in this regard, compared to the rest of the developing world, in that the informal economy does not currently absorb the unemployed to the same degree as in other developing countries. The reason for this anomaly was not explored in this study.

The tourism sector is a growth sector identified by the World Bank and the South African government to create linkages between existing tourist operators and small SMME's, through which to create employment opportunities. The craft sector was specifically quoted for creating employment opportunities for about 20% of rural workers. The importance of the role of government and the LEDP were highlighted for its development capabilities of local opportunities through the involvement of all stakeholders to create growth and employment.

Social Network theory as a contributor to entrepreneurial team formation highlighted, the importance of the Rational Process and Social Psychological model to team formation. The literature indicated that members are absorbed into team based on the Social Psychological model and, within that, based on the rational approach, meaning diverse complementary skill as a criterion is less important than being known or connected.

Various network types were identified, namely, random networks, small world networks and truncated scale free networks. Specific mechanisms of group composition were indicated as important in the literature, with homophily being the most important and based on race and similarity rather than diversity.

Strong and weak ties were denoted as a network constraint that may impede absorption into a team if the person does not have the required network ties. This is also true of the ecological constraint that highlighted the impact of spatial distribution of members in absorption to a team, as the closer a person is to the team geographically, the better the chance of being absorbed into the team. The literature highlighted the importance of trust as a pre-requisite for selection to a team and the governance strategy at play with the various types of trusts.

### 3. RESEARCH PROPOSITIONS

Based on the social network characteristics highlighted in the literature review on team formation, the following propositions were identified to determine team member selection criteria:

Team member selection takes place based on the Social Psychological model (fit of team members, with trust playing an important part), as opposed to the Rational Process (complementary, diverse skills and work experience). It was emphasized that these two models are not mutually exclusive.

**Proposition 1:** Team members become part of a team first on the basis that they “fit” into the team, as opposed to by the diversity of skills and work experience they bring to the team.

A Small World Network is the most common network for small group selection, based on location and social embeddedness of the members.

**Proposition 2:** Team members are selected to the team on the basis that they are located in the same local network as the team leader, such as a neighbourhood, family circle or workplaces through direct contact or kinship ties.

A new member is selected to a team only if a trust relationship exists between the group leader and the new member.

**Proposition 3:** The team member is selected to a group on the basis of a trust relationship existing with the team leader, such as goodwill, competency and social capital.

Team entrepreneurial activity improves the financial position of the group member.

**Proposition 4:** The team membership improves the financial situation of the member.

## 4. RESEARCH METHODOLOGY

### 4.1 *Quantitative research approach*

A quantitative research approach was used in a descriptive research design, based on social network characteristics, as determined from the literature review, to identify team member absorption criteria to an entrepreneurial crafter group in Ekurhuleni Metropolitan Municipal area. The social network characteristics were identified by means of a secondary assessment of a literature review undertaken from relevant research journals and sources. These descriptive characteristics were included in a questionnaire to determine the social network characteristics of individual team members who are members of an existing crafter group in the Ekurhuleni Metropolitan Municipal area, this in order to determine the characteristics that contribute or impede absorption to an entrepreneurial crafter group.

The questionnaire assessed the impact of absorption criteria on the performance of the team, as perceived by individual team members. Further assessment was undertaken to establish the financial outcome of the crafter group performance on individual team members compared to previous employment opportunities.

### 4.2 *Population*

The population is existing entrepreneurial crafter group members in the Ekurhuleni Metropolitan Municipal area. Some of these groups are formed and

operate informally by the entrepreneurial group leader and some of the group leaders and teams were selected as part of the Vuka Craft Mentorship Programme established in the area by the Metropolitan Municipality. In both instances the group leader selected the team members and the absorption criteria of new team members were therefore the same.

### *4.3 Unit of analysis*

The unit of analysis was the entrepreneurial crafter group members who belong to an established crafter group in Ekurhuleni. These crafter groups were not necessarily part of the Vuka Craft Mentorship Programme and were formed independently.

### *4.4 Sampling method*

The sampling method was not a random sample based on the number of crafter group members in the area, but was based on a convenience selection of crafter group members within the Ekurhuleni area, known to the Ekurhuleni Metropolitan Municipality's Acting Curator: Visual Arts, Lephina Hlangu. The sampling size was 35-50 crafter group team members from nine different crafter groups.



#### 4.5 *Data collection*

A questionnaire was compiled based on the entrepreneurial team formation criteria identified in the literature review. The questionnaire was administered in one-on-one personal interviews by the Metropolitan Municipality Vuka Craft Mentorship Acting Curator: Visual Arts, Lephina Hlangu, who herself is a very well known member of the Ekurhuleni Metropolitan Municipality and is known by the crafter groups in the area. Lephina speaks all the local languages and was able to translate questions that were unclear to the participants.

The importance and relevance of trust for the successful completion of the research was highlighted during this process as it is not easy, or even possible, for a stranger to undertake research through personal interviews in established communities unless a well known and respected member of the community acts as a bridge to introduce the reason for the research to the interviewees.

The need to obtain approval and buy in from the group leader was highlighted by Lephina who emphasized the importance of explaining the process and reason for the research to the group leader before approaching the individual team members. Under most circumstances it would be a time consuming process for a stranger to enter the community to undertake research of this nature, as relationship building and trust are pre-requisites. In this instance, Lephina's social capital proved to be invaluable as she is well known and trusted in the Ekurhuleni crafter community and was therefore able to obtain

approval and access to all the relevant crafter groups in a short period of time (four weeks – in the context that Lephina undertook the interviews outside normal working hours).

#### *4.6 Data analysis*

The data obtained in the study was categorical data and as a result frequency tables and cross tabulation was used to do the analysis. To determine if variables were associated, a Chi-square analysis was undertaken on all the variables.

#### *4.7 Limitations of the study*

- Random selection of team members was not possible due to the number of known crafter groups in the area. This however, may mean that unknown crafter groups were not included in the sampling process and biases may exist in that the crafter groups that were included in the samples were all known to the data collector.

## 5. RESULTS

The results discussed below were based on data obtained from a research process with a case study design. The unit of analysis was established crafter groups in Ekurhuleni Metropolitan Municipality area, specifically crafter groups in operation in Katlehong and Tembisa. No distinction was made during the data collection process between crafter groups that were part of the Ekurhuleni Metropolitan Municipality Vuka Mentorship Programme or crafter groups that were established independently. The reason for not distinguishing between the two is because the Vuka Mentorship Programme selected from known established crafter group leaders in Ekurhuleni to participate in the programme. Hence, team formation criteria were the same under both circumstances: Ekurhuleni Metropolitan Municipality Vuka Mentorship Programme crafter groups and independently established crafter groups.

It was determined early on during the data collection process that a critical success factor for the interviews to be completed successfully, was to obtain the team leaders' buy in and approval before interviewing the individual team members. For this reason, the group leaders of each of the participating groups were interviewed first to build understanding and establish credibility for the process. The group leaders' data were however excluded from the data analysis presented below, with the exception of the demographic data section, which includes the group leaders' data to create an understanding of the demographic make up of the sample crafter groups in operation in the Ekurhuleni area.

All the questionnaires were administered in face-to-face interviews undertaken by the Acting Art Curator of Ekurhuleni Metropolitan Municipality, Lephina Hlangu. Interviewer biases identified in the process that may affect the outcome of the results were:

- The crafter group members are often in contact with Lephina, respect and trust her. For this reason the interviewees may have been influenced unintentionally.
- The interviews were all face-to-face interviews undertaken by Lephina, which meant all the interviewees may not have received a consistent message as translation nuances of questions may have varied across the different languages and interviews.

Additional limitations of the study were as a result of the nature of the data obtained. The data was categorical with a relatively low number of observations. This limited the type of statistical analysis to be undertaken to: frequency tables for uni-variate variables; cross tabulation for bi-variate variables; and Chi-Square test for independence between all the variables.

The total number of crafter groups, in operation in the Ekurhuleni area, is unknown and it is therefore not possible to confirm that the sample is fully representative of the total crafter group population in Ekurhuleni. A gender bias towards female group members was evident in the sample and according to

Lephina Hlangu (Tovey, 2009c) this bias is in evidence across all the known crafter groups in the area.

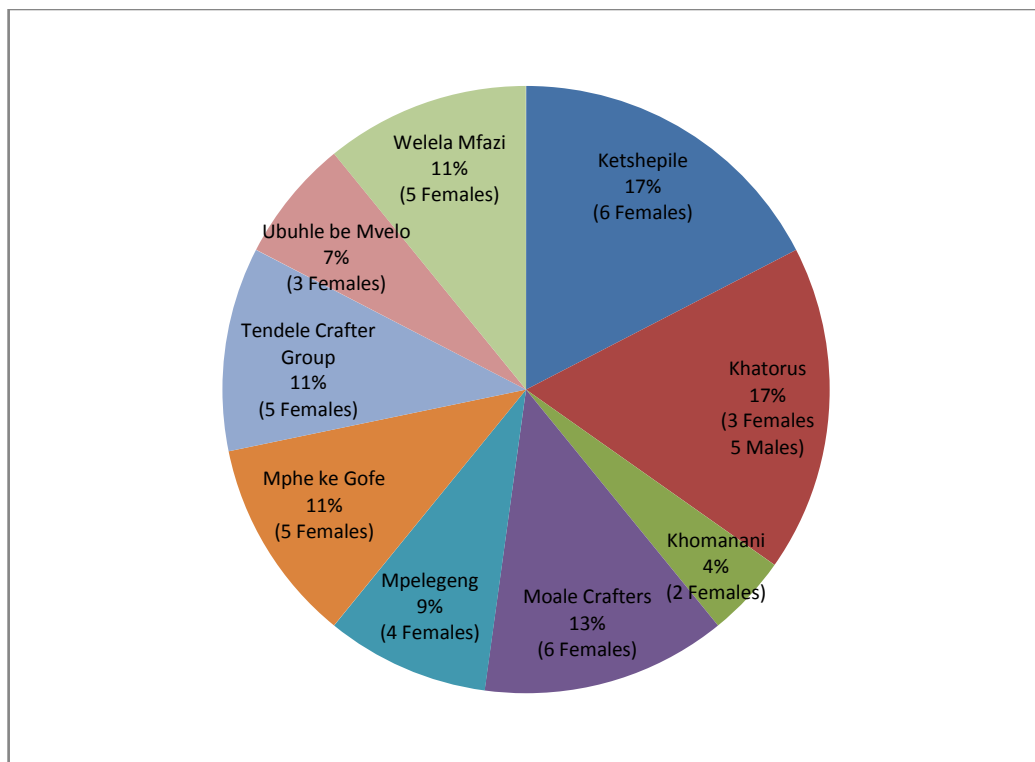
The results of the study were divided into: demographic data (responses from both group leaders and members) to create context of the crafter groups' demographic make up in the sample and analysis according to each of the propositions (team members responses only). Frequency tables and where applicable Chi-Square tables are included in the Appendices section of this document for all the graphs that are displayed.

### *5.1 Demographic data*

Nine crafter groups were included in the sample (*see Figure 4: Crafter group representation of the total sample*). The total number of established crafter groups in operation in Ekurhuleni is unknown. Hence, the comparative size of the sample in relation to the population is unknown. The number of members in each of the groups (excluding the group leaders) varied between a minimum of two and a maximum of seven members. The group leaders of all nine groups were female. Two of the group leaders did not take part in the questionnaire. The reason for the exclusion is no availability, at a convenient time, of both the group leader and the interviewer (Lephina) for a face-to-face interview to take place. The group leaders that were not interviewed were the Khomanani and Mphe ke Gofe group leaders.

A total of 39 team members across the nine groups participated in the sample. All the members in the sample groups were interviewed. All the group members and leaders were South African citizens. There are known non South African citizen crafters in operation in Ekurhuleni who operate on their own. These crafters were excluded from the study on the basis that they were single member teams and hence no team members to interview.

*Figure 4: Crafter group representation of the total sample*



As a result of the low observations in each of the groups, in depth inferential statistical analysis per group was not undertaken in this study. Instead a holistic analysis of the total group members was undertaken and where required, analysis of individual teams done to understand variations highlighted in the holistic analysis. Frequency tables and cross-tabulation tables were used to undertake the analysis. To test if any of the variables were dependent, Chi-

Square tests were run with all the variables. The following dependencies were highlighted during the Chi-Square test and included in the study:

What craft do you do: Crafter groups

Where did you meet the team leader?

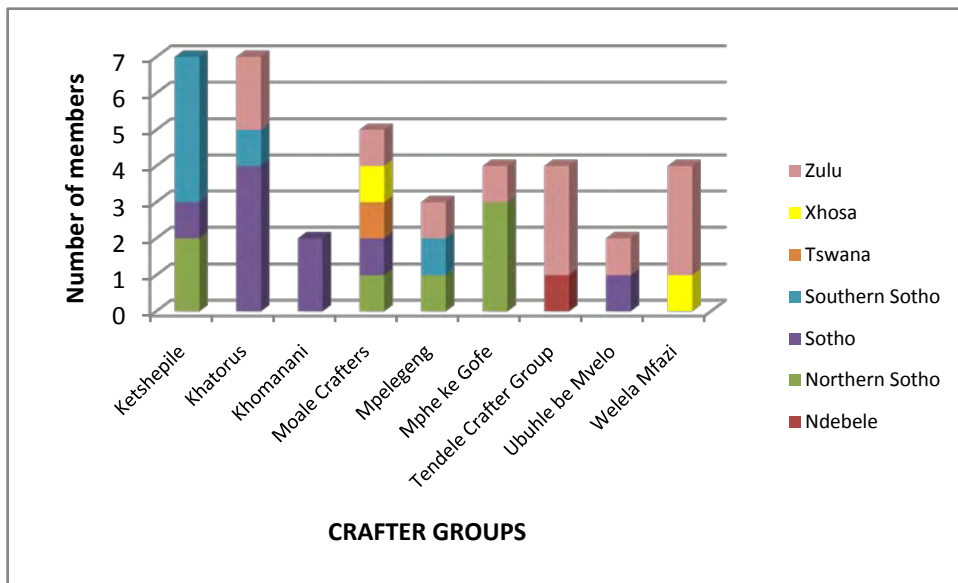
Disagreements in the team: Gender

### 5.1.1 Language distribution

Cross-tabulation was used to analyze the results of the various first languages spoken in each of the crafter groups to determine preferences and trends.

Most of the teams displayed two or more languages as preferred first languages being spoken in the group. (see *Figure 5: Crafter groups first language preferences*). Only one group, Khomanani only have two members, spoke one common preferred language.

Figure 5: Crafter groups first language preferences



### 5.1.2 Gender distribution

Cross-tabulation was used to analyze the results of the gender distribution across the various crafter groups. This method of analysis allowed for gender differences among the various crafter groups to be highlighted.

Eight of the teams only have female members. Only one of the teams (Khatorus) had male team members, with five of the seven team members in this particular group being male (*Figure 4: Crafter group representation of the total sample*).



### 5.1.3 Crafter groups age distribution

Cross-tabulation was used to analyze the results of the age and gender distribution across the crafter groups. This method of analysis allowed for the relationship of age and gender distribution across the various sample crafter groups, to be highlighted.

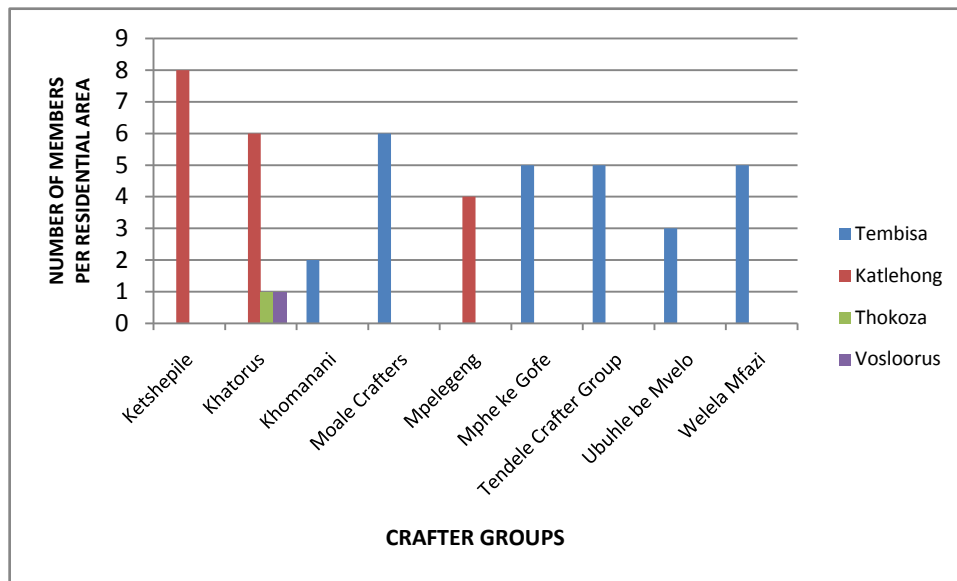
The ages of the group leaders ranged between 39 and 65 years, while the ages of the team members ranged between 19 and 75 years. The male crafters in the sample were the youngest team members across all the teams (19 to 29 years). Three questionnaires completed by female interviewees, had missing information in this field.

### 5.1.4 Crafter groups residential areas

Cross-tabulation was used to analyze the results of the residential area for the members of all the groups to determine if members of a group were located in the same or different residential areas.

It was evident from the cross-tabulation that all the teams' members per group were located in the same residential area, with the exception of two members of the Khatorus crafter group. The graph below displays the residential distribution of the members per sample group (see *Figure 6: Crafter groups' residential location*).

Figure 6: Crafter groups residential location

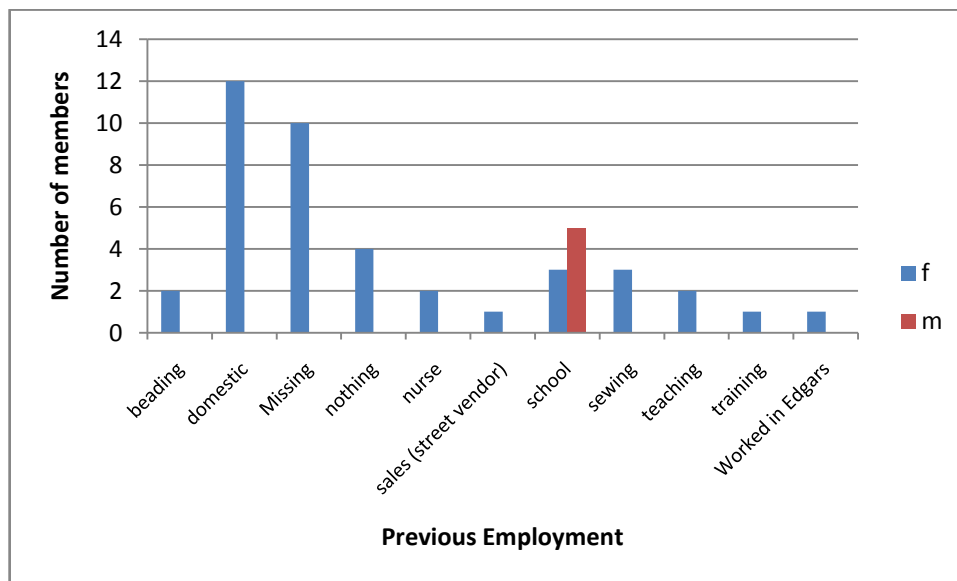


### 5.1.5 Crafter groups employment history

Cross-tabulation was used to analyze the relationship between gender and previous employment across the various crafter groups. This method of analysis highlighted employment history differences between males and females across the various crafter groups.

The majority of crafters who participated in the study worked as domestic workers before joining a crafter group (see *Figure 7: Crafter groups previous employment distribution*). All the males who participated had no previous work experience and joined a crafter group directly from school. As per analysis of gender representation in the crafter groups, these males were all members of the Khatorus group.

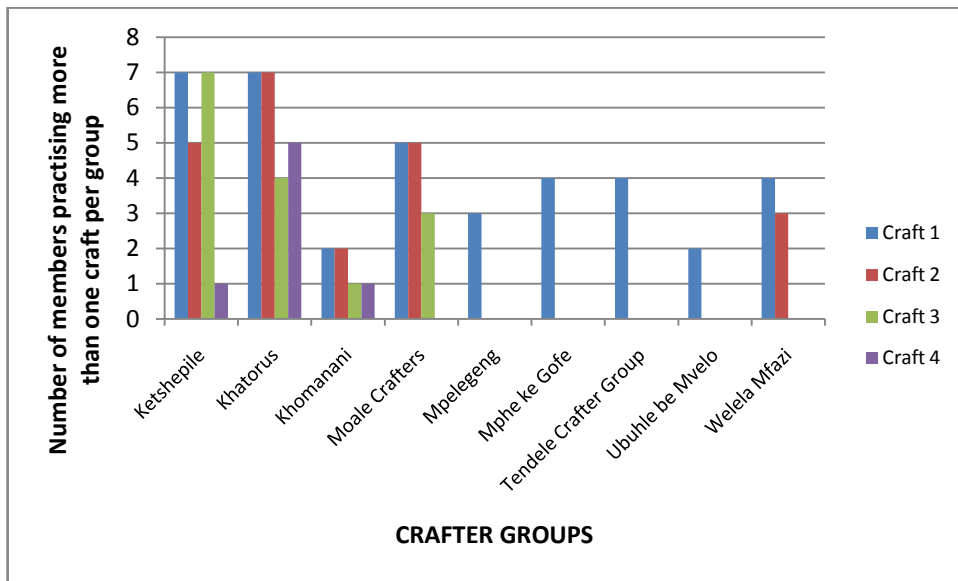
Figure 7: Crafter groups previous employment distribution



### 5.1.6 Crafter groups crafter skills

Chi-square analysis identified an association between the craft and the crafter teams. The data indicated that craft members practice more than one craft. Crafts listed by team members were grouped as craft 1 (primary), craft 2 (secondary), craft 3 and craft 4 for analysis purposes. Cross tabulation between: a) the crafts practiced and the crafter group was done to understand the association between the number of crafts practiced per group (see Figure 8: *Number of crafts practiced per group*); and b) the type of primary (see Figure 9: *Crafter groups primary crafter skill distribution*) and secondary (see Figure 10: *Crafter groups secondary crafter skill distribution*) crafts practiced by team members to understand the association between primary and secondary crafts per group.

Figure 8: Number of crafts practiced per group



It is evident that only three groups practice the maximum number (four) crafts, only one group practice three crafts, only one group practice two crafts and the majority, four groups, specialize in one craft only.

Figure 9: Crafter groups primary crafter skill distribution

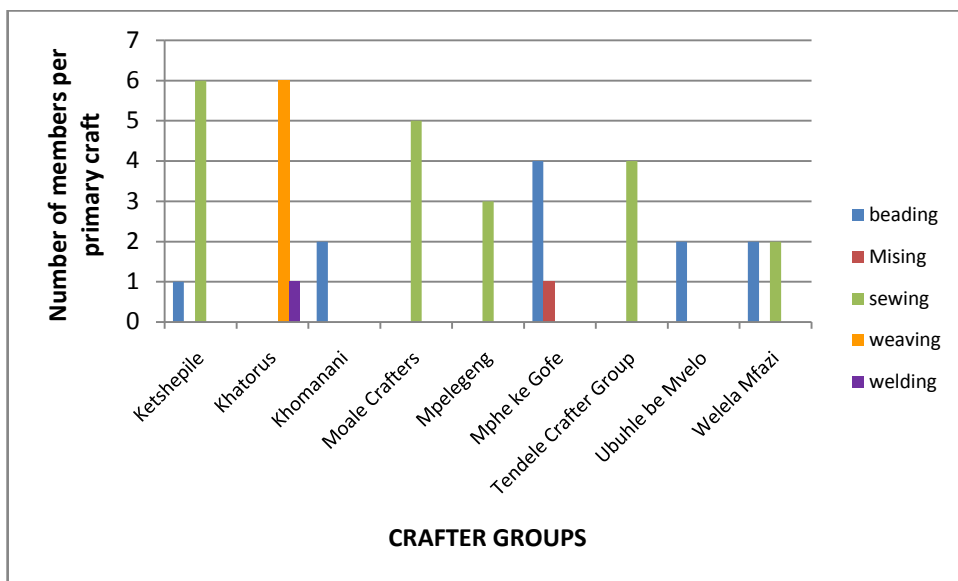
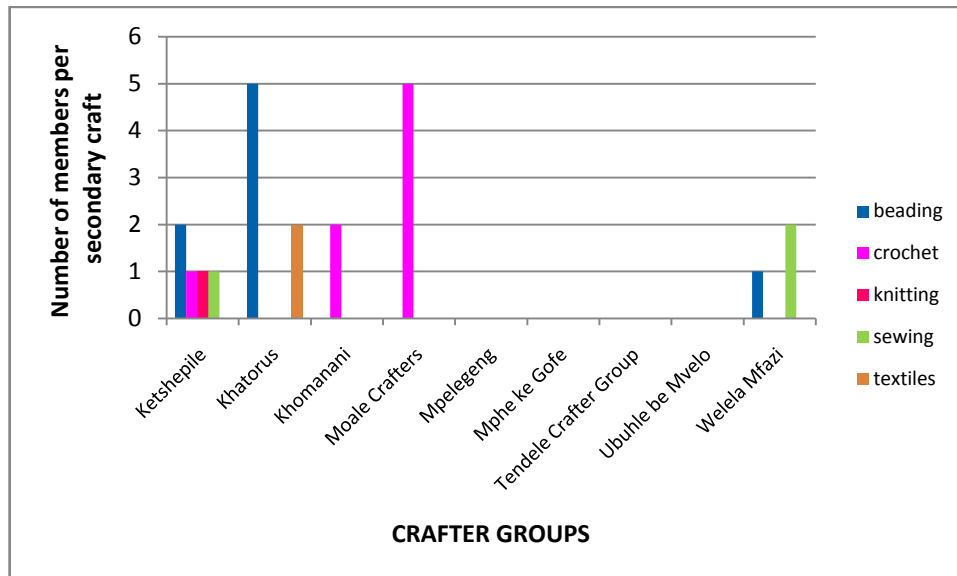


Figure 10: Crafter groups secondary crafter skill distribution



It is clear from the analysis between the type of primary and secondary craft practiced by team members from each of the crafter groups, that crafter groups specialized in certain crafter skills, with sewing and beading being the most commonly practiced crafter skills among the groups in both the primary and secondary crafter categories mentioned above. Weaving, welding and textiles were the only unique crafter skills identified in the sample and these were practices by only one group, Khatorus.

### 5.1.7 Demographic data in summary

Nine established crafter groups took part in the study and all the members of the nine groups were interviewed – total 39 members. All nine groups' team leaders were female, with eight of the nine groups only consisting of female

group members. Only one group had male members (five) and in this instance the male members also out-numbered the female members.

The ages of the group members and group leaders varied from 19 to 75 years. The group members per group resided in the same residential area, with the exception of one group, Khatorus, who had two members from different residential areas.

The most dominant previous employment variable of all the female team members in the sample indicated that they were domestic workers before joining a group. All the males in the sample had no previous working experience and indicated that they joined the group from school.

Five of the crafter groups practiced more than one crafter skill, with four of the groups specializing in one skill only. The most commonly practiced crafts were beading and sewing, with welding and weaving being the most unique skills and practiced by only one group, namely Khatorus.

## *5.2 Proposition 1 results*

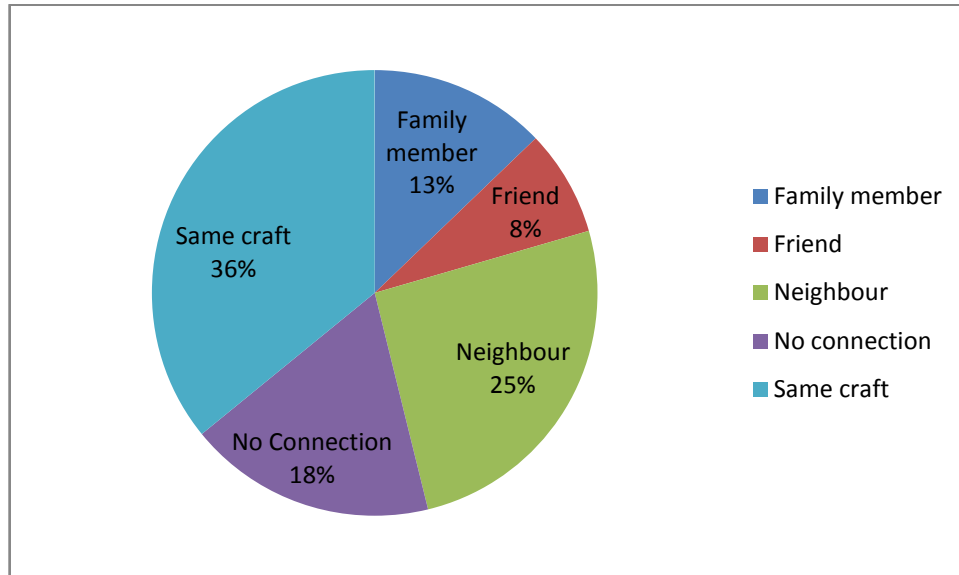
**Proposition 1:** Team members are selected first on the basis that they “fit” into the team, followed by the diversity of skills and work experience they bring to the team.

The following questions in the questionnaire were asked to determine if team members are selected based on the “fit” into the team (Social Psychological approach) or the skill the new team member brings to the team (Rational approach):

- What is your connection to the team leader?
  - o Family member
  - o Friend
  - o Neighbour
  - o Share the same interest (craft)
  - o No connection
  
- Does the team have many disagreements?

A frequency distribution was undertaken on both these questions to determine on what basis the member was absorbed into the team (see *Figure 11: What is your connection to the team?*). The second question was asked to determine what the impact of the choice was on the stability of the team (see *Figure 12: Does the team have many disagreements?*). The Chi-square analysis that was run did not indicate an association between disagreement and the connection to the team. However, the Chi-square analysis indicated a strong association between gender and disagreement in the team.

Figure 11: What is your connection to the team leader?



The results from the sample crafter groups indicated that the majority of new members were selected to the team on the basis that they were family (13%), friends (8%) or neighbours (25%) of the team leader. Practicing the same craft as the group leader was the single highest category selected by team members (36%) and lastly seven of the 39 members (18%) interviewed indicated that they had no connection to the team leader.

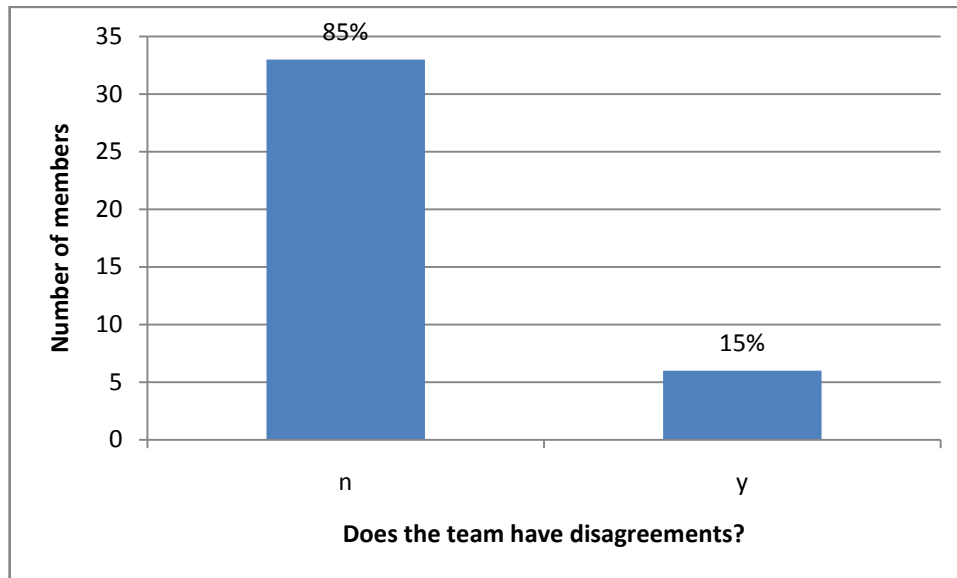
The 18% (7) of the members who indicated that they had no connection to the team leader, indicated that they met the team leader through:

- Through a third person who introduced them to the team leader (43% or three members)
- Through church (29% or two members)
- Through school (14% or one member)



- Through the community centre (14% or one member)

*Figure 12: Does the team have disagreements?*



To the question, “Does the team have disagreements?” only six of the 39 interviewees (15%) indicated that there were disagreements in the group. The Chi-square analysis highlighted an association between disagreement in the team and gender. Cross tabulations between these two variables indicated that the majority of males (80%, with only 6% of females) stated that there were disagreements in the group. The Khatorus crafter group (71% of the members are male) indicated that the majority of members in this group felt that the group had disagreements (four males 57% answered yes and one female answered yes; one male and one female answered no). It is not clear from the existing data why the majority of males believe the team had many disagreements.

### 5.3 *Proposition 2 results*

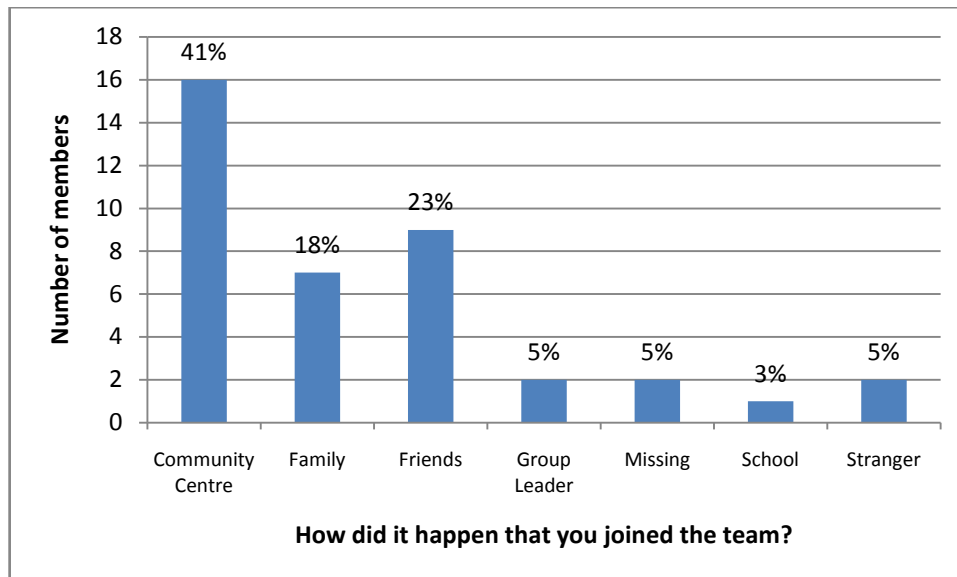
**Proposition 2:** Team members are selected to the team on the basis that they are located in the same local network as the team leader, such as a neighborhood, family circle or workplace through direct contact or kinship ties.

The following questions in the questionnaire were asked to determine if team members are selected to a crafter group as a result of being located in the same local network as the team leader. The questions were:

- How did it happen that you joined the team?
- Where did you meet the team leader?
- Why did you join the group?

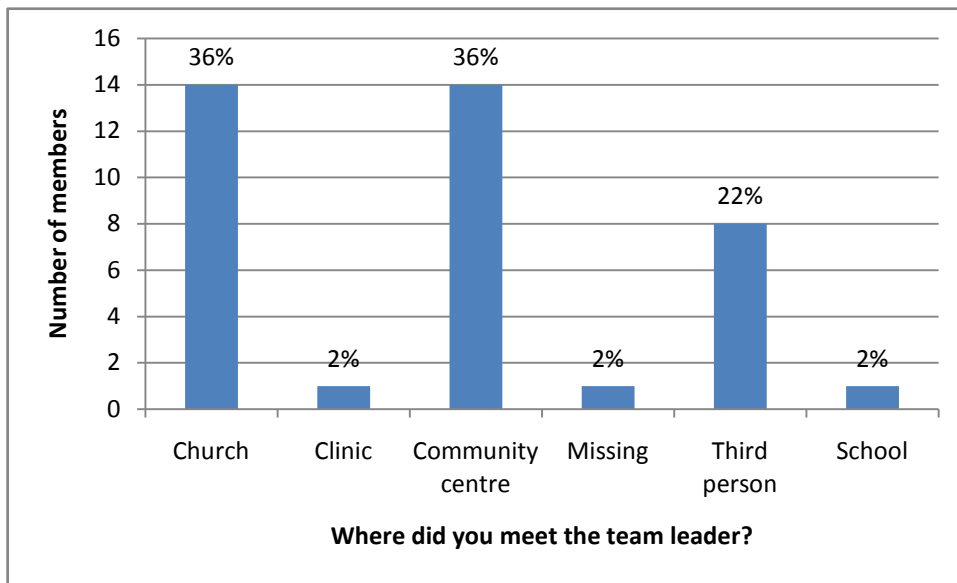
Frequency tables were used to identify the highest chosen categories. For all three these questions Chi-square analysis did not indicate any association to these or other variables.

*Figure 13: How did it happen that you joined the team?*



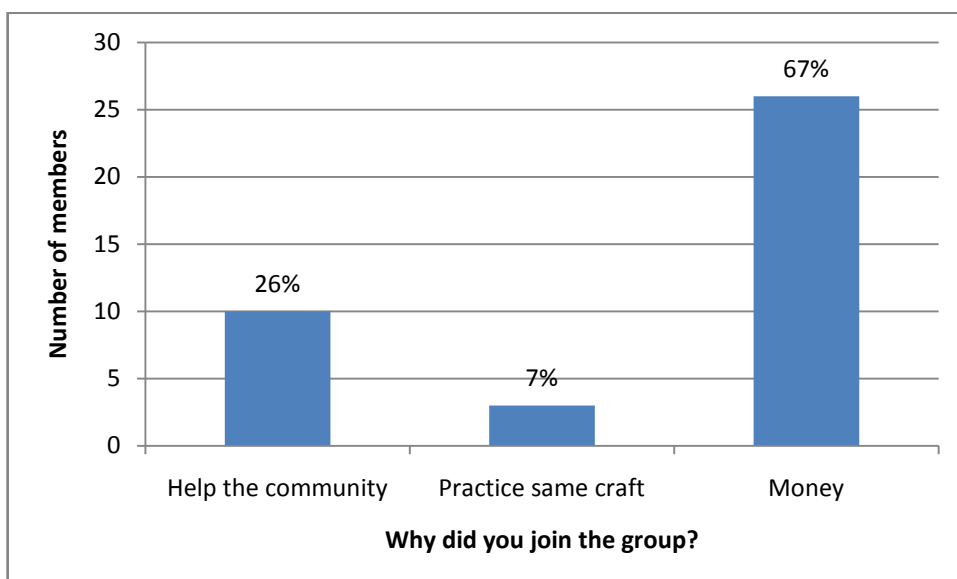
The results to the question “How did it happen that you joined the team?” (see *Figure 13: How did it happen that you joined the team*), indicated that the majority of members joined the team through the community centre (41%) or were told by either friends (23%) or family (18%) with only 5% of the interviewees indicating that they were invited by the team leader to join the group and a further 5% indicating that were told about the opportunity by strangers.

Figure 14: Where did you meet the team leader?



The majority of members indicated that they met the team leader (see Figure 14: Where did you meet the team leader?) either through the community centre (36%) or through church (36%) and 22% of the interviewees indicated that they were told of the opportunity by a third person, with 2% each indicating school and the clinic as the place where they met the team leader.

Figure 15: Why did you join the group?



The majority of interviewees (67%) stated that they joined the group (see *Figure 15: Why did you joined the group?*) to earn more money, with a further 26% indicating that they joined the group to help or serve the community and 7% stated practicing the same craft as the reason for joining the team.

#### *5.4 Proposition 3 results*

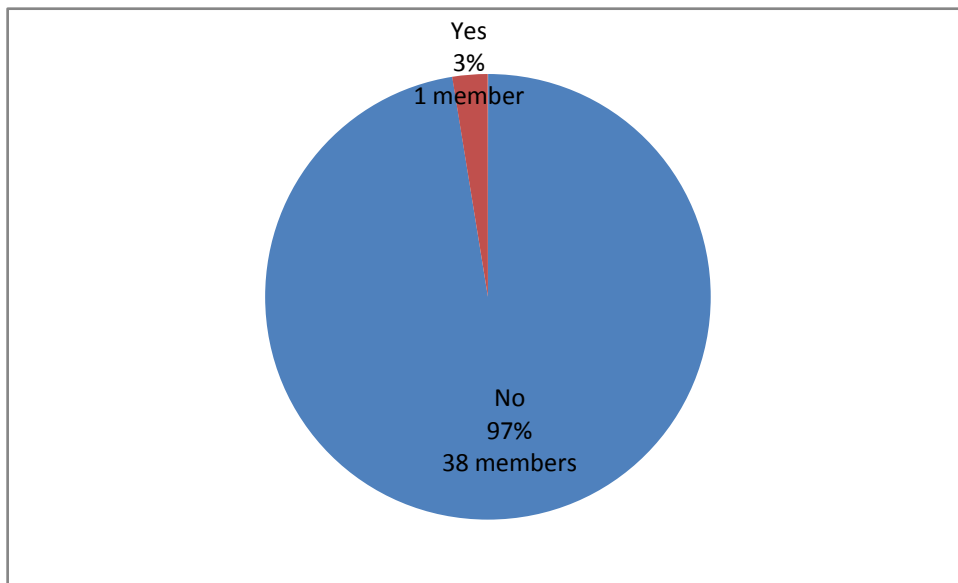
**Proposition 3:** The team member is selected to a group on the basis of a trust relationship with the group leader, such as goodwill, competency and social capital.

The following question in the questionnaire was asked to determine if trust is an important factor when selecting team members to a group. The question was:

- Do you think you would be part of the group if the team leader did not trust you?

A frequency table was used to determine the highest response frequency. The Chi-square analysis did not indicate any association of this variable to any other variable.

Figure 16: Would you be part of the group if the team leader did not trust you?



The results indicated strongly that trust played an important role in team member selection as perceived by the team members with an overwhelming 97% positive response rate to this question (see Figure 16: Would you be part of the group if the team leader did not trust you?).

### 5.5 Proposition 4 results

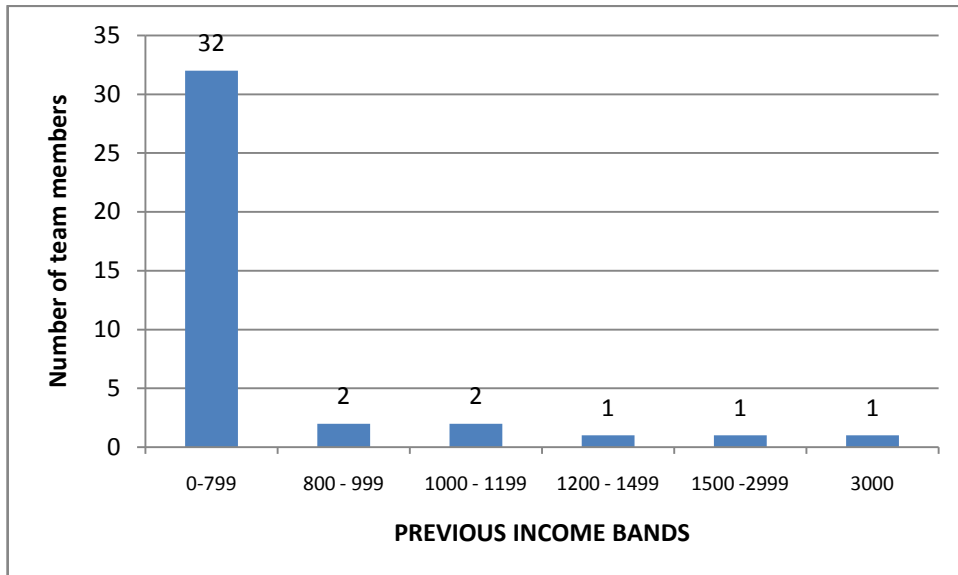
**Proposition 4:** The team membership improves the financial situation of the member.

The following questions in the questionnaire were asked to determine if team members' financial positions improved as a result of membership to a crafter group. The questions were:

- What was your income before you joined the group?
- Are you earning more money now that you joined the group?

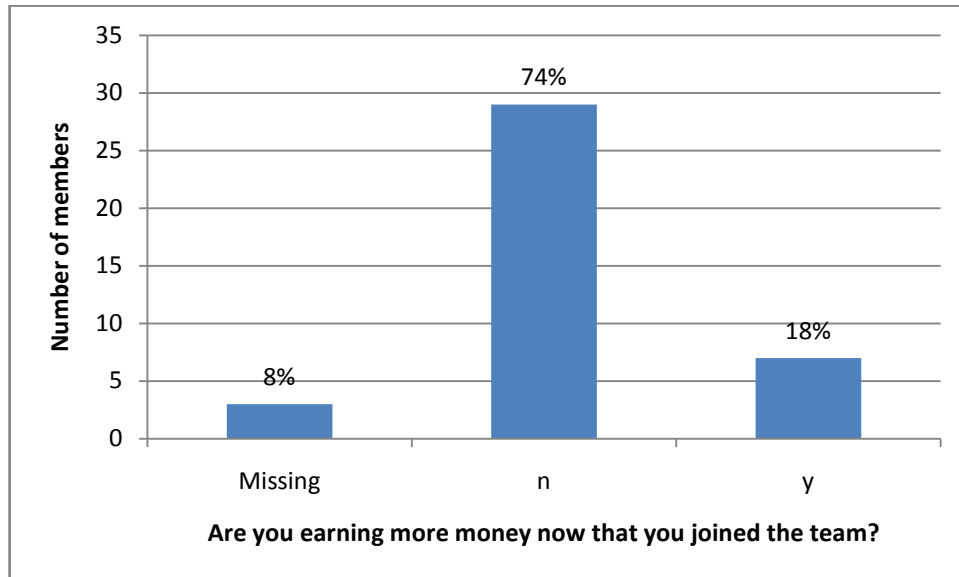
Frequency tables were used to indicate the frequency of interviewees' responses to the questions. Chi-square analysis did not highlight any association between these two variables and these two variables to any other variables.

*Figure 17: What was your income before you joined the group?*



The results indicated that the majority of interviewees (32 members or 82%) had income less than R800 before joining a crafter group (see *Figure 17: What was your income before you joined the group?*).

Figure 18: Are you earning more money since you joined the group?



Since joining a crafter group, only 18% of interviewees stated that they were earning more. However, most interviewees (74%) stated that they were not earning more than what they earned before they joined the group (see Figure 18: Are you earning more money since you joined the group?).



## 6. DISCUSSION OF RESULTS

### 6.1 Overview of demographic results

#### 6.1.1 Crafter groups demographics

The results from the sample groups indicated a strong tendency towards homophily in both ascribed (gender, race and ethnicity) and achieved (crafter skill and previous occupation) characteristics. Group composition in the sample crafter groups was based on similarity and not differences - similarity on the basis of race, gender (see *Figure 4: Crafter group representation of the total sample*), residential location (see *Figure 6: Crafter groups residential location*) and crafter skill (see *Figure 9: Crafter groups primary crafter skill distribution*).

All the groups only have South African citizens as members, even though there were known non-South African citizens who practice unique crafter skills, such as wood work, in the area (Tovey, 2009c). Eight of the nine groups only have female members and the members of all the groups resided in the same residential location. This is inline with the findings on homophily of Ruef *et al* (2003) that indicated that group membership is based on similarity of characteristics. These findings were also supported by Hinds *et al* (2000) who found that people of the same race indicated a preference to work together, regardless of competence or familiarity.

Most crafter groups did not display similarity in terms of the preferred first languages spoken in the group (see *Figure 19: Crafter groups first language preferences*). In South Africa there are two dominant language groups, namely: Nguni (Xhosa and Zulu) and Pedi (Sotho speaking dialects) (Levinson, 1998, p.167). Even an analysis based on these main groups, did not indicate similarity in languages spoken in the sample crafter groups. Hence, it is clear that there is no correlation between languages spoken and race in the case of the Ekurhuleni sample crafter groups.

One may deduct from this that the Ekurhuleni townships accommodate citizens from all the various language groups and that most members speak more than one language, hence group formation based on language preference was not a selection criterion for the group leaders and team members.

The data obtained from the Khatorus group provided outliers in many of the variables, compared to the other eight groups. These variables were:

- Gender: The Khatorus group was the only crafter group in the sample who have male group members. The male members also out numbered the female members, but the group leader was a female – similar to all the other groups.
- Age: The Khatorus group members were younger than the other groups, in fact the majority (4) of the Khatorus members were the youngest of all the members in the sample.

- Residential area: The Khatorus group members were not all located in the same residential area, as was the case with the other groups.
- Employment history: All the team members had no previous work experience with six of the seven stating that they joined the group from school and the remaining team member stating “nothing” as prior employment.
- Crafter skills: The Khatorus group was the most multi-skilled group in terms of the types of crafts that the members practiced from all the other groups. The group also practiced the most unique crafter skills, such as welding, weaving and textiles.

These outliers required deeper analysis to understand the variances. In an interview with Lephina Hlangu (Tovey, 2009c), it became clear that Khatorus is a very unique crafter group in that the group was established by the Khatorus campus of the Ekurhuleni West College for further education and learning to offer learners with disabilities, such as epilepsy, an opportunity to learn a skill, to earn money and to keep busy. For this reason, group members from both sexes and from varied residential areas form part of the group. This is also the reason for the varied crafter skills that are practiced by the members, as opposed to specialising in one or two skills.

In terms of the propositions, the Khatorus data was not treated as an outlier as the data provides support for findings in the literature review. These are discussed, where applicable as part of the results for each of the propositions.

## 6.2 *Proposition 1- Discussion of results*

**Proposition 1:** Team members are selected first on the basis that they “fit” into the team, followed by the diversity of skills and work experience they bring to the team.

According to Aldrich and Kim (2007) new members are selected to a team based on the interpersonal fit between team members (based on networks of embedded ties), rather than the skill that the new team member brings to the group. To test this proposition, the following question was presented to the team members to determine on what basis they believed they became part of the team namely, connection to the team leader through strong or weak ties or through the craft practiced:

- What is your connection to the team leader?

The categories listed as part of the question, were mutually exclusive and only one category had to be selected over another by the interviewee. To prove this proposition correct, the frequency counts of the categories: family member, friend and neighbour had to exceed the frequency counts of the categories “share the same interest (craft)” and “no connection”. This was based on the assumption that the categories: family member, friend and neighbour equated to the existence of an interpersonal fit based on strong ties between the team member and the team leader as indicated by Forbes *et al* (2006) in studies on entrepreneurial team formations that new team member additions were mostly

based on similar relationships, personal connections and backgrounds; and that “share the same craft” equated to instrumental skills and work experience which Aldrich and Kim (2007) argued took second place after the Social Psychological approach (fit between team member and team leader) in team member selection criteria. The category “no connection” is based on the weak tie connections of the team member as a link between the member and the team leader.

The results showed that these three categories (family member, friend and neighbour) totaled 46% of interviewee responses and “share the same interest (craft)” had a response rate of 36%. Hence, the interpersonal “fit”, as discussed above, achieved the highest frequency results.

A counter argument was that the category “share the same interest (craft)” was an indication of interpersonal fit based on the fact that members and leaders were sharing the same interest, as opposed to a diverse craft skill, which may make the team functionally more diverse, but will lead to a lack of interpersonal “fit”. This argument would provide more proof in favour of the proposition and is supported by the argument of Forbes *et al* (2006) that a common interest in the service provided by a business is a more important criterion in team formation than functional diversity.

Only 18% (7) of interviewees did not choose the previous categories, but stated that they had no connection to the team leader and selection to the group was therefore not based on either Social Psychological approach or instrumental/rational approach. Five (71%) of the interviewees who selected “no connection to the team leader” as an option, were members of the Khatorus group. As discussed previously, Khatorus is unique in that the crafter group formation is based on a unique need of the team member rather than on skill or interpersonal fit.

A question was included in the questionnaire to determine the impact of the team member selection criteria on the performance of the groups. The results to the question: “Does the team have many arguments?” received an overwhelming 85% no response rate. According to Aldrich and Kim (2007) the Social Psychological approach to team formation contributes towards positive social relations in a team and is important to create a supportive context for people to undertake innovative actions. Based on this view point and the team members view that there were not many disagreements in the teams, one could deduct that the team formation in the sample crafter groups were based on the Social Psychological approach.

To develop this argument further, the five members (71%) of the Khatorus group answered yes to the question: “Does the team have many disagreements?” Five members (71%) of the Khatorus group indicated that they had “no connection” to the team leader (selection did not take place based on

the Social Psychological criteria), which strengthened the argument that selection based on Social Psychological criteria or “fit” contributed to positive social relations in a team. The results of the Chi-Square analysis highlighted an association between “disagreements in the team” and gender. This association was as a result of four (57%) of the Khatorus male members of the group indicating that the team has many disagreements, with only one female from Khatorus and one from another group indicating disagreements took place.

The findings in the sample “What is your connection to the team leader” indicated that the majority of team members in this sample were selected based on the Social Psychological approach (fit to the team) as opposed to the rational or instrumental criteria of team member selection (complimentary/diverse skills of the team members). This is in-line with the findings obtained from the literature review and therefore proved the proposition to be correct.

### *6.3 Proposition 2- Discussion of results*

**Proposition 2:** Team members are selected to the team on the basis that they are located in the same local network as the team leader, such as a neighbourhood, family circle or workplace through direct contact or kinship ties.

Macpherson and Holt (2007) emphasized the importance of networks to small firm growth as a source to support small firms. Aldrich and Kim (2007) indicated

that connections and relations are formed, clustered around local networks such as neighbourhoods, friendship circles or workplaces. The results to the questions “How did it happen that you joined the team?” and “Where did you meet the team leader?” indicated strongly that most team members met the team leader or joined the team, based on contacts encountered through the team members local networks.

The most prominent meeting points for the new members to have met the team leader, based on the results from this sample, were the community centre (36%) and church (36%) – that is 72% of the new team members met the team leader through local network institutions. Only 22% were introduced to the team leader by a third person, which could be argued, being a weak tie, falls outside the team member’s local network as highlighted by Friedkin (1980, p422) in his argument that weak ties permit *episodic* distribution of information among groups and strong ties permit regular distribution within groups.

Granovetter (1973) defined tie strength (weak or strong) based on a combination of time, emotional intensity and the level of mutual confiding that takes place. A strong tie is therefore based on high levels of the aforementioned and weak ties on lower levels. Jack (2005) emphasized that strong ties are developed and formed on the basis of knowledge, experience and trust and developed over time. The author emphasized that strong ties are instrumental in business activity for entrepreneurs.



Results of team members' method of joining the group highlighted the importance of Small World networks, based on local clusters and networks, as argued by Aldrich and Kim (2007) above. Again, the community centre was the most important contact point with 41% of interviewees choosing this category, followed by 23% indicating that friends told them about the opportunity and 18% indicating that family members told them about the opportunity to join the team. A combined 82% of interviewees identified Small World Networks as the connector to joining the team.

In this instance only 5% of interviewees indicated that strangers told them about the opportunity to join the team. Granovetter (1973) stated that weak ties are an important resource in making mobility opportunities possible and weak ties serve as a link to members of different small groups. Strangers are therefore defined as a weak tie, based on the frequency of interactions and emotional involvement between the parties as defined by Granovetter (1973).

Based on these results it is evident that the Small World Networks in the case of the Ekurhuleni crafter group sample, with the strong tie connections were more prominent in the team member being absorbed into a team. This finding corresponds to the point made by Elfring and Hulsink (2007) that strong ties, during the emerging phase of a start-up, provide access to resources.

To the question “Why did you join the group” 67% of all interviewees provided “to earn money” as the reason. This was followed by 26% of interviewees providing an answer related to “Helping the community”. Therefore, 89% of interviewees stated a reason related to entrepreneurship (either to earn money through the creation of a market for the products being created or a social reason to assist the community) as a reason for joining the team. This emphasized the potentially important role that entrepreneurship or social entrepreneurship has to play in the country.

Based on the outcome of the results to these questions, it is clear that members in the sample crafter groups were selected to the teams, based on local networks and strong tie connections. The results provided evidence that team members were selected to the crafter groups on the basis that they were located in the same Small World Network as the team leader.

#### *6.4 Proposition 3- Discussion of results*

**Proposition 3:** The team member is selected to a group on the basis of a trust relationship with the group leader, such as goodwill, competency and social capital.

Hite (2005) developed the concept of trust in networks through processes of relational embeddedness and identified the following types of trust:

- Personal goodwill trust which is developed in personal relationship ties.
- Personal competency trust which is developed in economic interaction ties between two people based on historic knowledge of each other's competence.
- Social trust which is based on information from a third party.

The response to the question: "Do you think you would be part of the group if the team leader did not trust you?" an overwhelming 97% of the interviewees provided no as the answer. By looking at the types of trust identified by Hite (2005), and by comparing these types of trust to the types of trust that connected the team member to the team leader discussed under proposition one, the following deductions can be made:

- 46% of the interviewees stated that they became part of the team based on their connection to the team leader through close knit personal relationship ties.
- 36% of the interviewees stated that they became part of the team based on practicing the same craft as the team and hence competence in practicing the skill.
- 18% stated that they had no connection to the team leader. As discussed under proposition 1, the majority of members who chose this option (71%) were from the Khatorus group and were selected to the team based on a very unique need. Although the data did not indicate this explicitly, a third party had to have connected the member to the leader in this instance. The connection that had been identified was that the

majority of members joined the team straight from school. It could therefore be deducted that the school acted as a trusted third party and provided information to the members regarding the opportunity to join the group, as discussed by Hite (2005).

What was very clear from the results is the importance of trust in team member selection criteria. Gabarro, in Francis and Sandberg (2000) maintained that greater knowledge of the other person increased the level of predictability of the other's actions and this lead to increased levels of trust. This resonated with the point rose by Duke and Long (2007) that building trust is a critical success factor for NGO's to achieve success in a community project. It is clear that this view was shared by the interviewees in the sample crafter groups. Based on the outcome of results it was evident that the team members believed a trust relationship played a critical part in their selection or acceptance into a crafter group by the team leader.

#### *6.5 Proposition 4- Discussion of results*

**Proposition 4:** The team membership improves the financial situation of the member.

Rogerson and Sithole (2001) indicated that the activities of rural handicraft producers represent a special category of tourism enterprise, i.e. small, medium

and micro-enterprise SMME or an informal form of tourism enterprise. The authors developed this point further by stating that rural handicrafts are seen as an integral part of the travel and tourism-linked SMME economy of South Africa and that the international view is that this sector has the potential to make a positive contribution towards the goal of rural development in Africa, Asia and Latin America.

This view was supported by Dorfling, in Jackson (2004) through the argument that survivalist and micro enterprises had an important role in income generation and poverty alleviation due to the size of the sector and the people involved (women, disabled people and very poor rural families). A further important point in favour of development of the sector was made by Rogerson (2005) by pointing out government's focus on policies to develop cultural and township tourism.

However, results to the question "Are you earning more money now that you joined the group?" indicated that 74% of the members in the nine sample groups answered "No" to this question, 18% answered "yes" and 8% did not answer the question.

Sensitivity around questions related to earnings were expected, hence a direct question to ask how much team members were earning since joining the group, was not asked. Instead the question "What was your income before you joined

the group?” was asked as an indicator of income levels in relation to the “Are you earning more money since you joined the group?” The results indicated that 82% of the team members were earning between R0-799 before joining a crafter group, followed by 74% of the interviewees stating that they were not earning more money since joining the group – hence, a very small improvement.

By comparing these results to the results of the questions “Why did you join the group?” with the majority (67%) of interviewees stating that they joined the group to earn more money, it is clear that the majority of team members’ financial expectations were not being met.

A question related to the period team members were part of the group had not been included in the questionnaire and it is therefore not clear if the lack of meeting financial expectations of the team members resulted in members leaving the respective groups.

By looking at how long team members stated that they knew team leaders, that is less than a year or longer than a year, 76% indicated that they knew the team leader for more than one year. This could be attributed to the finding by Uzzi in Ruef (2002) that economic action often benefits from initial (strong) ties, but suffers if actors are highly embedded, due to an increased demand for conformity. Based on the findings in propositions one and two that team

members become part of the groups on the basis that they are connected to the team leader through strong ties and Small World Networks, Uzzi's (Ruef, 2002) point may be very relevant in that team members conform to the rules of the team leader, which may prevent innovative and creative ideas for the creation of more marketable products. No evidence was provided in the data to provide proof of the view that this could be the reason for the low financial benefit.

The possibility exists that team members believed that they are better off being part of a group, regardless of low earnings. Specifically in the light of the observation by Lewis (2001) that unemployment remained unacceptably high in South Africa, with semi-skilled and unskilled workers reflecting the highest levels of unemployment.

It is also possible that the findings of Francis and Sandberg (2000) were in evidence in that this is a typical situation where the rational task-oriented *gesellschaft* was also a *gemeinschaft* or community, which according to the authors may exist in organizations when personal and collective goals were blended. In the light of the results that 26% of interviewees indicated that the reason for joining the group is to help the community – the authors' findings may be very relevant.

In an interview with Lephina Hlangu (Tovey, 2009c), the question was posed why the majority of team members stated that they do not earn more since

joining the group. Her view was that the team members felt that they earned enough to survive (in terms of buying the basic necessities) and hence, their situations may not be better, but at least they were able to live. The point by Berry *et al* (2002) is relevant in that the authors suggested that the survivalist and micro-enterprises in South Africa show little prospect for growth. Yet, the argument by Dorfling in Jackson (2004) that this sector has an important role to play as an income generator due to the people affected (women, disabled and very poor) is so very relevant in the case of the Ekurhuleni crafter group sample.

Based on the results, it is clear that proposition four is not true in the case of the Ekurhuleni crafter group sample, but the reason for the perseverance of the team members and groups in the light of the lack of financial gains could not be answered explicitly from the available data. Proposition four is therefore rejected.



## 7. CONCLUSION

### 7.1 *Conclusion of the main findings*

As was indicated early on this study, the high levels of unemployment and poverty in South Africa is unacceptable. Many of the people who are unemployed have limited opportunities to change their situations, more so if they are semi-skilled or unskilled workers. This situation poses an enormous risk to the country as the disparity between the rich (those that do have skills and opportunities) and the poor are growing, almost on a daily basis. This creates the perfect opportunity for social unrest, protests and crime to become a way of life. The purpose of this study was to investigate opportunities for people to use their networks and creative talents to craft a living for themselves, such as what was taking place in Ekurhuleni with the formation of entrepreneurial crafter groups.

The challenges of the team formations became clear during an interview with Hanolet Uys, the then Art Curator of Ekurhuleni Metropolitan Municipality. Ekurhuleni Metropolitan Municipality had set themselves an objective to create a crafter hub in the area to attract tourists in an effort to provide a market for the various entrepreneurial crafter groups that lived and traded in the area. The biggest challenge however, was to understand on what basis new members were selected to a group without disintegration of the group or non-acceptance of the member and for the group to remain economically active. Hanolet indicated that group members were selected on the basis that: they lived in close proximity to the group leader/crafter group and that they practiced the same craft as the group leader.

However, if a new member was added to an existing group by the Art Curator, based on these matching criteria the group did not survive.

The sample groups in this study did not include “disintegrated” groups, but focused on existing groups that were known to the acting Art Curator, Lephina Hlangu. The findings from the demographic data (which included the team leader and team member data) confirmed the points raised by Hanolet on team formation criteria, namely that group members lived in the same residential location and that the group members practiced the same craft as the group leader.

However, what also became evident from the results is that the group members were mostly selected to the team on the basis that they “fit” in to the team based on Small World networks of embedded ties, such as family, friends or neighbours. Practicing the same craft was stated as a very important connector to the team leader, but to a lesser degree than the aforementioned connectors. A limitation of the data was that a further level of analysis was not catered for, namely to understand if there was a network connection between team members who opted for practicing the same craft and the team leader or if the connection was purely based on the craft being practiced (these two categories in the questionnaire were mutually exclusive and a connection between practicing the same craft and knowing the team leader would therefore not be identifiable).

The fact that teams were formed on the bases of networks of embedded ties, such as family, friends and neighbours and hence mostly based on similarity of characteristics between members and leaders, could also be the reason for the low level of disagreements in the teams. It appeared that the teams were communities of support rather than just purely places of work and for earning money. This conclusion was based on the following elicited responses to the question: “Why do you think that it is so”, which followed the question “Does the team have many disagreements?”:

- “Working together gives us power and energy”
- “Trusting each other and having the same dreams”
- “Because we can share everything and help one another”
- “Because we can discuss everything and share everything”
- “Unity, working together and trust in each other”
- “Trusting and believing in what we do”

The importance of trust in the relationship between the team member and team leader was highlighted very strongly. It was very clear that team members did not believe they would be selected to a team unless they were trusted by the team leader. To build this trust takes time and effort on the part of the team member. This may be the reason why members that were added to a team by an outside party, based on skill and location only were not readily accepted into an existing team. This becomes a critical point to consider for future additions in the case of Ekurhuleni Metropolitan Municipality on how to establish trust between the existing team and the new team member before adding a member to a team.

The prominence of the community centre and church as places for team members to meet the team leader was evident from the data. It indicated that the work currently undertaken by the Ekurhuleni Metropolitan Municipality in their drive to create an entrepreneurially enabling environment for people to connect through the community centre is paying off and needs to be developed further to have a wider impact and can contribute toward developing trust over time.

However, it is clear from the findings that team member financial positions, as a result of being part of a group, have not improved. The majority of members stated that they are not earning more money as a result of being part of a group. The reason behind the continued participation as a member under circumstances where the original reason for joining the team, as stated by most members, is not being met is not clear and requires more detailed analysis. Factors such as: convenience, being part of a close knit crafter community with emotional support factors could influence the reason for remaining in the group.

Factors such as marketing of Ekurhuleni as a crafter hub by the Municipality to promote the area and the crafter groups will improve the opportunity to create a demand for crafter products and hence increase turnover of products created by the various groups. This may improve the long term sustainability of the initiative and the various crafter groups and employment creation opportunities in the area.

It is clear that the crafter groups operate in a close-knit, Small World Network with limited access to weak ties outside this network. Hence the success of the crafter groups is highly dependent on the link through the community centre to potential markets that are created as a result of the Ekurhuleni Metropolitan Municipality ties to markets in the formal economy. Without these weak tie links, crafter groups will continue to remain insular with a lack of financial benefits to the groups that participate.

## 7.2 *Future research opportunities*

- The lack of clarity on the financial success of the teams and the reason for members remaining part of the group must be explored in more detail.
- The gender association with disagreements in the team became clear from this study, but the reason for this association remains unanswered and needs to be explored in future studies.
- The impact of group formation, based on similarity and Small World Networks (as in this study), and the success of the group in terms of creativity and business success over the long term needs to be explored in more detail. Studies have proved that strong ties are useful in the start-up phase of an entrepreneurial team, but weak ties are critical for new ideas and markets for the business to grow and be sustainable.
- The next level of the team formation as displayed in Figure 1 (*see Team formation schematic*) must be explored. That is the link between the group leader and the person who identified the group leader as a potential entrepreneurial crafter group to participate in the project – where applicable.

Questions such as: What is the role of that person and how does that person's social network contribute to the success or failure of the project?

### 7.3 *So what?*

It is clear that the crafter groups serve a purpose in the communities where they operate. Based on the outcomes of this study, it is not clear that the independently operating crafter groups have a sustainable future without the help of social networks that can serve as linkages to formal markets to: identify marketable products for which a demand could be created in the formal economy and creative talent that could design products to be manufactured by the crafter groups based on skills within the group. The danger though, is that the crafter groups in the sample were all formed from local networks which may not have the required linkages to identify fresh creative ideas for future products. The role of Ekurhuleni Metropolitan Municipality and government as links to the "outside" is therefore very important to achieve success.

As an alternative to unemployment and social grants crafter groups give people the opportunity to practice innate creative talent and provide a means to develop self esteem with the potential to create a meaningful living. It still has a long way to go before it is economically meaningful from a formal economy viewpoint, but in terms of creating a safety net for the group members and a means of earning a living, it was clear that it served a meaningful purpose despite the lack of meaningful earnings.

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## APPENDICES

### *1. Questionnaire*

10 Why did you join the group?

11 What is your connection to the team leader?

- Family member
- Friend
- Neighbour
- Share the same interest (craft)
- No connection

12 If no connection, then where did you meet the team leader?

- Through the Community Centre
- Third person introduced you to each other
- Through church

Other:

13 Do you think you would be part of the group if the team leader did not trust you?

- Yes
- No

14 Does the team have many disagreements?

- Yes
- No

15 Why do you think that is so?

16 How long do you know the team leader?

- Less than one year
- More than one year

17 What was your income per month before you joined the group?

18 Are you earning more money now that you joined the group?

- Yes
- No

19 What have you learnt from the group leader after joining the group?

20 Do you believe that being in the group will provide you with the opportunity to be your own boss one day (entrepreneur)? Please state why

- Yes
- No

Why?

**Thank you for participating!**

2. Table: Crafter groups gender distribution

Craft team	Gender					
	Female	Male	Total	% Female of Craft team	% Male of Craft team	% of Total
Ketshepile	8	0	8	100%	0%	17%
Khatorus	3	5	8	38%	63%	17%
Khomanani	2	0	2	100%	0%	4%
Moale Crafters	6	0	6	100%	0%	13%
Mpelegeng	4	0	4	100%	0%	9%
Mphe ke Gofe	5	0	5	100%	0%	11%
Tendele Crafter Group	5	0	5	100%	0%	11%
Ubuhle be Mvelo	3	0	3	100%	0%	7%
Welela Mfazi	5	0	5	100%	0%	11%
<b>Total</b>	41	5	46	89%	11%	100%

3. Table: Crafter groups gender and age distribution

Age	Female	Male	Total
19		1	1
21		1	1
22		1	1
24		1	1
25	1		1
26	1		1
27	1		1
28	2		2
29	1	1	2
32	1		1
34	2		2
35	1		1
36	1		1
37	1		1
39	1		1
40	3		3
41	2		2
43	1		1
45	1		1
47	1		1
49	1		1
51	2		2
52	2		2
53	1		1
55	1		1
57	3		3
59	1		1
60	2		2
64	1		1
65	2		2



Age	Female	Male	Total
75	1		1
Missing	3		3
<b>Total</b>	<b>41</b>	<b>5</b>	<b>46</b>



4. Table: Crafter groups residential distribution

Residential Area	Crafter Groups									
	Ketshepile	Khatorus	Khomanani	Moale Crafters	Mpelegeng	Mpheke Gofe	Tendele Crafter Group	Ubhlebe Mvelo	Welela Mfazi	Total
Tembisa			2	6		5	5	3	5	26
Katlehong	8	6			4					18
Thokoza		1								1
Vosloorus		1								1
<b>Total</b>	<b>8</b>	<b>8</b>	<b>2</b>	<b>6</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>3</b>	<b>5</b>	<b>46</b>

5. Table: Crafter groups previous employment distribution

Previous employment	Female	Male	Total
Beading	2		2
Domestic worker	12		12
Missing	10		10
Nothing	4		4
Nurse	2		2
Sales (street vendor)	1		1
School	3	5	8
Sewing	4		4
Teaching	2		2
Worked in Edgars	1		1
<b>Total</b>	<b>41</b>	<b>5</b>	<b>46</b>

6. Table: Number of crafts practiced per group

Total Crafts	Ketshepile	Khatorus	Khomanani	Moale Crafters	Mpeleeng	Mphe ke Gofe	Tendele Crafter Group	Ubuhle be Mvelo	Welela Mfazi	Total
Craft 1	7	7	2	5	3	4	4	2	4	38
Craft 2	5	7	2	5					3	22
Craft 3	7	4	1	3						15
Craft 4	1	5	1							7
Total	7	7	2	5	3	5	4	2	4	39

7. Table: Crafter groups primary crafter skill distribution

Craft1	Ketshepile	Khatorus	Khomanani	Moale Crafters	Mpeleeng	Mphe ke Gofe	Tendele Crafter Group	Ubuhle be Mvelo	Welela Mfazi	Total
beading	1		2			4		2	2	11
Mising						1				1
sewing	6			5	3		4		2	20
weaving		6								6
welding		1								1
Total	7	7	2	5	3	5	4	2	4	39

## 8. Table: Chi-square Crafter groups primary crafter skill distribution

The FREQ Procedure

Frequency		Table of Craft1 by Craft team											
Percent	Craft1(Craft1)	Craft team(Craft team)									Total		
Row Pct		Ketshepile	Khatorus	Khomanani	Moale Crafters	Mpelegeng	Mphe ke Gofe	Tendele Crafter Group	Ubhle be Mvelo	Welela Mfazi			
Col Pct	Mising	0	0	0	0	0	1	0	0	0	1		
		beading	0	0	0	0	0	2.56	0	0	0	2.56	
			sewing	0	0	0	0	0	100	0	0	0	
				weaving	0	0	0	0	0	20	0	0	0
	welding				1	0	2	0	0	4	0	2	2
		Total			2.56	0	5.13	0	0	10.26	0	5.13	5.13
			9.09		0	18.18	0	0	36.36	0	18.18	18.18	
			14.29	0	100	0	0	80	0	100	50		
	6		0	0	5	3	0	4	0	2	20		
	15.38	0	0	12.82	7.69	0	10.26	0	5.13	51.28			
	30	0	0	25	15	0	20	0	10				
	85.71	0	0	100	100	0	100	0	50				
	0	6	0	0	0	0	0	0	0	6			
	0	15.38	0	0	0	0	0	0	0	15.38			
	0	100	0	0	0	0	0	0	0				
	0	85.71	0	0	0	0	0	0	0				
	0	1	0	0	0	0	0	0	0	1			
	0	2.56	0	0	0	0	0	0	0	2.56			
	0	100	0	0	0	0	0	0	0				
	0	14.29	0	0	0	0	0	0	0				
	7	7	2	5	3	5	4	2	4	39			
	17.95	17.95	5.13	12.82	7.69	12.82	10.26	5.13	10.26	100			

Statistics for Table of Craft1 by Craft team

Statistic	DF	Value	Prob
Chi-Square	32	72.7578	<.0001
Likelihood Ratio Chi-Square	32	69.6412	0.0001
Mantel-Haenszel Chi-Square	1	8.53	0.0035
Phi Coefficient		1.3659	
Contingency Coefficient		0.8069	
Cramer's V		0.6829	
WARNING: 100% of the cells have expected counts less than 5. Chi-Square may not be a valid test.			

Sample Size = 39

## 9. Table: Chi-Square Crafter groups secondary crafter skill distribution

The FREQ Procedure

Frequency	Percent	Row Pct	Col Pct	Table of Craft2 by Craft team								Total		
				Craft team(Craft team)										
				Ketshepile	Khatorus	Khomanan i	Moale Crafters	Mpelegen g	Mphe ke Gofe	Tendele Crafter Group	Ubuhle be Mvelo	Welela Mfazi		
				Mising	2	0	0	0	3	5	4	2	1	17
					5.13	0	0	0	7.69	12.82	10.26	5.13	2.56	43.59
					11.76	0	0	0	17.65	29.41	23.53	11.76	5.88	
					28.57	0	0	0	100	100	100	100	25	
				beading	2	5	0	0	0	0	0	0	1	8
					5.13	12.82	0	0	0	0	0	0	2.56	20.51
					25	62.5	0	0	0	0	0	0	12.5	
					28.57	71.43	0	0	0	0	0	0	25	
				crochet	1	0	2	5	0	0	0	0	0	8
					2.56	0	5.13	12.82	0	0	0	0	0	20.51
					12.5	0	25	62.5	0	0	0	0	0	
					14.29	0	100	100	0	0	0	0	0	
				knitting	1	0	0	0	0	0	0	0	0	1
					2.56	0	0	0	0	0	0	0	0	2.56
					100	0	0	0	0	0	0	0	0	
					14.29	0	0	0	0	0	0	0	0	
				sewing	1	0	0	0	0	0	0	0	2	3
					2.56	0	0	0	0	0	0	0	5.13	7.69
					33.33	0	0	0	0	0	0	0	66.67	
					14.29	0	0	0	0	0	0	0	50	
				textiles	0	2	0	0	0	0	0	0	0	2
					0	5.13	0	0	0	0	0	0	0	5.13
					0	100	0	0	0	0	0	0	0	
					0	28.57	0	0	0	0	0	0	0	
				Total	7	7	2	5	3	5	4	2	4	39
					17.95	17.95	5.13	12.82	7.69	12.82	10.26	5.13	10.26	100

Statistics for Table of Craft2 by Craft team

Statistic	DF	Value	Prob
Chi-Square	40	82.8101	<.0001
Likelihood Ratio Chi-Square	40	75.1311	0.0006
Mantel-Haenszel Chi-Square	1	2.8418	0.0918
Phi Coefficient		1.4572	
Contingency Coefficient		0.8245	
Cramer's V		0.6517	
WARNING: 100% of the cells have expected counts less than 5. Chi-Square may not be a valid test.			

Sample Size = 39

10. *Table: Crafter groups secondary crafter skill distribution*

Craft2	Ketshepile	Khatorus	Khomanani	Moale Crafters	Mpelele ng	Mphe ke Gofe	Tendele Crafter Group	Ubuhle be Mvelo	Welela Mfazi	Total
beading	2	5							1	8
crochet	1		2	5						8
knitting	1									1
Mising	2				3	5	4	2	1	17
sewing	1								2	3
textiles		2								2
Total	7	7	2	5	3	5	4	2	4	39

11. *Table: What is your connection to the team?*

Connection with team	Frequency	Percent	Cumulative Frequency	Cumulative Percent
Family member	5	12.82	5	12.82
Friend	3	7.69	8	20.51
Neighbour	10	25.64	18	46.15
No connection	7	17.95	25	64.1
Same craft	14	35.9	39	100

12. *Table: Chi-square Disagreements by gender*

The FREQ Procedure

Frequency		Table of Does theteam disagree by Gender			
Percent		Does theteam disagree(Does theteam disagree)	Gender(Gender)		Total
			f	m	
Row Pct		n	32	1	33
Col Pct			82.05	2.56	84.62
			96.97	3.03	
			94.12	20	
		y	2	4	6
			5.13	10.26	15.38
			33.33	66.67	
			5.88	80	
		<b>Total</b>	34	5	39
			87.18	12.82	100

Statistics for Table of Does theteam disagree by Gender			
Statistic	DF	Value	Prob
Chi-Square	1	18.3947	<.0001
Likelihood Ratio Chi-Square	1	13.2703	0.0003
Continuity Adj. Chi-Square	1	13.1416	0.0003
Mantel-Haenszel Chi-Square	1	17.923	<.0001
Phi Coefficient		0.6868	
Contingency Coefficient		0.5661	
Cramer's V		0.6868	
<b>WARNING: 50% of the cells have expected counts less than 5. Chi-Square may not be a valid test.</b>			

Fisher's Exact Test	
Cell (1,1) Frequency (F)	32
Left-sided Pr <= F	1
Right-sided Pr >= F	8.70E-04
Table Probability (P)	8.60E-04
Two-sided Pr <= P	8.70E-04

Sample Size = 39

13. *Table: Does the team have disagreements?*

Does theteam disagree				
Does theteam disagree	Frequency	Percent	Cumulative	Cumulative
			Frequency	Percent
n	33	84.62	33	84.62
y	6	15.38	39	100

14. *Table: Gender versus disagreements?*

Gender	Disagreements in the team?		Total
	N	Y	
F	32	2	34
M	1	4	5
<b>Total</b>	<b>33</b>	<b>6</b>	<b>39</b>

15. *Table: Crafter groups versus disagreements*

Craft team	Disagreements in the team?		
	n	y	Total
Ketshepile	7		7
Khatorus	2	5	7
Khomanani	1	1	2
Moale Crafters	5		5
Mpelegeng	3		3
Mphe ke Gofe	5		5
Tendele Crafter Group	4		4
Ubuhle be Mvelo	2		2
Welela Mfazi	4		4
<b>Total</b>	<b>33</b>	<b>6</b>	<b>39</b>

16. *Table: How did it happen that you joined the team?*

How did it happen that you joined the team				
How did it happen that you joined	Frequency	Percent	Cumulative	Cumulative
			Frequency	Percent
Community Centre	16	41.03	16	41.03
Family	7	17.95	23	58.97
Friends	9	23.08	32	82.05
Group Leader	2	5.13	34	87.18
Missing	2	5.13	36	92.31
School	1	2.56	37	94.87
Stranger	2	5.13	39	100

17. *Table: Where did you meet the team leader?*

where did you meet the team leader				
where did you meet	Frequency	Percent	Cumulative	Cumulative
			Frequency	Percent
Church	14	35.9	14	35.9
Clinic	1	2.56	15	38.46
Community centre	14	35.9	29	74.36
Missing	1	2.56	30	76.92
Third person	8	20.51	38	97.44
School	1	2.56	39	100

18. *Table: Why did you join the group?*

Why did you join the group?				
Why join	Frequency	Percent	Cumulative	Cumulative
			Frequency	Percent
Help the community	10	25.64	10	25.64
Practice same craft	3	7.69	13	33.33
Money	26	66.67	39	100

19. *Table: Do you think you would still be part of the group if the team leader did not trust you?*

team leader trust				
team leader trust	Frequency	Percent	Cumulative	Cumulative
			Frequency	Percent
n	38	97.44	38	97.44
y	1	2.56	39	100



20. *Table: What was your income before you joined the group?*

Previous income				
Previous income	Number of	Percent	Cumulative	Cumulative
			Frequency	Percent
0-799	32	82.05	32	82.05
800 - 999	2	5.13	34	87.18
1000 - 1199	2	5.13	36	92.31
1200 - 1499	1	2.56	37	94.87
1500 -2999	1	2.56	38	97.44
3000	1	2.56	39	100

21. *Table: Are you earning more money since you joined the group?*

Earning more				
Earning more	Frequency	Percent	Cumulative	Cumulative
			Frequency	Percent
Missing	3	7.69	3	7.69
n	29	74.36	32	82.05
y	7	17.95	39	100

22. *Table: How long have you known the team leader?*

Time with team leader				
Time with team leader	Members	Percent	Cumulative	Cumulative
			Frequency	Percent
Less than one year	8	23.53	8	23.53
More than one year	26	76.47	34	100