

**The transition from formal employment to entrepreneurship, in the context of
a sudden change**

By

Reabetswe BD Mabe
Student number: 18361278

A research project submitted to the Gordon Institute of Business Science, University of
Pretoria, in partial fulfilment of the requirements for the degree of Master of Business
Administration

ABSTRACT

The study presents itself during a period where the South African economy is shrinking, coupled with high unemployment rates, which are expected to further increase due to the economic downgrade to junk status, and is exacerbated by the coronavirus pandemic. Corporate organisations therefore find themselves challenged and unable to retain their human capital resources, and therefore current employees are at risk of job loss.

It is understood that entrepreneurship has a beneficial effect on unemployment, and further enables a positive economic growth. The purpose of the study is therefore to understand how individuals transition from formal employment into entrepreneurship, after experiencing a sudden change that is brought on by a shrinking economy. The theory that is explored in this study is learned entrepreneurship.

The research methodology followed was a qualitative research method, using semi-structured interviews, on participants who have transitioned from formal employment to entrepreneurship. The findings of the study indicated the possible skills and capabilities required for such a transition and how challenges encountered can be overcome. The study concluded with a proposed conceptual model on transitioning from formal employment to entrepreneurship after going through a sudden change in a shrinking economy.

KEY WORDS

Entrepreneurial Learning, Transitioning, Employment, Helplessness

DECLARATION

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

Reabetswe Boitumelo Dion Mabe

01 December 2020

TABLE OF CONTENTS

ABSTRACT	<i>i</i>
KEY WORDS.....	<i>i</i>
DECLARATION.....	<i>ii</i>
TABLE OF CONTENTS	<i>iii</i>
LIST OF TABLES.....	<i>vii</i>
LIST OF FIGURES	<i>vii</i>
1. PROBLEM FORMULATION.....	1
1.1. Introduction	1
1.2. Background on the research problem	2
1.3. The research problem	5
1.4. Research questions	5
1.5. Research Purpose	6
1.6. Research Scope	6
1.7. Significance of the study	7
2. LITERATURE REVIEW.....	8
2.1. Introduction	8
2.2. The Theory of Learned Entrepreneurship	8
2.2.1. Learning Orientation.....	10
2.2.2. Entrepreneurial learning after failures or sudden shocks.....	12
2.2.3. Overcoming Helplessness after a sudden change or shock event	13
2.3. Entrepreneurial learning for incumbent firms.....	14
2.3.1. Changing the mindset of the employer and employee.....	14
2.3.2. Corporate entrepreneurship in emerging economies.....	15
2.3.3. Organisations adopting corporate venturing	16
2.4. Entrepreneurship in different country contexts	17

2.5. Transitioning into entrepreneurship	19
2.5.1. Exiting formal employment.....	19
2.5.2. Reasons for transitioning into entrepreneurship	21
2.5.3. Resources for transitioning into entrepreneurship	22
2.5.4. Challenges in transitioning to entrepreneurship.....	23
2.5.5. Success outcomes (benefits) for transitioning to entrepreneurship	24
2.5.6. Skills required to transition into entrepreneurship	25
2.6. Conclusion to the literature review	26
3. RESEARCH QUESTIONS	28
3.1. Research Question One	28
3.2. Research Question Two	28
3.3. Research Question Three	29
4. RESEARCH METHODOLOGY.....	30
4.1. Methodology Choice.....	30
4.2. Population	32
4.3. Sampling method and size.....	33
4.4. Unit of analysis	34
4.5. Measurement instrument	34
4.6. Data Collection.....	35
4.7. Data Analysis	36
4.8. Quality Assurance	37
4.9. Limitations.....	38
5. FINDINGS	39
5.1. Introduction	39
5.2. Profile of the respondents	39
5.3. Findings from the empirical data	41
5.3.1. Findings for Research Question One	43
5.3.2. Findings for research question two	52
5.3.3. Findings for Research Question Three	62

5.4.	Conclusion of findings chapter	71
6.	<i>DISCUSSION</i>.....	72
6.1.	Introduction	72
6.2.	Discussion for Research Question One	72
6.2.1.	Theme 1: Common factors that led respondents to exit formal employment.....	73
6.2.2.	Theme 2: Respondents' experience on transitioning into entrepreneurship	75
6.3.	Discussion for Research Question Two	77
6.3.1.	Theme 3: Critical skills and capabilities for transitioning into entrepreneurship	77
6.3.2.	Theme 4: Required resources for transitioning to entrepreneurship....	79
6.3.3.	Theme 5: Role of corporate in employee transitioning to entrepreneurship	81
6.4.	Discussion for research question three	82
6.4.1.	Theme 6: Challenges encountered during transitioning to entrepreneurship	83
6.4.2.	Theme 7: Emerging insight - Coping mechanisms to overcome helplessness and exploitation of opportunities.....	85
6.5.	Conclusion	88
7.	<i>CONCLUSIONS AND RECOMMENDATIONS</i>.....	89
7.1.	Introduction	89
7.2.	Theoretical review of principal findings	90
7.2.1.	Conclusion for research question one.....	90
7.2.2.	Conclusion for research question two	91
7.2.3.	Conclusion for research question three	92
7.2.4.	The Conceptual Model	93
7.3.	Implications for stakeholders	96
7.4.	Limitations of the research	97
7.5.	Recommendations for future research.....	98
8.	<i>REFERENCES</i>.....	99

9.	<i>APPENDICES</i>	107
9.1.	APPENDIX A: Problem Identification	107
9.2.	Appendix B: Supporting exhibits for literature	108
9.3.	Appendix C: Interview Guide	109
9.4.	Appendix D: Approved Ethical Clearance	110
9.5.	Appendix E: Non-disclosure agreements	111
9.6.	Appendix F: Code list created from interviews	113

LIST OF TABLES

Table 1: Profile of the Respondents.....	40
Table 2: Code groups and themes of the study	42
Table 3: Spread of how respondents exited formal employment.....	44
Table 4: The critical skills and capabilities required for a successful transition.	53
Table 5: Resource requirements for a successful transition to entrepreneurship...	56
Table 6: What can be done by corporates to enable transitioning	60
Table 7: The challenges encountered during the transition	63
Table 8: The factors that influenced the respondents to overcome helplessness ..	68
Table 9: Identifying and exploiting different benefits and opportunities	69
Table 10: Top 10 countries in the GEI	107
Table 11: Code list for generated during data analysis of interviews.....	113

LIST OF FIGURES

Figure 1: A simple model of entrepreneurial learning as an experimental process ..	9
Figure 2: Word cloud for total transcripts	41
Figure 3: Positive and negative experience spectrum of transitioning to entrepreneurship	47
Figure 4: Proposed conceptual model for transitioning into entrepreneurship.....	93
Figure 5: Commodity price volatility for country commodity basket	107
Figure 6: Unfolding model of turnover.....	108
Figure 7: The Quantile treatment effects on monthly profits show greater gains from personal initiative training across the distribution	108
Figure 8: Framework on How Bricolage drives corporate entrepreneurship.....	109

CHAPTER 1

1. PROBLEM FORMULATION

1.1. Introduction

The study sets out to understand how individuals would transition from formal employment to entrepreneurship, in the context of a shrinking economy such as South Africa. This chapter will provide the research problem and its context, by highlighting the significance of this study, and gives way to the rest of the chapters in the study.

As a construct that is relatively new and has sparked much interest over the past three decades, entrepreneurship or the entrepreneurial act, is an exploratory act of recognising and seizing potential opportunities (Shankar & Shepherd, 2019; Shane & Venkataraman, 2000). Entrepreneurial activity influences the economic growth of a country (Mensmann & Frese, 2019), seen in the structural transformation of developing economies into developed economies.

The motives for individuals moving into entrepreneurship are multifaceted (Dobrev & Barnett, 2005), however from the 2018/2019 Global Entrepreneurship Monitor (GEM) reports it is generally understood that entrepreneurship is driven by two main categories, namely, necessity entrepreneurship and opportunity entrepreneurship (Bosma & Kelley, 2019). Necessity entrepreneurship is mainly due to individuals not having an alternative source of income, and therefore are forced to engage in entrepreneurship for survival. Therefore for low-income economies entrepreneurship is driven by necessity, as opposed to higher-income economies where entrepreneurship is motivated by opportunity (Xavier-Oliveira, Laplume & Pathak, 2015).

There has been various opinions and research taking place in relation to the effect of entrepreneurship on economic activities. The 2019 Global Entrepreneurship Index (GEI) report highlights that entrepreneurship enables opportunity for employment and further exerts influence on economic growth that is required for a secure community (Mensmann & Frese, 2019; Ács, Szerb, Lafuente & Máekus, 2019). The

reality, however, is that this is not easily achieved in developing economies like South Africa. The 2019 GEI report shows that it is higher income countries that appear top of the entrepreneurship index list (see Appendix A Table 10) and it is further those developed countries that are generally characterised by strong economies and high Gross Domestic Product (Ács et al., 2019).

1.2. Background on the research problem

Favourable economic conditions, such as high GDP, generally yield high levels of employment (Konon, Fritsch & Kritikos, 2018). A previous study by Fritsch and Wyrwich (2017) also confirmed a positive correlation between employment driven by entrepreneurial activity and economic growth. The entrepreneurial culture of a region plays a significant role in the encouragement and adoption of entrepreneurial activity within that region. Strong, high-performing economies result in the creation of more jobs and more individuals having a form of employment and a means to an income. High levels of employment are an indication of a growing and developing economy (Fritsch & Wyrwich, 2017; Mensmann & Frese, 2019).

However, many developing countries are struggling with economic growth, including South Africa. In South Africa, the Gross Domestic Product (GDP) is reported to have contracted by one-point-four percent at the end of the fourth quarter of 2019 (Statistics South Africa, 2019). The Organisation of Economic Co-Operation and Development (OECD, 2019) indicated that SA economy went into 2020 in a vulnerable state. Increased oil prices, a decline in demand for SA's exports, a decline in foreign capital investments into SA, and negative investor sentiments towards growing or emerging market economies were evident (OECD, 2019).

The vulnerability of the South African economy has been further exacerbated by the downgrade of the economy to junk status by credit rating agencies S&P, Fitch and Moody's. The economy thus experiences increased strain, as the country continues to struggle with slow economic growth, unstable power supply and a fiscal crisis (Cronje, 2020). As a result, investors could request higher interest rates for lending funds to the country.

South Africa now finds itself needing to implement structural reforms and review ways in which it can achieve economic growth. The recent global pandemic of COVID-19 worsens the situation. Some of the world's largest economies have already begun to experience the impact of the pandemic, with the likes of China reflecting an economic contraction of 6.5% in the first quarter of 2020 (International Monetary Fund, 2020). In the United States, 3.3 million people to-date have submitted claims for unemployment support, due to being laid off by organisations (Amburgey & Birinci, 2020).

The coronavirus pandemic that hit the world early this year, will have a significant impact on weakening the South African economy. A further decline of four percent is eminent due to the pandemic (Cronje & Omarjee, 2020; Monetary Policy Review SARB, 2020), as the country experiences loss in foreign capital investment and weakened rand exchange rate. There has also been a decline in demand for SA's exports, as other countries also fight the global pandemic, placing foreign markets in a constrained position.

These are factors which indicate difficult times in the country and which will further deepen unemployment levels, even for those who are currently in formal employment as widespread retrenchment and other forms of layoffs are anticipated. Reports from the Reserve Bank forecasted that SA would see around 370 000 job losses due to the lockdown period alone (Cronje & Omarjee, 2020; Monetary Policy Review SARB, 2020). There will possibly be further job losses (unemployment rates could rise to as high as 50%), as well as expected wage salary cuts of 30%, due to the changes in the working environment, including remote working, adoption of technology, and a disruption in the demand of certain products and services (Ormarjee, 2020).

Over the past 10 years, the unemployment rate in South African's dominant and most traditional industries, including mining and agriculture, has increased by almost ten percent (Goodman, Tajagpaul & Cassim, 2019). It is expected that a further increase of forty seven percent of job losses particularly in the mining sector will occur, as a result of organisations in this industry realising that forty two percent of its income could be lost in the short term. The strong reliance of this industry on commodity prices and exchange rates, places the industry in a vulnerable state, and therefore have a high global cost of competitiveness (see Appendix A Figure 5).

Therefore, stakeholders in the public sector, private sector organisations, policymakers and the community at large are required to review the strategy and thinking on how job security and formal employment is structured at a large scale. Central to this line of thought is the idea of corporate employees who are formally employed transitioning towards entrepreneurship. Research further show that unemployment can be addressed by adopting and using entrepreneurship (Campos, Frese, Goldstein, Lacovone, Johnson, McKenzie & Mensmann; 2017; Thurik, Carree, Van Stel & Audretsch,2008). These studies further indicates that an individual who engages in entrepreneurial activities will realise a positive impact on their intellectual capabilities, meaning they would provide superior solutions to problems identified, which allows for the success of the enterprise, and the economic growth of a country (Mensmann & Frese, 2019; Luthans & Ibrayeva, 2006).

The statement above was supported by Ács, Szerb, Lafuente & Máekus, 2019, who wrote in the 2019 Global Entrepreneurship Index (GEI) report that entrepreneurship provides opportunity for generating of new employment and economic growth (Mensmann & Frese, 2019), required for a stable and civil society. The index takes into consideration the quality of entrepreneurship and how deeply entrenched or adopted is entrepreneurship in the surrounding structures of the entrepreneurial activities. Furthermore, the index presents productive entrepreneurship which creates wealth and is scalable. This type of entrepreneurship also makes for better living conditions for both the entrepreneur and their surrounding society.

According to the 2019 Global Entrepreneurship Monitor (GEM) report by Bosma & Kelley (2019), South Africa reports a low 'Total early-stage Entrepreneurial Activity' (TEA) compared to other countries surveyed in this study, which is interesting as it would be expected that as a low-income economy, there would generally be insufficient availability of employment opportunities and infrastructure to generate enable all to have decent good paying employment, and so self-employment rates should be high. Observations from the GEM report are that less-developed countries have high TEA rates and that the TEA rate decreases as countries become more developed (Ács et al., 2019).

Highlighted earlier was the effect of macroeconomic factors, such as GDP and unemployment, on entrepreneurship (Konon, Fritsch & Kritikos, 2018). It is noted that

during weak and strained economic periods when GDP is low and unemployment is high, it is expected that more entrepreneurial activity could take place. This would mean that more start-up marginal businesses emerge, considering low labour costs, low opportunity costs, as well as low barriers to entry during this period. This result, dominated by necessity entrepreneurship, is called the refugee effect (Thurik, et al., 2008). Again, this suggests that given the context in which SA finds itself, it should expect to see an increase in entrepreneurial activity, even more so due to the effects of the COVID-19 pandemic. Therefore, the number of individuals expected to transition to entrepreneurship from formal employment is expected to rise.

1.3. The research problem

This study presents itself during a period where the South African economy is at its weakest with high unemployment rates and an expected further increase in unemployment due to the economic downgrade to junk status, which is exacerbated by the coronavirus pandemic. The research problem is that employees find themselves at risk of unemployment and are also showing low entrepreneurial activity, especially during volatile periods of sudden change such as retrenchment, COVID-19 pandemic, or a shrinking economy. Many individuals are unable to action entrepreneurial initiatives (i.e. to start a business), and hence struggle to transition from being formally employed to becoming successful entrepreneurs.

1.4. Research questions

The research questions for this study are as follow:

1. How does an individual transition from formal employment to entrepreneurship in the context of a sudden change, such as a shrinking economy, retrenchments, and the COVID-19 pandemic?
2. What are the critical skills, capabilities and resources required to enable successful transition into entrepreneurship, and adaptation into a volatile environment driven by sudden change (for example shrinking economies, retrenchment, or COVID-19 pandemic)?
3. What are the types of challenges are encountered by individuals who are transitioning from being employed to being entrepreneurs, in the context of a sudden change (for example shrinking economies, retrenchment, or COVID-19 pandemic)?

1.5. Research Purpose

The purpose of this study was to understand how individuals have transitioned from being formally employed to learning how to become successful entrepreneurs. These individuals would have had to transition during turbulent conditions, consisting of sudden change, such as a shrinking economy, a retrenchment or the coronavirus pandemic. The experiences shared by these individuals will provide insight (Creswell, Hanson, Plano and Morales, 2007) into how an individual can overcome the challenges surrounding skills, ability and access to resources required to establish an economically viable business (Kacperczyk & Younkin, 2017). This means this study will provide insight on how current employees who are at risk of losing their jobs could transition to being successful entrepreneurs (Kautonen, Kibler & Minniti, 2017).

1.6. Research Scope

The scope of the study is in the context of a shrinking South African economy and will explore the transition period of individuals who had been previously employed in formal corporate environment and now have become full time entrepreneurs. The population group is full time based in South Africa and have had a full time career in formal employment, from a variety of industries, which therefore provides a broad perspective for the phenomenon that will be investigated. and therefore, are in the best position to fully describe and provide information regarding the transition to entrepreneurship.

From the sections above it is noted that South Africa reports low levels of entrepreneurial activity, as a result of individuals struggling to transition to entrepreneurship. Therefore, the scope of the study is specific to the theory of learned entrepreneurship, which will be explored on individuals transitioning from formal employment to entrepreneurship, particularly after experiencing a sudden change such as shrinking economy, a retrenchment or the covid-19 pandemic.

1.7. Significance of the study

This study will present various benefits to stakeholders in the private business sector and the public government sector - including policymakers, current employees or potential entrepreneurs as well as academic institutions.

Employees (potential entrepreneurs)

Firstly, to employees who are at risk of losing their jobs due to the uncertain negative impact that the current environment presents, this study will provide these employees with insight on how to transition from being employed to being a successful entrepreneur. Lafontaine and Shaw (2016), also highlight the importance of such a study for current entrepreneurs, as a means to understand the factors that could enhance their survival or success in entrepreneurship. Hincapié (2020) further highlights that individuals embark on the journey of entrepreneurship, for a few reasons, such as autonomy, economic gain, innovation and growth. There are also benefits in improving their psychological empowerment, well-being and overall quality of life (Nikolova, 2019).

Private/Corporate businesses

The study will benefit corporate organisation that are unable to retain all their human capital and would be required to provide an alternative approach to managing the exit of human resource. This study will also assist employers in ensuring that employees can sustain themselves following a business closure. The study allows for firms or organisations to cultivate innovative employees whose skills and knowledge can better enable the business to deliver on its value proposition (Dushnitsky & Matusik, 2019).

Academic institutions

Lastly, the study hopes to build onto the academic theory of entrepreneurship, mainly learned entrepreneurship. The intent of the study is, to develop a framework that shows the transition of an individual from formal employment to successful entrepreneurship. Entrepreneurial skills can be learned (Lazear, 2005). However, it is not clear what prevailing conditions (Hincapié, 2020; Kacperczyk & Younkin, 2017) will enable the learning of entrepreneurial skills to take place. It is also not known how effectively entrepreneurial skills can be learned during a period of distress, such as a shrinking economy (recession), or a sudden change of employment (retrenchment), or a life-threatening health pandemic, such as COVID-19.

CHAPTER 2

2. LITERATURE REVIEW

2.1. Introduction

The research study has the objective to understand how individuals transition from formal employment into entrepreneurship, after going through a sudden change brought on by a shrinking economy. There has been considerable interest on understanding entrepreneurship, over the past three decades, and most importantly, a fundamental interest in factors that influence how individuals become entrepreneurs and also how to conduct entrepreneurial activities concerning the broader ecosystem (Luthans & Ibrayeva, 2006). The literature explored in this section is in relation to understanding how individuals have transitioned into entrepreneurship following a sudden change.

The sections that follow introduce the academic theory of learned entrepreneurship that underpins the study. The literature review will explore this theory in the context of experiencing a challenging event or period, such as a shrinking economy, a retrenchment or loss of job, a failure, or the COVID-19 pandemic. Additionally, the literature review explores patterns that exist in the field of transitioning into entrepreneurship considering different country contexts, and further reviews the factors influencing practices on transitioning from formal employment into entrepreneurship

2.2. The Theory of Learned Entrepreneurship

The theory that grounds this study is learned entrepreneurship. The theory is explored in the context of a sudden change such as a shrinking economy, the COVID-19 pandemic, or a retrenchment. Entrepreneurial learning is understood to be an ongoing process that enables the development of relevant knowledge that can be applied during the early stages of a business, and therefore results in a successful outcome (Politis, 2005). In expanding the theory of entrepreneurial learning, Politis (2005) developed a conceptual model that could be used to better understand the process of entrepreneurial learning. The model consists of the three variables (see

Figure 1). Firstly, entrepreneur’s career experience, regarding prior experience on business start-up or managing resources and people, as well as experience in a specific industry or market. Secondly a transformation process that takes into consideration past or previous experiences that the individual has gone through, including their cognitive schema, past lessons, etc. This transformation process can then be used to convert career experience into experimental knowledge, as new opportunity would be identified, and therefore applying past lessons to refine current and future solutions.

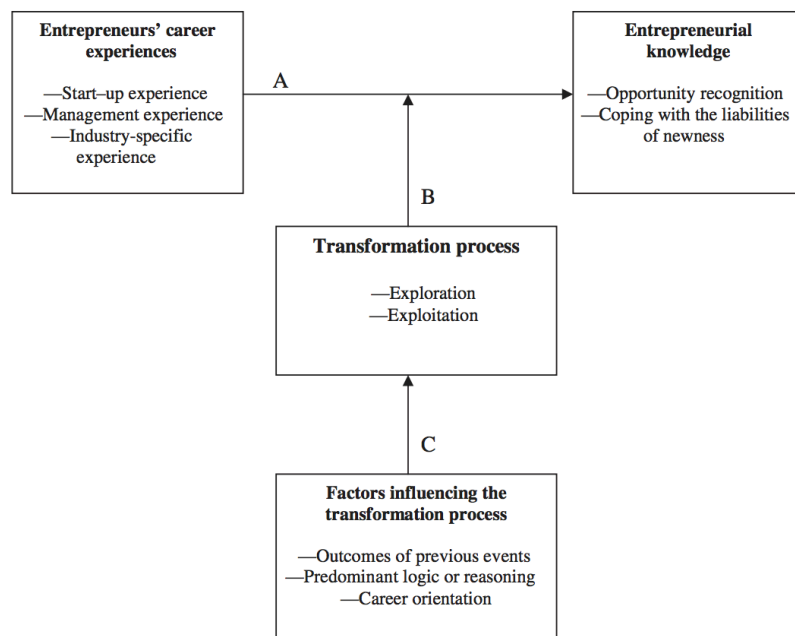


Figure 1: A simple model of entrepreneurial learning as an experimental process Politis (2005)

Supporting literature on the above model, illustrate that each individual has a unique manner in which they acquire and transform information and knowledge. Most important is that this is not only solely reliant on their prior knowledge but the process by which they acquire and transform that information and knowledge – referred to as learning (Corbett, 2007).

The key theory that is linked to this is experiential learning theory. Corbett (2007) highlights that an individual’s cognitive ability, that is, their propensity to learn, coupled with their existing knowledge, are important aspects required for opportunity identification. Therefore, the individual’s readiness to utilize opportunity relies on how

knowledgeable and informed an individual is on the business and industry (Shane, 2000).

2.2.1. Learning Orientation

2.2.1.1. Learning at an individual level

Lafontaine and Shaw (2016) highlight that the reason why serial entrepreneurs succeed more than ordinary entrepreneurs, is that they gain knowledge and skill throughout their experiences of multiple start-ups, which offers them an added advantage. Kacperczyk and Younkin (2017) also share the same sentiments, that work experience that an individual has acquired in engaging with a particular market, contributes significantly to the ease with which one transitions to entrepreneurship and learns entrepreneurship.

Based on Politis' (2005) studies, it is suggested that the learning of entrepreneurial activities is best done through practical application and gaining hands on experience. Entrepreneurial learning would therefore occur over a lengthened period, where iterations of knowledge being is continuously gained and refined as one encounters new experiences. This means that entrepreneurial learning is a slow and incremental process (Politis, 2005).

That said, efforts to develop formal training and education, for immediate reflection in entrepreneurial activities, will not have a sustained impact on developing entrepreneurial learning, that is because training effects decrease over time (Mensmann & Frese, 2019). Education policymakers, or company programmes targeted at teaching entrepreneurial skills should instead focus on developing creativity, critical thinking, problem-solving, self-realisation through reflection, as skills which would have a beneficial effect on the ability of the individual to develop entrepreneurial learning, as opposed to traditional business skills training (Mensmann & Frese, 2019). In contradiction to this is Bischoff, Gielnik and Frese (2020) who highlight that entrepreneurial training has the opportunity to provide entrepreneurs with abilities to be effective in business start-up and growth phase.

An area not well researched is the influence of skills, resource availability and career motivation on transforming experiences into knowledge (Politis, 2005; Liu, Hao & Zhang, 2019). In this study, we explore the skills and resources required to become a successful entrepreneur, after an individual has overcome a difficult and challenging period, such as being retrenched from formal employment.

It is essential to understand the influence of past experience in developing relevant knowledge which is applicable and has an impact on future performance (Sandelowski, 1991). We, therefore, are interested in a process, where the entrepreneur's experience is continuously transformed into knowledge (Politis, 2005). This cycle and repetition of experience to knowledge are what Lafontaine and Shaw (2016) define as successfully growing the skill of running a business more efficiently or being able to make better choices and selecting better ideas. Therefore the knowledge used to identify/recognise opportunity, has been shown as a pre-determinant to personal and social wealth (Venkataraman, 2000).

2.2.1.2. *Learning orientation at an organisation level*

The learning orientation of an organisation indicates how easy or dynamic an organisation is at developing new knowledge that can be used either internally or externally to the organisation (An, Zhao, Cao, Zhang & Liu 2018). Measures and organisation's learning orientation will need to take into consideration four key values: open-mindedness, common shared vision, commitment to learning, and interorganisational exchange of knowledge (An, Zhao, Cao, Zhang & Liu, 2018).

Learning from previous or past organisational experiences is considered a critical capability. Balasubramanian (2011) considers learning from past experiences as *learning by doing*. Meaning through experiment and practical execution can an organisation develop a solid base for learning. From an entrepreneurial firm's perspective, this is considered as organisational learning, which is the continuous adjustments and enhancement in business performance as a result of organisational experience and is very closely linked to key dynamic capability of a firm (Balasubramanian, 2011).

Studies show that an organisation's ability to learn presents great opportunity for an organisation to achieve superior value proposition and advantage over their

competitors. However it is not as simple to adopt and implement, as there are complex resource implications related to learning, particularly in constrained markets that organisations operate in (Liu, Luo & Shi 2002).

In order for the lessons to be applied more effectively, the knowledge that is acquired over time through experiential learning, which is usually scattered among managers, would need to be consolidated at a firm level, in order to allow and help the firm to identify more opportunities. However, for this to take place, organisations need to create a supportive culture for learning (An, Zhao, Cao, Zhang & Liu 2018).

2.2.2. Entrepreneurial learning after failures or sudden shocks

Studies (Burke-Le Roux & Pretorius, 2017; Liu, Hao & Zhang, 2019) highlight that failures in business can trigger cognitive processes, including entrepreneurial learning, but we do not know to what extent. In agreement with this notion is Stein (2016), who proposes that individuals will tend to exhibit quite active or over-optimistic responses even after experiencing repeated failures or trauma. Cope (2011) recognises failure as a learning journey. This indicates that learning from failure happens over time, as a cognitive process, generally accustomed to a sense-making process.

Critical to this was the distinction between understanding and interpretation versus sense-making. Sense-making is about how individuals form an interpretation of the observations they make (Burke-Le Roux & Pretorius, 2017), which links to the understanding of the activities that take place in their surroundings as well as the understanding of their own lived experiences. Overtime, individuals therefore develop a map or process in how they translate and interpret information (Weick, 1995).

It is essential to highlight the impact and outcome of failure from the perspective of the entrepreneur, in order to understand better and obtain insights on how to recover and learn from a failed business venture, or life experience. Cope (2011) concludes that entrepreneurs who have gone through failures are more prepared for future trials, compared to those who have only experienced successful prospects in their career. Failure brings with it beneficial lessons that provide entrepreneurs with a new sense of awareness of their abilities as well as broadens their knowledge base.

Liu, Hao and Zhang (2019) highlight that learning from failure is not guaranteed and is dependent on the entrepreneurs' personality and character. There is an emotional side to learning, as well as the individual's cognitive bias that could interfere with the ability to process information (Cope, 2011; Shepherd, Patzelt, Williams & Warnecke, 2014).

Liu, Hao and Zhang (2019) further suggest that entrepreneurs need to be aware and willing to admit their cognitive and motivational bias, which influences their learning negatively. These adverse effects can be exacerbated by the social threats that exist in a low risk tolerate society. Therefore, further studies are required on exploring the role of social support in having a more failure tolerant environment.

Past experiences shape the cognitive schema of a person, and thus affect their ability of future sense-making (Chung, Choi & Du (2017). This is because these mental schemas provide a cognitive structure of how individuals absorb, process, and experience specific instances, which informs how new information is stored and retrieved (Chung, Choi & Du, 2017). This piece of information is of particular interest to this study, as we evaluate how individuals who have come out of a challenging past experience have managed to establish economically viable businesses. Therefore, this helps us determine the type of skills and capabilities required for an individual to transition into entrepreneurship.

2.2.3. Overcoming Helplessness after a sudden change or shock event

Employees who have gone through an unfortunate traumatic accident at work generally tend to display signs of depression, low drive or a lack of interest in the normal work activities, which directly results in low levels of productivity. In an effort to address this, Erdogan, Ozyilmaz, Bauer, and Emre (2018), evaluated the requirements to overcome the trauma of that event. In that case, there would be a need for psychological empowerment, to assist individuals in overcoming a theory called learned helplessness (Maier & Seligman, 1976). This theory highlights that when individuals encounter an uncomfortable or traumatic event, over which they have no control, they generally react in the following ways: they will avoid any similar

situation that comes up in future; or they will withdraw from engaging in that situation; or show signs and behaviours of not being able to adjust adequately to a situation.

After undergoing a sudden shock such as a retrenchment, an individual would need to be able to 'un-learn' negative beliefs and be equipped with skills to overcome this helplessness. Such a skill could be personal initiative and includes the abilities of which included being self-driven, having a forward-looking mindset, acting on opportunities instantly, and striving to overcome challenges or barriers that stand in the way of achieving a goal (Frese & Fay, 2010).

If the individual is able to adopt all the above qualities, this means that the individual is able has the right mind-set and is a stable mental state to be able to identify and exploit opportunities. This comes from having a positive motivated mental state that is in line with resolving entrepreneurial problems (Campos et al, 2017). When personal initiative was applied as training to all individuals who have experienced the unfortunate event, the outcome was the improved business performance, instead of applying traditional training methods (see Appendix B Figure 7). Other mechanisms that literature refers to is adaptability (Muehlfeld, Urbig & Weitzel, 2017), particularly for entrepreneurs transitioning into entrepreneurship.

2.3. Entrepreneurial learning for incumbent firms

2.3.1. Changing the mindset of the employer and employee

The long held view that a company needs to achieve a sustainable competitive advantage has been challenged, with the introduction of innovation being a prerequisite for effective management practice (Corbett, Covin, O'Connor & Tucci, 2013). Therefore, with innovation comes change and re-generation. This led to consideration of how entrepreneurial processes may be incorporated and replicated in a corporate environment in order to allow for achieving competitive superiority (Corbett, Covin, O'Connor & Tucci, 2013; Shimizu, 2012).

The ability of an organisation needing to drive entrepreneurial behaviours of its employees and activities, such as innovative/creating thinking, being agile/adaptable, and actioning or pivoting on solutions, enables the exploitation of

opportunities, and is closely linked to corporate entrepreneurship (Chen & Nadkarni, 2017).

That being said, a firm that effectively applies corporate entrepreneurship activities, provides autonomy for middle management within a firm (Shimizu, 2012), however it should be noted that the possible risks that could emerge from this is a disconnect could arise between middle and top management. Further risks include the high degree of uncertainty in implementing new ideas which are generally unproven (Shimizu, 2012).

2.3.2. Corporate entrepreneurship in emerging economies

In the context of a shrinking economy and turbulent conditions in an emerging economy, corporate organisation find themselves unable to retain all their human capital therefore need to provide alternative approaches to managing the exit of their human resource. Furthermore, as part of the corporate social responsibility, employers need to ensure that employees can sustain themselves following a business closure. The study, further presents an opportunity for firms to develop innovative employees whose skills and knowledge can better enable the business to deliver on superior value proposition (Dushnitsky & Matusik, 2019), and in future enable those employees to transition into entrepreneurship. Corporate organisations therefore should look at adopting corporate entrepreneurship activities within their firms.

Corporate entrepreneurship is a combination of an organisation's innovation, strategic renewal activities, including being proactive and risk taking (Liu, Luo & Shi, 2002) and corporate venturing (Shankar & Shepherd, 2019; Liu, Luo & Shi, 2002), which is collectively used by the firm to be dynamic in relation to external shifts and gaining a superior advantage in an ever more complex and changing environment (Chen & Nadkarni, 2017; Shimizu, 2012). This is critical for firms that need to rapidly identify, capture and exploit technology and market opportunities (Shimizu, 2012).

Liu, Luo, and Shi (2002) found that organisations that use corporate entrepreneurship generally create an organisational culture that produces capacity

to proactively enter new markets and develop new ideas, particularly in fast-changing and turbulent environments.

Research showed that in order for an organisation to successfully function in an emerging or developing economy, which is characterised by limited resource availability and weak institutional structures, the organisation needs to engage in activities for new business creation, such as corporate venturing. This means that organisations need to show an intentional corporate entrepreneurial transformation (Yiu, Lau & Bruton, 2007).

In the current changing and emerging market such as South Africa, businesses need to constantly innovate, such that they maintain an added value to the customer and gain an advantage over the market (Shankar & Shepherd, 2019). If organisations do not focus on innovation and opportunity seeking, they will become ineffective and eventually fail (Shankar & Shepherd, 2019).

It is important to note that existing (or incumbent) organisations often struggle to fully adopt an entrepreneurial culture, due to finding a balance between identifying opportunity (which comes in the form of being entrepreneurial) and implementing strategic choices that will set organisations apart from the market they operate in. Studies indicate that an organisation's learning orientation significantly affects how opportunity is identified and exploited (An, Zhao, Cao, Zhang & Liu, 2018), and it is through opportunity identification that an organisation can exhibit qualities of corporate entrepreneurship (see Figure 8 in Appendix B). Furthermore, studies show that, as new firms, learn to "make do with what they have", in the absence of sufficient resources, this process enables opportunity identification, by generating new knowledge (An, Zhao, Cao, Zhang & Liu 2018).

2.3.3. Organisations adopting corporate venturing

Critical entrepreneurial skills and capabilities such as problem solving, recognising opportunities and the ability to use knowledge from previous experiences to develop new entrepreneurial knowledge, are vital enablers for individuals transitioning into entrepreneurship (Kacperczyk & Younkin, 2017;). Such skills are further better entrenched through practice (Lazear, 2004; Politis, 2005), therefore employees have

an opportunity to develop them whilst still formally employed (Maula, Keil, & Zahra, 2013; Lafontaine & Shaw, 2016). This can be achieved through organisations adopting practices of corporate venturing.

Corporate venturing is about how a firm is able to create new businesses or opportunities that exploit current or new markets, be it within or outside of the organisation (Chen & Nadkarni, 2017), and hence allows the firm to be more entrepreneurial (Shankar & Shepherd, 2019), and more employees can be trained in entrepreneurial thinking and activities. Gambardella, Ganco and Honoré (2015) state that this however, is dependent on the how organisations are structured and orientated towards learning. Meaning the ability to develop new knowledge from past experiences and apply it to identify more opportunities. This is then used to create new ventures and enables creative idea generation from the employees in the organisation.

Research further shows that organisations can engage in external corporate venturing, whereby the organisation invests (capital) that facilitates the start-up and growth phase of external businesses (Shankar & Shepherd, 2019). This is done with the intention to enhance the organisation's creative idea generation capabilities (Maula et al., 2013). In recent years, organisations engaging in corporate venturing, could develop corporate accelerator programmes, in order to support and develop start-ups during the new venture process, by providing mentoring, training or educational skills, and, depending on the company, certain resources as well (Shankar & Shepherd, 2019).

2.4. Entrepreneurship in different country contexts

Entrepreneurship is considered as the exploratory act of recognising and seizing potential opportunities (Shankar & Shepherd, 2019; Shane & Venkataraman, 2000). Therefore, for the purpose of this study, we take the view that entrepreneurship is reliant on the ability of an individual to identify opportunity and develop a strategy to exploit that opportunity (Shane & Venkataraman, 2000). However, the ability to do so, is reliant on the eco-system in which the entrepreneur will operate.

Fritsch, Sorgner and Wyrwich (2019) reviewed the structure of institutions that govern and drive entrepreneurship, and how these impact onto the well-being of employees and self-employment. The country and region must promote an entrepreneurial culture, as this becomes a resource for future development and growth. This then informs the type of policies needed to stimulate the development of entrepreneurial activities (Hincapié, 2020).

The requirements for institutional infrastructures of developed and developing (emerging) economy countries that would be required to support entrepreneurship development are not the same (Luthans & Ibrayeva, 2006). Such structures would enable the development of entrepreneurial cultures (Sorgner & Wyrwich, 2019), and therefore result in a productive set of entrepreneurs, who can operate successful businesses, and therefore open up the economy, employ more individuals and contribute to a stronger economy (Nikolova, 2019).

Lafontaine and Shaw (2016), are also of the view that the circumstances that surround the entrepreneur's success is linked more dominantly to the conducive circumstances and funding received, rather than the personal experience of talent that the entrepreneur holds. The study further highlights that entrepreneurs who have financial support are more likely to provide more jobs than those who did not receive initial funding.

The environmental conditions need not only be conducive for the development of the necessity entrepreneur (similar to the context in South African), but also the transition of regular entrepreneurs into opportunity entrepreneurship. According to the GEM 2019 report, 75% of all entrepreneurs in Europe are opportunity entrepreneurs (Bosma & Kelley, 2019). Therefore, as it has been covered in the previous chapter, it is evident that opportunity entrepreneurship shows positive influence on economic growth (Nikolova, 2019).

When considering the transition to entrepreneurship during a period of sudden change, previous studies show that businesses started during recessions or severe economic conditions tend to survive longer than those created during smooth or healthy economic activities (Lafontaine & Shaw, 2016). This presents a promising advantage; however, cognisance should be made that the study by Lafontaine and

Shaw (2016) was based on western Germany demographics, where the institutional structures are very different to those of the African context.

Entrepreneurship in emerging economies requires a different approach to how resources are allocated and the process of entrepreneurship as a whole (Foo, Vissa, & Wu, 2020). The context of emerging markets usually includes an unfulfilled gap in the institutional structures, lack of labour and financial market, and less developed informal institutions such as mentorship and advisory institutions (Foo, Vissa, & Wu, 2020), presenting itself with opportunities as there is an increase in market orientation and expanding economic activity.

In agreement with previous research Foo, Vissa, and Wu (2020) indicate that in an emerging market, the transitions into entrepreneurship are as a result of necessity as individuals are in need of a source of income. Furthermore, a sense of purpose and identify is attached to the reasons other transition in emerging markets, and finally individuals are also motivated to sieze a financially profitable opportunity.

2.5. Transitioning into entrepreneurship

2.5.1. *Exiting formal employment*

Factors that lead individuals to leave formal employment, were examined within the *unfolding model of turnover* (Lee, Mitchell, Holtom, McDaniel & Hill, 1999) presented in Appendix B (see Figure 6), which shows that the turnover decision by employees is a function of various paths that employees experience throughout their employment experience (Shipp, Furst, Harris & Rosen, 2014; Vardaman, Taylor, Allen, Gondo & Amis, 2015).

These paths are determined by either a specific unforeseen incident or *shock*, which relative to this study, is the sudden shock of retrenchment, a shrinking economy or the Covid-19 pandemic. A second path is determined by a long-standing dissatisfaction with employment, known as a *script*, and therefore results in a decision of resignation. The third path is determined by activities where alternatives to the current job are evaluated and is referred to as a *search*. The fourth path is an image violation, where individuals' goals and plans for achieving those goals no longer fit those of the organisation. And lastly, the fifth path is lower levels of job

satisfaction, where individuals feel that their current roles do not give the personal fulfilments such as cognitive stimulation, passion for the job, and financial rewards (Shipp, Furst, Harris, & Rosen, 2014).

Hom and Kinicki (2001) concluded a study that showed how employee dissatisfaction (in particular, a hostile environment, amongst other things) lead to a high turnover. Further studies by Yuan and Woodman (2010), building on the importance of employee innovation behaviour for organisational effectiveness, show that employees will exhibit behaviour based on the expected outcome of their performance.

Furthermore, an individuals' behaviour is highly determined by other people's potential perceptions or impressions of the individual. Therefore, should there be a negative perception or impression of the individual, there is a likelihood that there will be a lack of support in resources or social support for the individual to achieve their goals (Leary & Kowalski, 1990; Tedeschi & Riess, 1981). This can lead to an individual being despondent and negative towards formal employment and result in them exiting.

In support of the above, Gardner, Wright, and Moyhian (2011) also studied that there is a correlation between employee attributes and behaviour, skill-enhancing practices by the organisation and the voluntary turnover that employees will action. There is however limitations in the study, linking whether voluntary turnover is determined by performance. Research is also limited in understanding whether skill-enhancing practices indeed reduce involuntary turnover (Gardner, Wright, & Moyhian, 2011).

Gardner, Wright, and Moyhian (2011) reported in their study that human resource practices (relating to skill, motivation and empowerment) are positively related to organisational performance and improve employee turnover or retention. Important is that they found that although motivation and empowerment improve employee retention, their studies showed that skill-enhancing practices is unrelated. This is an important finding in relation to this study, as the researcher explores the skills and capabilities required for individuals to transition to entrepreneurship.

2.5.2. Reasons for transitioning into entrepreneurship

Wiklund, Nikolaev, Shir, Foo and Bradley (2019) note that the reasons why individuals transition into entrepreneurship are generally deeply personal. Therefore, the majority of the experiences are psychological, with a drive to achieve personal fulfilment and satisfaction.

In a study by Gambardella, Ganco and Honore (2015), it was proposed that some of the reasons why employees transition to entrepreneurship is that their employer either does not exploit the knowledge created by the employee, or that the management of the firm underappreciates the ideas of the employee, or that the employee places a higher value on their ideas compared to how the organisation perceive them.

In other instances, what drives employees to become entrepreneurs is embedded in the company strategy (Cassiman & Ueda, 2006), meaning the company capabilities and activities are not aligned to the ideas presented by the employee. From literature, it is not clear which reason, between undervaluation or underutilisation of an idea, is the dominant driver (Gambardella, Ganco & Honore, 2015) for employees transitioning into entrepreneurship.

The motive for transitioning into entrepreneurship very often influences the outcome of the new business venture. As discussed in the previous chapter, the 2019 GEM annual report (Bosma & Kelley, 2019) highlight that individuals are driven towards entrepreneurship under mainly two categories: necessity entrepreneurship and opportunity entrepreneurship.

Opportunity entrepreneurs will pursue entrepreneurship for the rewards (financial mostly) that could be obtained, while necessity entrepreneurs go into entrepreneurship in an attempt to receive some form of income, since there is a lack of formal employment opportunity. Literature finds that it is through opportunity entrepreneurship that individuals have greater positive experiences, as their motives align with external activities. However, there are some cases where this logic does not hold (Wiklund, Nikolaev, Shir, Foo & Bradley, 2019).

2.5.3. Resources for transitioning into entrepreneurship

New businesses or ventures generally lack the resources they need in closing operational gaps and solving problems that they encounter (An, Zhao, Cao, Zhang & Liu 2018). Therefore, these businesses resort to what research refers to as Bricolage (An, Zhao, Cao, Zhang & Liu 2018), which in essence is the act of conducting everyday activities using a combination of various resources that are at the disposal of the individual, in order to address or solves problems or exploit opportunity (Barker & Nelson, 2005; Desa, 2012).

Bricolage is used to overcome the constraint of resource availability. Furthermore, the ability to 'make do' with what they have, allows new business to expand their experiential learning, therefore creating new knowledge and fostering creative and innovative thinking (An, Zhao, Cao, Zhang, & Liu, 2018).

In a study by Liu, Luo, and Shi (2002), it is explained that in an organisation, most entrepreneurial activities should be housed under the marketing function, as entrepreneurship is particularly critical to marketing. It is observed from this study that in fact, participants are in agreement that marketing is a critical resource for them to conduct entrepreneurial activities, particularly in the transition from formal employment to entrepreneurship.

Furthermore, Walchli and Crittenden (1996) demonstrated the key relationship between marketing and entrepreneurship. Research (Walchli & Crittenden, 1996; Webb, Ireland, Hitt, Kistruck & Tihanyi, 2011) further demonstrates the key relationship between marketing and entrepreneurship, stating that "the practices of marketing is in serving customers needs profitable and responsibly" (Walchli & Crittenden, 1996, p. 2).

Financial resources have largely been a strong enabler for new ventures, as Huang and Knight (2017); and Huang (2018) observed. These funds are generally required to close operational gaps such as product development, marketing campaigns and the recruitment for talented employees.

Research further shows that there needs to be a match in opportunity and resources for a new venture to thrive (Laura & Knight, 2017), in particular the resource of

finances, relationships and human resources. These relationships are in the form of an investor, a customer and internal employees. A critical resource would be the relationships and human resources that can enable the business to achieve its goals (Laura & Knight, 2017).

2.5.4. Challenges in transitioning to entrepreneurship

Grandy and Hiatt (2020) indicate that transitioning entrepreneurs should expect barriers to entry or competing with incumbent firms, for a particular market. New businesses that attempt to enter an urban-city-like areas are less likely to succeed, due to the increased competition levels (Lafontaine & Shaw, 2016). Therefore, transitioning entrepreneurs would spend significant effort to establish report in the industry they are operating in, such that they can achieve and maintain some advantage over their competitors who are already established in the market (Balasubramanian, 2011).

The lack of access to capital has been reported to be a significant constraint on new venture creation and therefore acts as barrier for individuals transitioning to participate in entrepreneurial activities (Bischoff, Gielnik & Frese, 2020). Furthermore, there is a difficulty securing this capital from investors or other stakeholders, especially during the startup phase of the business (Huang & Knight, 2017; Huang, 2018).

Hincapié (2020), highlights that transitioning entrepreneurs tend to have a lack of belief in their own abilities to become entrepreneurs. Van Gelderen, Kautonen, & Fink (2015) investigated reasons behind the gap between entrepreneurial intent and entrepreneurial action, and concluded that doubt and fear generally create a delay or stop an entrepreneurial action.

A critical mindset change, and challenge even at a global scale, is regarding the gender disparities and difficulty of women in transitioning into entrepreneurship. Thébaud (2015) and Jennings and Brush (2013) highlight that females have a lesser tendency to pursue entrepreneurship as a result of insufficient supportive institutions. This includes support for a work-life balance, emotional support, and the organisational resources required for women to, for example, work long hours.

Thébaud (2015) further mentions that the pre-conceived ideas and bias of individuals on gender and entrepreneurship also contributes to the gender gap. Harrison, Leitch, and McAdam (2020) agree that entrepreneurship has been perceived as manifested in masculinity, and therefore, women entrepreneurship has been confined by these social structures, making it difficult for women to progress in the field of entrepreneurship.

2.5.5. Success outcomes (benefits) for transitioning to entrepreneurship

Some successes and benefits of transitioning to entrepreneurship from being an employee are in the improvement in mental and physical health as well as job satisfaction (Nikolova, 2019). In this study, Nikolova (2019) mentions that individuals who would be unemployed, or at high risk of being unemployed (through retrenchment or the impact of COVID-19), experience high psychological distress. Therefore, transitioning into entrepreneurship could alleviate mental strain and stress levels (Nikolova, 2019).

Furthermore, once the employee has transitioned to entrepreneurship, there is what is called 'desired stress' or eustress. This desired stress allows for an individual to learn and better themselves, with high enjoyment, as they develop new skills (Nikolova, 2019).

Kautonen, Kibler, and Minniti (2017) observed that individuals who transitioned to entrepreneurship experienced a substantial benefits of greater quality lifestyle. This included the psychological needs of being in charge of one's destiny and life, significant self-awareness, and enjoyment in one's life. Furthermore, this transition allowed for an extended period of economic activity and increased savings, as opposed to being forced into early retirement.

2.5.6. Skills required to transition into entrepreneurship

The transition into entrepreneurship is measured as the entry and start-up of a business and is significantly influenced by the skills and capability of the start-up entrepreneur. Furthermore, the legitimacy of the entrepreneur's efforts is also measured by the perspective of the external audience (Kacperczyk & Younkin, 2017). The audience is the customers, investors or employees. The relationship between entrepreneurial skills and the type of legitimacy that external players attach to the individual's efforts has not yet been fully explored (Kacperczyk & Younkin, 2017).

Kacperczyk and Younkin (2017) further explored how being an expert in a variety of skills does not particularly help for the entrepreneur, which links to Lazear's (2004) point on entrepreneurs being generalists. A contradicting view of this is that the external perception from consumers, investors, and prospective employees is that specialisation increases legitimacy and appeal (Pontikes, 2012). The combination of being well experienced in a variety of skills, while having specialisation and commitment in a specific market, could facilitate the transition to entrepreneurship (Kacperczyk & Younkin, 2017).

In the context of learning, and referring to studies by Lazear (2004) as well as Bublit, Fritsch and Wyrwich (2015), who theorise that an entrepreneur has a set of balanced skills or is termed a 'jack of all trades'. Therefore, an entrepreneur, although not an expert of any single skill, is however required to be competent in a variety of skills. The study considered a balance of skills and experience across professional fields such as accounting, facility management and production (Bublit, Fritsch & Wyrwich, 2015).

Thus, if that is the point of departure, the research accepts that one can learn to become an entrepreneur (Lafontaine & Shaw, 2016). Most important is that entrepreneurial skills can be learned (Lazear, 2004) and provide a platform for individuals to grow (Lafontaine & Shaw, 2016).

2.6. Conclusion to the literature review

The sections above have highlighted that an individual's skills and access to resources dramatically affects how they will transition into entrepreneurship (Politis, 2005; Liu, Hao & Zhang, 2019). Furthermore, past experiences, and how to learn from previous failures also contribute to their ability to grow and develop as an entrepreneur. Further research is, however needed to gain clarity and understanding on the recuperative process of recovering and moving on from failure or a sudden change. Particularly in showing the extent to which learning has been actively applied to future entrepreneurial problems (Cope, 2011). Similar views are shared by Politis (2005), who acknowledged that there is a lack of understanding of how the entrepreneur's character influences their ability to transform career experiences into knowledge. Therefore leading us the first research question that seeks to understand the experiences of how an individual transitions from formal employment to entrepreneurship. .

In order to explore the type of skills, capabilities and resources required to transition into entrepreneurship, in the context of an individual going through a sudden distressing change, research was done on identifying the dimensions that influence an individual's behaviour (Chung, Choi & Du, 2017; Erdogan, Ozyilmaz, Bauer, & Emre, 2018). However, there is not much work researched on the extent of these dimensions on an individual's future behaviour (Erdogan, Ozyilmaz, Bauer, & Emre, 2018), as well on the distinct effect of each independent variable, as most studies consider all variables at the same time (Kacperczyk & Younkin (2017). There is a research gap on the skills, capabilities and access to resources required to transition into entrepreneurship, in the context of an individual going through a sudden distressed change (Kautonen, Kibler & Minniti, 2017; Kacperczyk & Younkin, 2017). This links to the second research question on the critical skills and capabilities required to successfully transition into entrepreneurship.

There is an insight into some of the challenges that hinder successful entrepreneurial start-ups, such as access to capital, issues of risk aversion of surrounding society as well as information frictions (Hincapié, 2020). However, in the context of a sudden change, such as being retrenched as well as experiencing the coronavirus pandemic, it is not known which other challenges are prevalent. There seems to be no study that considers challenges such as employer support, or opportunity prevalence

(Kautonen, Kibler & Minniti, 2017) in the context of a shrinking economy and the COVID-19 pandemic. This links to the research question on the possible challenges that could present themselves during the process of transitioning from formal employment to entrepreneurship.

To conclude, this chapter has provided evidence that an individuals' past experiences, learning and career orientation influence their ability to transform experience into knowledge (Politis, 2005; Liu, Hao & Zhang, 2019). Past experiences will affect an individual's behaviour (Lafontaine & Shaw, 2016; Chung, Choi & Du, 2017; Erdogan, Ozyilmaz, Bauer, & Emre, 2018), and affect how they would transform experiences into knowledge; particularly how to transform knowledge on entrepreneurial activities (Lafontaine & Shaw, 2016).

There is some insight on when an employee has gone through failure, and how that failure affects their cognitive ability to overcome future challenges (Cope, 2011; Shepherd, Patzelt, Williams & Warnecke, 2014). However, there has been no exploration on this for individuals who have overcome a difficult and challenging period (and considered helpless), such as being retrenched from formal employment (Lafontaine & Shaw, 2016). It is in this context, therefore that the transitioning into entrepreneurship is explored.

CHAPTER 3

3. RESEARCH QUESTIONS

Based on the research problem provided in Chapter 1, as well as the literature review presented in Chapter 2, of this study, the research questions have been formulated, particularly around the overarching topic of transitioning into entrepreneurship after experiencing a sudden shock or change. The questions being investigated for this study are presented below.

3.1. Research Question One

The first research question has been formulated to understand the experiences of transitioning from formal employment to entrepreneurship, by providing the reasons that lead individuals to exit formal employment and factors surrounding the individual then later transitioning into entrepreneurship. This question further investigates how individuals managed the start-up period of a new business venture. In exploring these, the research question can therefore be answered. Research question one is therefore articulated as: *How does an individual transition from formal employment to entrepreneurship in the context of a sudden change, such as a shrinking economy, retrenchments, and the COVID-19 pandemic?*

3.2. Research Question Two

The second research question was developed to understand the enablers for transitioning from formal employment into entrepreneurship. In particular the question covers the critical skills and capabilities as well as the resources required to transition from formal employment to entrepreneurship. Most literature covered this topic from a broader perspective of entrepreneurship, however was not explored for individuals transitioning from formal employment, particularly after experiencing a sudden change or shrinking economy. The question further explores the role that corporate organisations (should) play in enabling employees to transition into entrepreneurship. The research question two is articulated as: *What are the critical skills, capabilities and resources required to enable successful transition into entrepreneurship, and adaptation into a volatile environment driven by sudden change (for example shrinking economies, retrenchment, or COVID-19 pandemic)?*

3.3. Research Question Three

The third research question was formed to establish the challenges experienced by transitioning entrepreneurs, and most importantly given the limitations of a shrinking and constrained economy, how could one overcome these challenges in order to have a successful outcome. The question therefore aimed to discover the coping mechanisms for overcoming learned helplessness and further how to recognise and exploit opportunity in a turbulent environment. In exploring these, the research question can therefore be answered. Research question three is therefore articulated as: *What are the types of challenges are encountered by individuals who are transitioning from being employed to being entrepreneurs, in the context of a sudden change (for example shrinking economies, retrenchment, or COVID-19 pandemic)?*

CHAPTER 4

4. RESEARCH METHODOLOGY

4.1. Methodology Choice

A research philosophy of a study gathers the underlying set to principal values or underlying assumption on how the researcher would develop and understand the knowledge gained through the research (Saunders & Lewis, 2018). The research questions this study explored was in line to understand the lived experience of individuals who have transitioned into entrepreneurship after going through a sudden change, such as being retrenched from formal employment.

The research philosophy that anchors this study is interpretivism and intends on understanding how human beings operate and their characteristics as social characters (Saunders & Lewis, 2018). This research will in essence provides insight into how an individual interprets the lived experiences of transitioning from being formally employed to being a full-time entrepreneur. It is important to note that the research philosophy of interpretivism takes into account the various perspectives of the different experiences that the individuals in the study would have gone through. Therefore, the study and the findings provided by the respondents were inherently subjective (Collins & Hussey, 2013). As it stands, the literature on entrepreneurship is still developing (Luthans & Ibrayeva, 2006); therefore, the interpretivism philosophy was suitable for this study.

The theory that was researched in this study was learned entrepreneurship. A theory is an idea or belief that provides reasoning for the relationship between two or more concepts or variables (Saunders & Lewis, 2018). An inductive approach was used for this study since literature has indicated gaps and complete understanding of the theory (Sekaran & Bougie, 2010). An inductive approach required that there is the development or building of theory, which is achieved following the application of data collection methods which include, field observations, interviews with participants thereafter analysing the data.

This study used qualitative research methods to collect primary data by using semi-structured interviews, that ranged from 45-90 minutes in length. Therefore, a qualitative mono method was the methodological choice.

The purpose of the research design was exploratory. The phenomenon that is being researched is entrepreneurship and in particular the theory of learned entrepreneurship, that results following going through a sudden change, is not fully understood. This purpose was suitable for an evolving study in the field of entrepreneurship (Mollick, 2014). To gain better insight into the phenomenon, an exploratory approach was undertaken (Sekaran & Bougie, 2010; Saunders & Lewis, 2018).

The strategy that is most applicable to this study was a phenomenological research design. From literature, and previous studies of a similar nature, we note that qualitative research method was adopted in order to explore the meaning of lived experiences of human beings (Creswell, Hanson, Plano & Morales, 2007). In this case, individuals had been previous employed and later transitioned into entrepreneurship following either non-voluntary or voluntary exit from employment, were interviewed to share their experiences of learned entrepreneurship. The phenomenological research design was done by first allowing individuals to express or tell their story of how they have experienced their transition into entrepreneurship. After that, these stories were presented chronologically or sequentially (Creswell, Hanson, Plano & Morales, 2007), into themes that arose during the research. Furthermore, phenomenological research designs aim to understand an individual's experience relative to a specific phenomenon that the individual has encountered (Sanders, 1982).

Considering the time-frame limitations of the research, the study was cross-sectional. Studies of this nature and level have made use of the cross-sectional approach of collecting data in a single period (Saunders & Lewis, 2018). Therefore, the views that the participants provided were all referenced to a single period and gave a single snap view of the data.

Semi-structured interviews were conducted between the participant and the researcher, as this was deemed the most appropriate given the research design. The

approach allowed for the researcher to collect data on the entire experience of individuals who have transitioned from formal employment into entrepreneurship. A set of questions were drafted and used to guide the interview, however no specific order was followed (Saunders & Lewis, 2018). According to Cassell (2015), this approach to collecting primary data is suitable when the researcher aims to obtain a deeper understanding of the phenomenon being investigated. Therefore, theory can be developed considering the data collected. .

Creswell and Poth (2016) also highlight that the phenomenological procedure follows a collective of unplanned topics as an approach to the interview so as to allow a conversational flexibility of the interview. Another important aspect was the ability of the researcher to 're-story' the lived experiences of the individuals, into a general type of framework that identifies common themes and sequence of events expressed by the participant (Cassell, 2015; Guest, Bunce, & Johnson, 2006).

4.2. Population

The population that has been defined for this research study were individuals who have transitioned from formal employment into entrepreneurship in the context a sudden change, characterised by a shrinking economy, a loss in job, or the COVID-19 pandemic, and subsequently have had to start and sustain a business for a minimum of three months.

The study focused on entrepreneurs who have transitioned from formal employment to entrepreneurship. The years of employment of the population was anything above 1 year of formal employment before transitioning into entrepreneurship. The population of the study further included adults that are between twenty one and sixty five years of age, who geographically live in South Africa. The study was further opened to any and every kind of industry that an individual was previously formally employed in, however later transitioned to become an entrepreneur.

4.3. Sampling method and size

The phenomenological research approach offers a process by which an event or phenomenon encountered by individuals may be analysed in order to gain a greater interpretation of sense of the experience (Creswell & Poth, 2016).

The study aimed to identify similarities and differences of the various responses from the participants in the study. In doing so, common themes can be developed, that allows for a theory to be formed (Creswell & Poth, 2016).

In the previous section, the population of the research was described. From that population, a sub-group was formed, and referred to as a sample (Saunders & Lewis, 2018). According to Creswell and Poth (2016) a sample size ranging between five to twenty-five individuals who have experienced the same phenomenon, is deemed valid for the research study. The participants of the study had all been previously formally employed, and due to various reasons have transitioned to entrepreneurship. All participants in the study had all been formally employed for at least one year in corporate organisations.

Given the qualitative nature of the research design, non-probability sampling techniques were adopted as a sampling method (Saunders & Lewis, 2018; Guest, Bunce, & Johnson, 2006). Furthermore, semi-structured interviews were used by the researcher as a data collection technique, considered most suitable for non-probability sampling techniques (Saunders & Lewis, 2018).

Furthermore, purposive sampling was adopted for the research, which allowed the researcher to apply judgement to select sample members (Saunders & Lewis, 2018; Guest, Bunce, & Johnson, 2006). The criteria that were used to select sample members included individuals who are:

- Practising entrepreneurs, with businesses that are in operation.
- Based and residing in South Africa.
- Previously formally employed, however, due to economic shocks or distress were either retrenched, took voluntary severance packages (VSP), forcefully resigned from their organisation, or voluntary resigned to pursue entrepreneurship.

- Twenty-one years or older; as it is expected that individual would have been employed in their adult years first before transitioning to entrepreneurship.

Importantly, in order to draw abstract rational assumptions, purposive sampling is used to obtain meaning and insight into a complex phenomenon. This method defends the use of small sample sizes determined by its theoretical saturation (Guest, Bunce, & Johnson, 2006). This allows for a solid theoretical perspective to be developed if sufficient contextualisation is maintained. Opportunism and convenience are considerations that lead to choosing the research sample (i.e. the purposive sample).

The relevance of the sample was in line with the research objectives that were being studied, which is one of the critical aspects for sample relevance as proposed by Guetterman (2015).

4.4. Unit of analysis

The unit of analysis for this study was the individual person or entrepreneur participant or interviewed by the researcher (Guest, Bunce, & Johnson, 2006).

4.5. Measurement instrument

The study used a semi-structured interview guide as a research instrument (see Appendix C). The interview guide was based on the research questions that have been provided in this study. These questions were which aimed to understand the transitioned of individuals from formal employment to being entrepreneurs. It is of significance to note that the consistency and quality of the interview guide, greatly affects the outcome of the study, (Kallio, Pietilä, Johnson & Kangasniemi, 2016), therefore, prior to having the actual interviews take place, an interview guide was developed.

In order to answer the research questions, the interview guide contained all the related topics that needed to be discussed. The questions designed were straightforward and simple to understand, using relevant and impartial words (Saunders & Lewis, 2018). The questions also needed to be open-ended, to allow

the interviewee to provide additional information (Jacob & Furgerson, 2012). This was consistent with the research intent, of being exploratory, and aims to gain clarification and build new knowledge regarding a specific phenomenon.

As per phenomenological research designs, the interview is structured to be conversational, and therefore the interview guide was merely used as a guide. The structure of the interview guide started with a set of questions situated around the individual's background (Jacob & Furgerson, 2012; Creswell, Hanson, Plano & Morales, 2007). This included questions around the sample frame, being age, years running business, years in formal employment, industry, location of residence, and resignation/retrenchment date. The next set of questions on the interview guide were around the individual's previous employment, career history and prevailing circumstances that led to the resignation or retrenchment process. The third section included questions around starting up the business, and what type of resource and skills were required. This section also included highlighting challenges faced, as well as how those challenges were overcome. The last set of questions concluded with reflections of how to approach the transition from employment to entrepreneurship, as well as proposals on the type of support required to make the transition seamless.

4.6. Data Collection

The data collection process comprised of conducting in-depth semi-structured interviews, with a pre-determined list of topics and questions surrounding the overarching theme of the research study, although these may not have been implicitly posed in any order (Jacob & Furgerson, 2012). This was aligned to the intent of the research, being exploratory, to gain greater clarification and new knowledge around how individuals have transitioned from formal employment to entrepreneurship (Roulton, 2010).

The second step was to trial the interview on a certain individual closely matching the population criteria of the study. This was essential to guarantee that the questions translated and interpreted according to the intended meaning, and to estimate the duration of the interview (Saunders & Lewis, 2018). Before interviewing any participant, a letter of consent questionnaire was completed, thereafter the interviews could be conducted (Jacob & Furgerson, 2012). Due to the COVID-19 lockdown

restrictions including social distancing, all interviews were conducted virtually using Microsoft teams meeting platform as well as ZOOM meeting platform.

The next stage was to transcribe each interview from an audio recording to a text data, and accurately transcribe the interview to examine as qualitative test results. This stage required the researcher to stress the accuracy and consistency, such that the quality of text data provided is not compromised (Saunders & Lewis, 2018).

The researcher made use of an external transcriber to convert the audio files into text data and compared the output with one or two transcripts that were transcribed using a manual process. This step helped to evidence the trustworthiness of the process and data collected. The identity of the respondents were kept confidential and were not reported back by the researcher or transcriber. The data collected as interviews were stored digitally on cloud server.

4.7. Data Analysis

A phenomenological analysis of the data was done, including analysing the content of the story or experience being told, as well as how the experience was told (Creswell, Hanson, Plano & Morales, 2007).

The study of qualitative data allows for the researcher to look at data trends and categorize the details according to themes or subjects. The research study was inductive, therefore there was no simple hypothesis to establish testable proposals to base them on. The researcher had to identify correlations and categories with common answer traits provided by the participants, which can be used to construct potential research hypotheses.

As the knowledge was gathered as voice recordings and translated as qualitative evidence transcribed text, these became the departure point for the researcher. The data analysis step was conducted following thematic content analysis, whereby the researcher would identify commonalities in the responses provided by the participants. This method was best suited for the study, as it aimed to provide knowledge and understanding to a phenomenon which was currently being studied (Hsieh & Shannon, 2005). Furthermore, codes groups were identified from the

textual data (Saldaña, 2009; Guest, Bunce, & Johnson, 2006), in order to describe the phenomenon, as well as the frequency of these codes, and were analysed. The codes being referred to were quotations or pieces of a transcript such as a sentence, a phrase, paragraph or other piece of material (Saunders & Lewis, 2018).

In analysing the data, particularly in developing the codes, we refer to keeping a record of when new codes or definition changes arise, as we progress through the interviews (Guest, Bunce, & Johnson, 2006). Another critical aspect of the analysis is the prevalence of themes or frequency at which a theme is raised (Guest, Bunce, & Johnson, 2006).

4.8. Quality Assurance

The quality of the data collected, and the analysis thereof was maintained throughout the process by using practices of trustworthiness, validity and credibility of a qualitative research (Roulton, 2010).

For example, a control question was used to validate the accuracy and credibility of the responses provided by the participants. Furthermore, one or two transcripts were manually processed in order to check the work of the transcriber.

When data is collected and analysed, it is of crucial importance that the trustworthiness of the process followed, by verifying that each participant is clear on the intent and context of the interview (Roulton, 2010). Furthermore, similar questions should be asked particularly at the start of the interview, and the same questions are covered throughout the interview.

The process used to gather and analyse data, should be trustworthy, and greatly influenced by the nature of questions posed and significantly is how they contribute to the objective of the study. The trustworthiness depends on the degree to which reliable outcomes can be obtained through data collection techniques and research processes (Saunders & Lewis, 2018). Validity is the degree to which the techniques of gathering data correctly assess what they were meant to measure and that the results of the research are an accurate reflection of what the study aimed to explore (Saunders & Lewis, 2018). In qualitative research, validity refers to “the appropriateness of the instruments, processes and data” (Leung, 2015, p. 5).

Appropriateness and trustworthiness were maintained by documenting the interviews and also writing comments of crucial details that were presented by the participants. Therefore, in the results chapter, quotes from the interview recording were reported.

4.9. Limitations

The research technique of qualitative analysis was exploratory, therefore, some bias may have been applied to the process, as a result of the respondents giving an understanding of their lived experiences – this limitation is implicit to the research methodology and design. Qualitative research techniques use small samples, thus as the inherent design of the study. Thus, only, localised knowledge was developed from this study. This does not mean that the study cannot make meaningful theoretical contributions as this type of study assists in developing both new theoretical constructs and expanding/enhancing on existing ones (Cope, 2011).

Secondly, because the research performed semi-structured interviews that permitted the researcher, depending on the choice or opinion of the researcher to exclude or add particular questions. Therefore, throughout the process, the researcher had to guard against any contextual bias that may occur.

The phenomenological research study required that respondents provide an interpretation of their experiences around a specific phenomenon (Sanders, 1982). Furthermore, for the researcher to re-story the responses on the phenomenon. There are distinct challenges in retelling the story of the individual as one's personal bias could affect how the story is interpreted and presented (Creswell, 2016). Lives (1984) explains it as being able to uncover the underlying reasons that explain the multi-layered context of life, which indeed is a challenging task.

Due to the covid-19 lockdown regulations, face-to-face interviews could not be conducted, but rather virtual meeting platforms were used, which in some cases, had no video capability. This meant that any body language or non-verbal cues, that could have been observed in the interview was not available. This presented a limitation to the interview and data collection phase, as it is considered important in the flow of information and interpretation during the interview (Zikmund et al., 2013).

CHAPTER 5

5. FINDINGS

5.1. Introduction

The objective of the research was to understand how individuals transition from formal employment into entrepreneurship. This research adopted a qualitative research method approach to gather primary data using in-depth semi-structured interviews. The interviews were conducted virtually using meeting platforms such as Zoom and Microsoft teams due to the COVID19 pandemic that requires social distancing.

The sample size of the study was eleven respondents. The collected data was analysed on Atlas T.I, using thematic content analysis. This chapter provides the profile of the respondents, relevance of the interviews and then the findings from the empirical data.

5.2. Profile of the respondents

The study was conducted with eleven respondents. The respondents of the study are all currently in entrepreneurship. Before venturing into entrepreneurship, the respondents of the study were formally employed as permanent employees in different organisations. The industries in which the respondents were employed ranges from mining, manufacturing, Fast Moving Consumer Goods (FMCG), clothing and textile, finance, energy and automobile industry. The various roles and departments that the respondents worked in covers Marketing, Production, Information Technology and Engineering. All the respondents transitioned from formal employment to entrepreneurship, which confirms the relevance of the sample in line with the research objectives that are being studied, which is one of the critical aspects for sample relevance as proposed by Guetterman (2015). In Table 1 the respondents of the study are profiled in terms of gender, background career experience, years in formal employment, and years in entrepreneurship.

Table 1: Profile of the Respondents

Respondents	Gender	Experience in corporate environment	Years in formal employment	Years in full-time entrepreneurship
RPD1	Male	Worked as a Mining Engineer	12 years	2 years
RPD2	Female	Worked in production as a Metallurgist	13 years	4 years
RPD3	Male	Worked in Marketing and Sales	11 years	5 years
RPD4	Male	Worked in production as a Mining Engineer	19 years	2 years
RPD5	Male	Worked as a Drill Assistant and as a HR Practitioner	11 years	4 years
RPD6	Female	Worked as a Drill Assistant	11 years	4 years
RPD7	Female	Worked in Marketing and as a Business Consultant	19 years	8 months
RPD8	Male	Worked in systems as a service provider	11 years	4 years
RPD9	Male	Worked as an IT Analyst and a Software Vendor	5 years	5 years
RPD10	Male	Worked in a paint shop, electricity production and nuclear engineering	12 years	3 years
RPD11	Female	Worked as an IT professional and project manager	11 years	4 years

Transcripts of words through word count

The total word count for eleven interviews was 66384 words. A word cloud of these words is presented in Figure 2. Some of the most dominant words that appear in the word cloud are entrepreneurship, company, experience, money/finances, skills, challenges and opportunities. These can quickly start to show the relevant words that have emerged in the study, as well as themes that could arise within the context of the research, which was on investigating the transition from formal employment into entrepreneurship.



Figure 2: Word cloud for total transcripts

5.3. Findings from the empirical data

A phenomenological analysis was conducted through the stories told by the respondents regarding the phenomenon of transitioning to entrepreneurship, and presented chronologically or sequentially (Creswell, Hanson, Plano & Morales, 2007), into themes that arose during the research. The aim being to identify activities surrounding the phenomenon to provide meaning or insight into the exact cause and effect of specific life experiences (Sandelowski, 1991; Sanders, 1982). From the

transcribed interviews, the researcher identified codes on the text data, thereafter code groups were formed based on similarity in meaning, given by the respondents. The various code groups were then further grouped to form seven themes. Table 2 presents the relevant code groups that formed the themes of the study. The themes are from the overarching topic of understanding how individuals' transition from formal employment into entrepreneurship.

Table 2: Code groups and themes of the study

Code Groups	Themes
<ul style="list-style-type: none"> • Resignation to follow passion and calling • Forced out – 'constructive dismissal' • Resign due to being unhappy at work • Voluntary Severance Package (VSP) before retrenchment to pursue opportunity • Retrenchment due to operational requirements 	Theme 1: Factors that lead to exiting formal employment
<ul style="list-style-type: none"> • Positive experiences • Negative experiences • Mixed experiences 	Theme 2: Experience of transition from employment to entrepreneurship
<ul style="list-style-type: none"> • The ability to identify gaps & apply knowledge into problem solving • Self-belief and motivation • Good financial understanding • Acquiring knowledge about the industry • Having self-discipline (including time management) • Have a vision 	Theme 3: Required skills and capabilities for transitioning to entrepreneurship
<ul style="list-style-type: none"> • Skilled and experienced human resources • Financial resources and capital funds • Marketing resources • Working tools and equipment (Assets) • Networking and partnerships 	Theme 4: Required resources for transitioning to entrepreneurship
<ul style="list-style-type: none"> • Training Programmes • Encouraging entrepreneurship by creating an entrepreneurial culture • Job Rotation to enhance skill and capability 	Theme 5: Role of corporate in employee transitioning to entrepreneurship
<ul style="list-style-type: none"> • Limited financial and operational resources • Lack of assistance from individuals and institutions • Self-doubt and fear of uncharted territory • Highly competitive market • Patriarchy and gender inequality • Corruption that stifles entrepreneurship progress 	Theme 6: Challenges encountered during transition to entrepreneurship.
<ul style="list-style-type: none"> • Coping mechanisms to overcome helplessness • Identification and exploitation of opportunities 	Theme 7: Emerging insight - Coping mechanisms to overcome helplessness and exploitation of opportunities

5.3.1. Findings for Research Question One

The aim of the study was to understand how individuals transition from formal employment into entrepreneurship, after going through a sudden change characterised by a shrinking economy. The first research question investigated in the study was to understand how an individual transitions from formal employment into entrepreneurship in the context of a sudden change such a shrinking economy, retrenchments, and COVID-19.

5.3.1.1. Theme 1: Common factors that led to exiting formal employment

There were three questions that were asked by the researcher from the interview guide, which were as follows:

- Tell me about your experience in formal employment and the corporate environment?
- Tell me about your background career experience in formal employment?
- Can you describe what were the common factors that led you into the journey of entrepreneurship?

Employment can be left through retirement because it is the end of the service for the employee, resignation which would have an underlying reason or with retrenchment which would be driven by the operational requirements of the company. In some cases, the reasons for leaving formal employment are (particularly if unplanned) associated with negative connotations, characterised by negative experiences. However, the respondents shared that it was in going through those experiences that made them realize their goals of becoming entrepreneurs.

The five contributing factors that led individuals to exit formal employment included resignation to follow passion and calling, Forced out – ‘constructive dismissal’, Resign due to being unhappy at work, Voluntary Severance Package (VSP) before retrenchment to pursue opportunity, and lastly, Retrenchment due to operational requirements (Table 3).

Table 3: Spread of how respondents exited formal employment

Reasons for exiting formal employment	Respondents				
Resignation to follow passion and calling	RPD4				
Forced out – ‘constructive dismissal’	RPD1				
Resign due to being unhappy at work	RPD9	RPD10			
Voluntary Resignation (VSP before retrenchment) to pursue opportunity	RPD5	RPD6	RPD7	RPD8	RPD11
Retrenchment due to operational requirements	RPD2	RPD3			

Resignation to follow passion and calling

There are broader reasons why respondents resign from being formally employed to starting their own businesses. Respondent 4 explained that their reasons for resigning was to follow their passion and calling as they were not happy in their full-time jobs and wanted to build their own companies. In explaining this, RPD 4 stated that *“and then you start saying, no, man, then maybe this, I was not meant to be in this, you know, this is not my calling. And then you start thinking what the alternatives are, you know. I am more of a person who likes to be on my own, build my own empire one day”*.

Forced out – ‘constructive dismissal’

The factor highlighted by Respondent 1 (RPD 1) was that he was forced out of the organisation – and taken through a ‘constructive dismissal’ process. This was driven by the fact as he was challenging the status quo and was asking management to be more open-minded and more open to risk. This led to a hostile environment, with the respondent even taken to disciplinary enquiry and was forced to leave the company. RPD 1 explained *“It is not retrenchment; it is actually now being forced to leave the*

organisation” mainly for reasons such as “*my character is actually that of not really conforming to the geographic systems within the corporate*”. The individual’s view on formal employment and corporate environment is that “*people are not comfortable when they are challenged, so I know that you know as an organisation we can do better, but people were scared, they were not willing to take risks into charting unfamiliar territory*”.

Resign due to being unhappy at work

The other common factor which was the source of transitioning from formal employment to entrepreneurship was that respondents were unhappy in their corporate jobs. These respondents wanted to separate from their jobs as they did not enjoy working for someone else anymore and had a strong desire to be in charge of their own destiny. This was coupled with following corporate rules and having a routine every day. RPD9 explained that “*I did not enjoy working anymore, just because I felt as if someone else was in charge of my destiny. I decided to move out after my, really my second job really*”.

Respondent 10 (RPD 10) was also unhappy at work, mainly due to a lack of career growth that was offered, and being overlooked on specific career advances or opportunities. RPD 10 stated that “*Personally, I was never the type that liked the office, and I think I was just not the type that played by the rules, like as in nine to five, it was just not who I was or who I am either. But also, it was at the time when there were lots of uncertainties in Company Z, so I felt like I was not getting the right recognition in terms of salary and what not. Then I resigned and started my own company*”.

Voluntary Severance Package (VSP) before retrenchment to pursue opportunity

Amidst an emergent retrenchment process, some participants opted to take a Voluntary Severance Package (VSP) before being retrenched, or being forced to reapply for new roles, or demoted to lesser roles. This happens when it becomes clear that there was a possibility of retrenchment that would take place in the organisation. Respondent 11 opted for a VSP, as she felt it was appropriate to leave, as she was much more fortunate (financially) compared to other colleagues who had children, and also she had a strong family support that could assist during hard times.

RPD11 discussed with her manager that, *“I was the last person to enter the company, I'm the most expensive. Retrench me, I am volunteering to be retrenched”*.

RPD 8 explained that despite a retrenchment process that was coming up, it was an opportunity, for them to pursue entrepreneurship as there were already negotiations taking place between the respondent and the organisation. RPD 8 stated that *“Luckily for me, two years before the Section 189, I was in negotiations with the mine, because I had an advantage that whatever that I was doing then, I was the sole person who was doing it. So, I could pick up that if I am not at work, things are falling apart, And I realised to say, but it will be an opportunity for me to take this, I was busy with negotiations with the mine then”*.

Retrenchment due to operational requirement

This group of respondents experienced a sudden shock or change that contributed to them exiting formal employment. This is explored in the context of a retrenchment, restructuring, or the COVID-19 pandemic. Retrenchment happens when the organisation is cutting cost by letting go of some employers. That is done following certain policies that act as guiding principles for retrenchment. Respondent 2 and 3 explained that they were retrenched. Respondent 2 stated that *“I stopped working in 2016 yes, basically because I just got retrenched, not that I wanted to be out. So, for me it was sort of a pushing out into the entrepreneurship environment it was not like something that I had planned”*. This was the same with Respondent 3 who stated that *“I was retrenched at Company-B, and with the little money that I had with friends of mine, we started a toilet manufacturing business out in Marlboro in Johannesburg”*.

In summary, the common factors and reasons that led individuals into entrepreneurship included Resignation to follow passion and calling, Forced out – ‘constructive dismissal’, Resign due to being unhappy at work, Voluntary Severance Package (VSP) before retrenchment to pursue opportunity, and lastly, Retrenchment due to operational requirements

5.3.1.2. Theme 2: Experience of respondents transitioning into entrepreneurship

In the interviews, the respondents were asked to describe their experience and journey of transitioning into entrepreneurship. The respondents were able to answer this question by describing their experiences. The two questions from the interview guide were:

- Can you describe how you experienced your journey of transitioning into entrepreneurship?
- Can you tell me about your experience of starting your business after getting retrenched?

There were contradictory experiences, some being positive and others negative, while some depended on how they were handled and viewed, so this could be positive or negative. In Figure 3 below, the researcher has presented the three types of experiences based on comments and expressions given by the respondents.

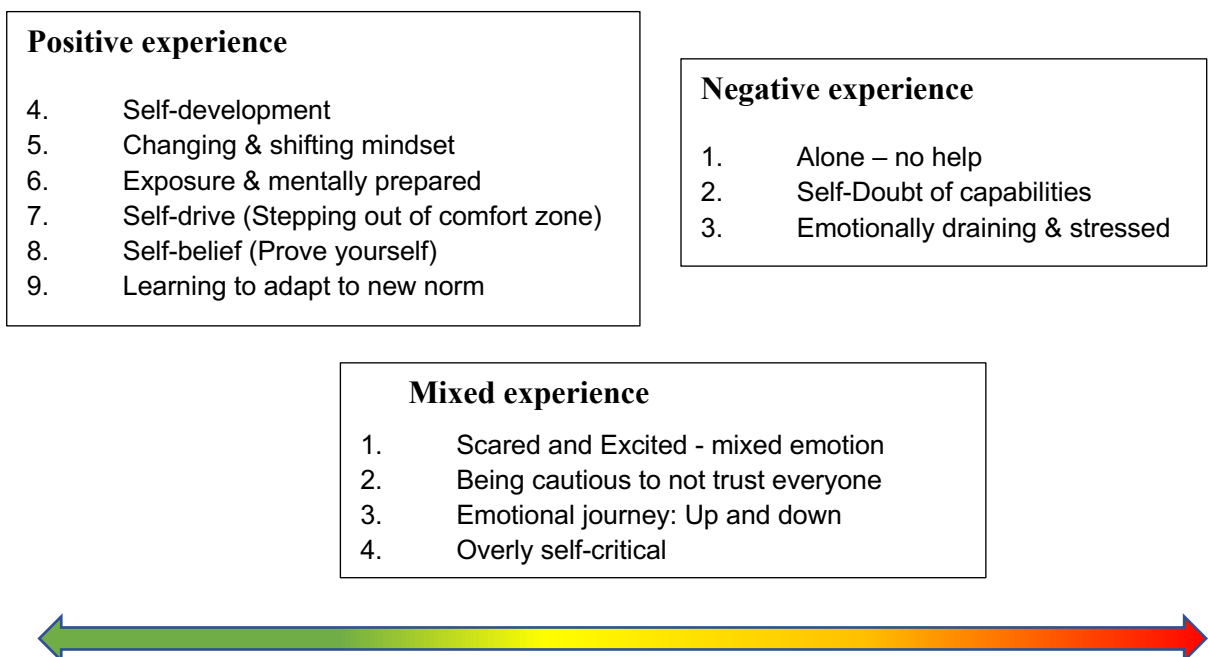


Figure 3: Positive and negative experience spectrum of transitioning to entrepreneurship

Positive experience

There were several positive experiences reported, which were self-development, changing & shifting mindset, exposure and mentally prepared, being self-driven (stepping out of comfort zone), self-belief (prove yourself), and learning to adapt to new norm. Below is a description of the experiences highlighted.

The experience of self-development was identified by some respondents as a positive experience. As we have come to understand that entrepreneurship is a personal journey, mostly routed on personal reasons for transitioning from formal employment, it becomes important that individuals constantly seek ways to develop and empower themselves. A common theme from respondents is in viewing the experience as an opportunity to self-empowerment to enhance their knowledge through reading books and getting more information on how to become the better entrepreneur. Respondent 4 states that *“and then you start now reading, you know, these self-development books, all these books which I can mention, you know, the Rich Dad Poor Dad, you know, think and grow rich. And then now they start, you know, changing your mindset, you know, you can do this”*.

Another positive experience was that respondents were able to change or shift their mindset to remain focused on the journey of transitioning into entrepreneurship. Respondent 5 mentions *“I think I had to switch my mind on immediately, that this is the decision that I am making, and let us just get on with it and see how things are going to turn around”*.

The study found that previous exposures to businesses and career experience in business ensured mental preparedness for transitioning into entrepreneurship. This was identified as a positive experience by the respondents. As the journey of transitioning into entrepreneurship is filled with uncertainty and is commonly characterised with having fear of an uncharted territory, the ability to be mentally prepared for the journey that lay ahead was considered critical in the transitioning entrepreneurs experiences. RPD 10 stated the following in support of this, *“I have been involved in his businesses from a young age, so I had a fair share of seeing someone run a business on their own, both negative and positive”*. Also respondent 7 described this experience as being very easy because of the previous exposure from the company that they were working for before, *“So, I was almost like a CEO of*

my small company within the big company. So, that transition becomes very easy that way. So, I was privileged in that way”.

From the study, the majority of the respondents identified with the experience of stretching oneself into out of a comfort zone. As the majority of the respondents had not ventured into entrepreneurship before, this experience was new to them, and offered a significant amount of new experiences. Respondent 8 narrates that, *“the best thing that I did for me, it was not to just sit in a comfort zone to say”*. This also links to being self-driven, as respondents mentioned that navigating an uncomfortable territory requires one to constantly rely on oneself for drive and motivation.

As a transitioning entrepreneur, most respondents agreed that during the transition phase, they needed to have self-motivation in order to face the challenges that arose every day. Furthermore, motivation was required to face the situation of being retrenched and having to pick yourself up again. Respondent 3 talks about a typical day of an entrepreneur *“You have to pick yourself up again. And sometimes you can, the funny thing about entrepreneurship is, you come out of a meeting where they have told you that you have lost the business and you are going into a pitching meeting then in the next 15 minutes. You cannot hold on to that disappointment for too long”*

The experience of having to learn to adapt to new norm during the transition into entrepreneurship was viewed as a positive experience by the respondents. The respondents stated that having to start a business after getting retrenched was a learning phase because the challenges experienced require a different set of solutions and furthermore being patient with the outcome as opposed to seeking short term gratification. RPD 8 stated that *“See, and with that, I learned that, oh, I must not. That is why I learned to say, business is not about me getting big overnight, it is a long term, and once you start going with it, you get used to it”*. Similarly, respondents also were not regretful of having experienced challenges during the transition phase, as they strongly believe that those challenges and mistakes have contributed to their learning journey. RPD 11 mentions that *“So, yeah, I made a lot of mistakes in the beginning. But don't necessarily regret them, I don't beat myself*

around when I think about them, they are a constant reminder of what I need to change going forward”.

Negative experiences

The negative experiences of transitioning into entrepreneurship included being alone (with no help), having self-doubt of own capabilities, and being emotionally drained and stressed.

The first experience was the feeling of being alone, with no one available to help and offer assistance in the transition phase. The majority of respondents were therefore forced to execute most tasks by themselves with no external support. This made the individual feel very alone in their journey to transitioning into entrepreneurship. Respondent 1 described this experience as *“because when I started, actually you know I was, and pretty much alone. Now we are a staff of four people. But you know I was pretty much alone and had to do everything myself”.*

A similar experience was also encountered by respondent 2, describing this experience as not being easy particularly because they were doing it on their own, and required an external push, such as a retrenchment in order to start. RPD 2 narrates that *“so that is why I am saying you know the retrenchment was sort of like a push for me. So, what I would say is you know, in for me to do it on my own was not easy”.*

The second negative experience was how the respondents of the study expressed a significant amount of self-doubt on their own capabilities. When an individual transition into entrepreneurship, this decision on its own is not an easy one. It is therefore considered as normal to have doubts. In particular, considering the market in which the individuals are attempting to enter, which are highly competitive and characterised by a limited number of resources. The respondents of the study shared their experience of self-doubt. Respondent 2 stated that *“what I also saw was with a lot of black professional’s we tend to question our skills, our abilities and stuff”.* Furthermore, respondent 4 stated that *“Because now you have not done this thing, you are actually going into the deep end, you are thinking of a lot of things. What if this thing fails, you know, what am I going to do, what is the plan B?”.* Lastly,

respondent 6 stated that *“You will think it is easy when you are outside, but once you are in you feel like you cannot even drive this ship, it is going to sink at any time?”*.

The other negative experience was the stress and emotional strain that came with the journey and transition into entrepreneurship. In particular, the stress and emotional strain was mainly due to the lack in planning and uncertainty of what lies ahead, particularly because they had gone through a retrenchment process which came as a sudden shock to them. The mental and emotional strain was typically for the first few months as the individual transitioned into entrepreneurship. Respondents acknowledge the mentally and emotionally draining journey, and further attribute this to entering an unfamiliar territory, which forces one to move out to the usual environment they are used to, and naturally becomes a stressful process. RPD 3 explains that *“The first three months were a lot. They were emotional, mentally draining, physically draining”*. RPD 11 further provides reasoning on why one would have self-doubt on own capabilities, when she mentions that *“its because you are new in the game and still trying to find your feet and get your target market to trust you and your business”*.

Mixed experiences

There were mixed experiences which can be regarded as positive or negative based on the context and situation that the entrepreneur found themselves in. These included being scared and excited, cautious to not trust everyone, emotional journey (up and down), create lens of reputation and overly self-critical of themselves. The main mixed experiences are elaborated below.

A mixed experience of having mixed emotions and feeling up and down over a short period was reported by the majority of the participants as a common experience when transitioning into entrepreneurship. These mixed emotions included being both excited and having an element of being scared at the same time, particularly at the early stages of the transition journey. Respondent 6 described that *“You know I was scared on the other hand, but at the other hand I was happy like I had mixed emotions. Like at the beginning because like I said I wanted to resign from the company to start my own company”*.

Another common construct identified by the participants as a mixed experience during the transition into entrepreneurship is on being self-critical. The majority of the respondents used the experiences and lessons they picked up at the start of their journey as a way to critically evaluate where the gaps lie in their business and how to self-correct going forward. On the other end, some participants would find distress and critique in failures of the business and become resentful either to themselves or to the surrounding factors that contributed to the failure. This was observed with RPD 3 who mentions that *“I think when my business failed, I felt bitter and resentful to myself, because I really wanted it to work”*. This is also regarded as a double edge sword, which can help to motivate or discourage the entrepreneur, but if the entrepreneur were to succeed, they ought to look at such setback as learning and grow courage to push forward.

5.3.2. Findings for research question two

The second research question investigated in the study was to understand what are the critical skills and resources required to enable a successful transition into entrepreneurship, and adapt into a volatile environment driven by sudden change (e.g. retrenchment, COVID-19 or shrinking economies)?

The purpose of this research question was to understand what characterises successful transition into entrepreneurship and how to adapt in a volatile environment which is a result of the sudden change. To answer this research question, a total of three themes were developed using the views of the respondents.

5.3.2.1. Theme 3: Critical skills and capabilities for transitioning into entrepreneurship

In the 10th interview question, the interviewer wanted to know what are the critical skills and capabilities that are required for a successful transition into entrepreneurship. The respondents were able to share their views in relation to this question. Table 4 presents six code groups that were developed to discuss what the respondents have shared, that have been ranked according to how frequent a code group was mentioned.

Table 4: The critical skills and capabilities required for a successful transition.

Rank	Construct	Frequency
1	The ability to identify gaps & apply knowledge into problem solving	9
2	Self-belief and motivation	8
3	Good financial understanding	6
4	Acquiring knowledge about the industry	4
4	Having self-discipline (including time management)	4
5	Having a vision	3

The ability to identify gaps and apply knowledge into problem solving

In answering the question on the critical skills and capabilities that are required during transitioning from employment to entrepreneurship, respondents of the study found the common construct as having the ability to identify gaps and problems for end users (or potential customers) and find solutions to close them. This was commonly known as a pre-requirement for being able to conduct business, entering a market and competing with other businesses in the same market. Most participants are in agreement with respondent 4 when he said *“Ja, I do not wait for people to say this is what we need, I go and I identify things, I say look, here is the problem, this is how I am going to solve your problem”*.

Beyond identifying a gap or opportunity, respondents of the study also mentioned that being able to apply the knowledge that has been acquired throughout the years, to solve the problems, is most critical. As an example, respondent 7 mentions that *“all the experience and lessons that I learned throughout my time came in handy in packaging the business and to get it off the ground”*. Respondent 2 (RPD2) talked also about *“Like I got a lot of skills from that company, but I think if I would have had the vision of when I got into formal employment and I got in there and I said I am here to learn and leave you know. I would have gotten a softer landing you know into this transition”*.

Self-belief and motivation

The empirical data of the study further revealed that an entrepreneur must have a specific temperament and personality, particularly in the form of self-belief and motivation. It is important to have a positive mindset and confident persona when going into entrepreneurship as this journey consumes an entrepreneur's time, energy, and mental capacity, particularly at the transition phase. According to the respondents, an entrepreneur must be able to channel his mindset into positivity and must be self-motivated. The respondents of the study emphasised self-belief and motivation as the skills and capabilities that an entrepreneur must have during the transitioning. Their responses showed that when one believes in him/herself and they are motivated, it is possible to achieve any goal they have set their vision on. As evidence from the text data, respondent 3 mentioned that *"So, I think for me, self-belief is very critical, you have to believe in your capabilities... when everybody else is doubting you, you have to be the only person in the room standing to say, I will make it"*. RPD 2 stated that *"Believing in yourself really, is more important as you believe in your abilities, you know, and believing in whatever you are trying to sell to the market out there"*.

Good financial understanding

Most of the respondents of the study mentioned that a good financial understanding is a critical skill required for successful transitioning into entrepreneurship. The respondents identify that a successful business is one that can result in sustainable revenue and profits. Therefore, the management and control of the finances of the business become particularly important, and will ease the transition into entrepreneurship, if the potential entrepreneur has a sound understanding of the financials. In relation to good financial understanding, respondent one says *"You know because when you are in that space you need to know when to spend money, when not to spend money, when to hold back"*. In support of this, respondent 3 stated that *"it is critically important to understand finances and how a business works, and how a business feeds itself, and how a business makes money"*.

Acquiring the knowledge about the industry

The respondents of the study believed that for an entrepreneur to transition successfully, they must have acquired the knowledge about the industry that they are venturing into. As a common response, this capability was either obtained

through practical experience of working in that industry, or in doing research based on reading books or internet searches regarding the industry. Both ways of acquiring the knowledge was captured in the empirical text data. For example, respondent 1 mentions that *“your technical skills in measuring whether you need to pursue an opportunity or not comes in quite heavily”*, as well as respondent 5 stated that *“What assisted us in digging into Google, digging into some of the entrepreneurial books”*.

Have Self-discipline (including time management)

The findings of the study further show that entrepreneurs must have self-discipline, including managing one’s time, in terms of setting targets and meeting them, getting the work done, as well as prioritising one’s time and effort on certain tasks. The respondents in the study agree that an individual who is transitioning into entrepreneurship has to be disciplined and committed to the business. The start-up phase of the business is generally the most challenging and a new business venture requires a lot of attention and effort put in from the entrepreneur’s end. Respondent 3 described a critical skill of having self-discipline when they stated that *“Another one is self-discipline. So, entrepreneurship requires you to be self-disciplined, you know, in terms of just meeting your own goals and your own deadlines”*. Respondent 6 supports this statement when they mention *“You have to be committed to your business. You have to be disciplined”*. In addition, Respondent 1 stated that *“I had to spend my time wisely with what I had at the time. So, for me it was a very important skill for me to actually take and sort of isolate what I wanted to do, something that obviously for me was giving me too much joy”*.

Having a vision

The respondents of the study commonly identified the importance of having a vision, for themselves and their business. The findings show that without this vision, the journey to transitioning into entrepreneurship becomes extremely difficult as external challenges will deter the entrepreneur if they do not remain grounded on their vision. Some respondents of the study mentioned that it is critical that you set your short-term goals and long-term goals for the business. Respondent 3 says that *“having a vision for yourself and even, if you have got partners, for your partners”*. Furthermore, Respondent 5 talks about using the vision to ground himself throughout the journey of transitioning into entrepreneurship, *“At the back of my mind, I knew that I want*

something big, and I am going to thrive to make sure that this something big that I am dreaming about materialises”.

In summary, there is a diverse set of skills and capabilities required when transitioning from formal employment to entrepreneurship, some of which include have the ability to identify gaps and apply knowledge to problem solving, self-belief and motivation, good financial understanding, acquiring knowledge about the industry, having self-discipline and having a vision.

5.3.2.2. Theme 4: Resource requirements for transitioning into entrepreneurship

From interview question eleven, the interviewer intended to find out what the resource requirements were to transition into entrepreneurship. The five code groups developed from the responses allowed for the theme: resource requirements during transitioning, to be formed. The respondents of the study shared their opinions by answering in relation to this question. Table 5 presents three constructs that were used to discuss the views of the respondents when answering the interview question of interest.

Table 5: Resource requirements for a successful transition to entrepreneurship

Rank	Constructs	Frequency
1	Skilled and experienced human resources	11
2	Financial resources and capital funds	8
3	Marketing resources	4
4	Working tools and equipment (Assets)	3
5	Networking and partnerships	2

Skilled and experienced human resources

Human resources were also mentioned by the respondents as the most important resource requirement that one needs to successfully transition into entrepreneurship. Respondents viewed human resources as an asset to their business and most valuable in order to execute critical tasks for operating the business. In agreement

was respondent one who stated that *“Yes, the asset I would say that in terms of you know the human resources asset”* as well as Respondent 8 also mentioning that *“I am regarding my employees to be my main number one resource”*.

Critically though, the respondents highlighted the importance of skilled and experienced human resources as critical for successful transition to entrepreneurship. Experienced human resources across the key aspect of the business such as management, marketing and promotion, logistics, operations, financial and others are necessary in entrepreneurship. What was evident from the respondents, was that they believed that they developed most of the skills which make them effective in business from their time in the corporate environment. Respondent 3 stated that *“So, you need to get resources around that, either a bookkeeper, or if you have got funding and you can afford to get a finance manager, get a finance manager first before you get a salesperson”*.

In answering, the respondents further mentioned that the experience that they have accumulated or gained from the formal employment and corporate environment is a resource requirement for successful transition into entrepreneurship. Respondent 7 stated that *“By being able to expand knowledge through, on job experiences, that prepares one in understanding the full scope of work and how businesses work and how companies are run”*.

Financial resources and capital funds

Another resource requirement that was identified as critical for the successful transition to entrepreneurship is financial resources and access to capital funds. In general, respondents agree that having access to capital funding and financial resources allows them to pursue certain opportunities. Respondents of the study believed that, to be able pursue certain opportunities, access to capital funds is required, and therefore would make the transition entrepreneurship easier. *“Although in the space that I am at, a large amount of cash is required, I think that is what deters people to want to get into that space”* – RPD 1. Furthermore RPD 2 adds that *“funding was too much of a problem for us and we realised that it was just going to delay us, because we tried to get funding but it was difficult”*.

It is a norm that every business need capital and cash flow in order to be operational. Capital is an incredibly crucial resource for businesses to help cover the expenses of running the business, because without capital, you will fail to even do the little things like registering your business, complying with the legislation or paying staff salaries. This view was supported by respondent 6 who stated that *“So the most one was like to have capital it was the most critical thing. Like you had to have money saved aside to sustain the business for the next coming three months”*.

Marketing resources

Respondents expressed that they required resources for marketing their business and learning also how to market themselves as entrepreneurs. This included the ability to market and sell the business idea and solutions to potential customers. Marketing included print and social media, as well as, knowing how to position the business in both new and existing markets. Location of the business also came up as an important aspect of marketing resource requirements, particularly in relation to the access to markets and being able to have affiliations or collaborations with other businesses. Respondent 2 mentions that *“Now you are an entrepreneur you need to market your business”*. RPD 5 stated that *“what made us change our mind or change our model, number one thing that we changed was we moved from the area that we were situated, we were at, we had to look for an office space elsewhere where we could be in the gist of other companies”*.

Working tools and equipment (assets)

The respondents were asked to indicate what resources would be required during the transition to entrepreneurship. Respondents identified that everyday working tools and equipment is required as a resource when transitioning into entrepreneurship. There was a total of three major aspects listed and the respondents had a common agreement on these, namely, office space and building, relevant equipment that comes with it, such as connectivity and office administration tools and equipment for plant/processing work (i.e. particularly heavy machinery for contract work). Respondent 9 mentioned that *“office supplies, a place to sit, you know that kind of thing”*. However, RPD3 was of the different view - he indicated that there was no need for an office, as people can work from home, as long as they have their computers and internet they are good to go, and should there be a need to meet with a client, it could be done in a public space, their office or even do it on Skype or

Zoom. RPD3 expanded the view and said, *“I mean, COVID-19 has shown us, you know, this can be a pitch meeting, we do not need an office”*.

Networking and partnerships

Respondents further mentioned the importance of networking and creating partnerships during the transition into entrepreneurship. It is important to know your target market before pursuing your business, this will help you understand the environment you need to be based in, in order to be reachable to them and also the type of businesses you want to run. This will enable you to have a clear vision as to in which area or location you must base your businesses. RPD10 explained the importance of networking, which can be regarded as important resource for transitioning to a successful entrepreneur. RPD10 stated *“you need to, to network, you need to find the work”*.

In summary, there is a diverse set of resources required when transitioning from the corporate environment to entrepreneurship, these are mainly skilled and experienced human resources, financial resources and capital funds, working tools and equipment (assets), marketing resources, as well as networks and partnerships.

5.3.2.3. Theme 5: Role of the corporate in employees transitioning into entrepreneurship

In the interviews, the respondents were requested to share opinions on what they think a corporate organisation can do to enable employees to better transition into entrepreneurship. Table 6 presents what respondents think corporates can do to enable employees to better transition, which are training programmes, develop and encourage entrepreneurship, job rotation to enhance skills, and elevate responsibility and accountability.

Table 6: What can be done by corporates to enable transitioning

Rank	Construct	Frequency
1	Training Programmes	5
2	Encouraging entrepreneurship by creating an entrepreneurial culture	3
3	Job rotation to enhance skill and capability	1

Training Programmes

The respondents identified that the corporate organisations must have training programmes that are designed for their employees. These programmes must be aligned with providing the employees with skills relating to business management so that if they get retrenched or when they decide to leave the job, they are able to transition better into entrepreneurship. The training programmes identified by respondents of the study included items linked to the theme on resource requirements as well as the theme on skills and capability requirements in the previous sections. These included financial skills, marketing and negotiation skills, presentation and stakeholder buy-in skills, just to name a few. Other aspects of the training programmes should include lessons on problem solving, scenario planning, idea generation and innovative thinking. Respondent 5 stated that *“If companies can teach people to have those just basic, basic entrepreneurial skills, I think a lot of people will be able to transition easily from employment to being a business owner”*.

In some instances, there are organisations that have started implementing such training programmes. From the study, there were some respondents who gave their experiences of receiving these training sessions, and therefore assist in the making

the transition into entrepreneurship smoother. Respondent 8 stated that *“You know what Company-A did then for individuals who were taking VSPs, who were leaving, they set out a certain amount of cash to say, if you take VSP, we offer this much for you to go and develop yourself with any skill that you might need”*.

Taking it a step further, was one respondent who believed that the organisations must allow their employees the opportunities to learn while they are still working. Also, an employee must be given the opportunity to select a course or programme that they are interested in and not be forced into programmes that are selected by the employer. *“So, yes, I believe that companies need to give people opportunities to be able to learn, and for that matter to learn what they want, because you know I have seen other people just learning things that they are just forced to do”* - RPD2.

Encouraging entrepreneurship by creating an entrepreneurial culture

A common response from the interviews was that organisations should create an entrepreneurial culture within their organisations. Creating an entrepreneurial and learning culture in an organisation can take place by encouraging the employees to have entrepreneurial thinking, problem solving, as well as do more innovative and creative idea generation. This will help the employees to gain that skill of being able to generate ideas, and when there is a sudden change, like retrenchment, they would be able to identify opportunities and come up with ideas, which can help them become entrepreneurs. RPD 9 stated that *“I mean, you could also do things like encouraging, like that corporate entrepreneurship stuff where, you know, encourage people to come up with ideas that if they do start this thing, then the corporate will maybe fund some of it”*.

Still on the category of creating an entrepreneurial culture, one respondent believed that the government must ensure that they create a conducive business environment so that the employees are able to start their businesses after retrenchment and any other sudden change that might happen to them. RPD 3 stated that *“So, I think for me, I always say government’s role is to create a conducive economic environment for businesses and entrepreneurs to thrive, right”*.

Job Rotation to enhance skill and capability

Respondents also mentioned job rotation as a means to enhance the skills and capability of its employees. Employers can adopt this approach to expose their employees to different work areas. In doing so, an individual would be able to get exposure and skills in areas of work in which they are not necessarily proficient or comfortable. This could help individuals when transitioning to entrepreneurship because they would have multiple skills to perform different duties, and also give them an opportunity to learn. RPD7 stated that *“So, it is critical that people, and I do not know if they do it these days, when we started working, we used to rotate the different departments before you started your full-time job”*.

In contrast with what other respondents have said, two respondents mentioned that it is not the organisations' responsibility to enable the employees to transition into entrepreneurship. They feel that one knows themselves better and they know what can work for them, therefore they must work towards that and not expect the organisation to do anything to enable them for transitioning. *“I feel like it is more of an individual's responsibility, more than the companies. I feel like our you know, your personal development you must focus on I cannot really, I do not see a company doing anything for us”* (RPD2).

Therefore, in summary, the respondents believe that the role that corporate should play in employees transitioning to entrepreneurship are developing training programmes, encouraging entrepreneurship as well as job rotation to enhance skill and capacity.

5.3.3. Findings for Research Question Three

The third research question was to understand the type of challenges present for individuals who are transitioning from being employed to being entrepreneurs, in the context of a sudden change (e.g. retrenchments, COVID-19 or shrinking economy)?

The purpose of this research question was to understand what challenges present to entrepreneurs during their transitioning into entrepreneurship in the context of a sudden change in their workplace. In doing so, the emerging theme of overcoming helplessness and being able to identify and exploit opportunities were reported by the respondents of the study.

5.3.3.1. Theme 6: Challenges encountered during transition into entrepreneurship

The interviewer used interview question number eight to find out what were the challenges that the respondents encountered during the transition phase. The empirical data highlighted six critical challenges that are encountered that stifle entrepreneurship progress, namely, limited financial and operational resources, lack of assistance from individuals and institutions, self-doubt and fear of uncharted territory, highly competitive market, patriarchy and gender inequality and corruption that stifles entrepreneurship progress. Table 7 presents the challenges provided by the respondents.

Table 7: The challenges encountered during the transition

Rank	Constructs	Frequency
1	Limited financial and operational resources	13
2	Lack of assistance from individuals and institutions	7
3	Self-doubt and fear of uncharted territory	6
4	Highly competitive market	4
5	Patriarchy and gender inequality	3
6	Corruption that stifles entrepreneurship progress	2

Limited financial and operational resources

In answering the question about the challenges that the respondents have encountered during the transition, the majority of respondents mentioned that it was the limited financial and operational resources. Experiencing the financial constraints during the transition period can have detrimental effects on the start-up phase of a business and places a significant amount of strain and stress on an aspiring entrepreneur. Respondents shared their challenges on acquiring financial and operational resources, particularly the difficulty of operating a business that cannot meet operational requirements. In some instances, respondents had to pivot and change their business model completely due to the lack in capital funds available to pursue certain opportunities. An additional challenge reported by the respondents is the lack of returns and profits that the new business venture sees, especially in the first six months of inception. Lastly, the lack in financial and operational resources

make it difficult to compete with established businesses. To showcase this respondent 2 stated that *“We did not have the funding so that is why we then said you know, to have funding and to basically have our brand let us focus on just one of the services, and then the supply and everything else will do it as we go along”*. RPD6 also highlighted that *“there are a lot of challenges the first six months it was not an easy ride to tell you the truth, because like when you put your money in a business you do not see the reward immediately”*.

Furthermore, during the transition, lack of operational resources is another challenge that is being encountered by entrepreneurs. This challenge can be overcome when the business is well established and has passed the phase where there is income to enable the operations of the business to run smoothly. One respondent (RPD8) stated that *“When I went into the scaffolding operation, it was a challenge, we needed transport to convey it from one point to another”*.

Lack of assistance from individuals and institutions

Other challenges that the entrepreneurs encounter during the transition, is when people become unwilling to lend a helping hand. There are many factors that might contribute to this. Some respondents believe that this is caused by the fact that when a business is being started from scratch, there is little establishment in terms of profile, report, ability to act swiftly if financial resources are required (as seen in the sections above) and other lack in operational skills as well. Therefore, people are slow to offer start-up businesses opportunities. Most respondents were in common agreement that they had to spend a significant amount of time in convincing people of their skills and abilities as a business, even those people they previously knew and had previous professional relations with.

To support the above, respondent 11 mentions that *“even the people you used to work with – you still need to prove yourself to them”*. Respondent 9 added that *“You know, so even until now when I speak to them and propose things and this and that, they still see you as a start-up chancer”*. Respondent 6 (RPD6) mentioned in their response that *“People don't believe in you, especially if you have started something and it's still new”*.

Self-doubt and fear of the uncharted territory

Self-doubt is one of the challenges that the respondents mentioned as being encountered during the transition. As already expanded in Theme 2 of this chapter, when a person is taking a big decision, it generally requires a lot of investment, which can be in terms of finances, time, and emotion. It is normal to have doubts. The respondents of the study shared their experience of self-doubt and fearing an uncharted territory. They often would play multiple scenarios of the outcome of their journey. In some instances, remaining positive for a good outcome, and in other instances, planning for the worst-case scenario and already thinking of an alternative place, should the business venture fail. Other respondents also mentioned the anxiety that came with the transition into entrepreneurship, explaining that often they did not feel in control of their situation and on how the outcome would unravel. RPD 4 stated that *“Because now you have not done this thing, you are actually lifting into, going into the deep end, you are thinking of a lot of things. What if this thing fails, you know, what am I going to do, what is the plan B?”* RPD 1 stated that *“The anxiety was a lot, so it was a difficult thing it was not easy believing in me”*.

Fearing to explore something that one has never explored before came up from the respondents as also challenging. The feeling of fear mainly came from doing something that the individual had never done before, and therefore pushed into an uncomfortable position of not knowing how the outcome of the venture would unfold. RPD 4 stated that *“Fearing an uncharted territory - I think it is about the fear or the unknown when you are transitioning”*.

Highly competitive market

Transitioning to entrepreneurship from formal employment comes with many challenges. Specifically, respondents mention the difficulty in competing with well-established companies as a challenge that comes with being a new business. Also, identifying and being able to satisfy the market can be quite challenging. This happens because there are already well-established companies and trying to satisfy a customer can also not be easy because there is a lot of marketing and convincing that might need to be done. Another factor on competing with existing incumbents is that the scale and balance of resources are not levelled, therefore the transitioning entrepreneur cannot position themselves at the same level as the existing entrepreneurs or businesses. RPD11 mentions that *“the bigger companies always*

take from the smaller companies especially resources, because they know we can afford to keep those resources and they come at a cheaper rate". RPD 9 stated on this topic of competing with established companies that "so just changing people's perception, engage people to say, no we could actually get more value from a smaller guys than we can from the big guys".

Patriarchy and Gender inequality

Gender inequality is one of the challenges that are normally encountered by women when trying to venture into territories which were previously dominated by males. All the female respondents in the study referred to the challenges of being a women and transitioning into entrepreneurship. In particular, their competitor male businesses or customers who often undermined the capability of the female-run enterprise. This inequality is associated with the stereotypes that men are good leaders, and that leadership is a masculine construct. The challenge is exacerbated by doing business in a male dominated industry such as engineering, or mining. RPD11 mentions that *"being a female especially in a male dominated industry, you have to fight 10 times harder"*. An interesting finding from the study is that respondents were able to receive full support from their male spouses and family structures, encouraging them to venture into business.

Corruption that stifles entrepreneurship progress

Some respondents referred to the challenge of corruption that hinders the progress for entrepreneurship. Corruption is considered widespread across the public and private businesses which result in stifling the progress of the entrepreneur. Corruption is one of the major challenges that many industries experience. In the case of transitioning entrepreneurs, respondents shared their experience as one, corruption creates barriers of entry as there is collusion between customers (or other businesses) and established entrepreneurs, and therefore processes are bypassed in favour of established entrepreneurs. Secondly, certain business then force and require that new entrants also engage in corrupt practices, otherwise they are not given opportunities to grow their businesses. Respondents further mentioned that it is also critical that the government develop and create policies that are clear and transparent for everyone to understand and comply with because at this current stage, the respondents believe the polices at hand favour only the government. RPD1 explained that *"That is now where you have got rogue elements and*

corruption, corrupt officials where now you find that things are not as transparent as they are supposed to be. So, government is supposed to enable or create an environment where it is easy for any person to participate and become an entrepreneur. But unfortunately, you find I think what has crippled and what has been done with generation of a lot of entrepreneurs is the corruption.”

In summary, there are six challenges that stifle the transitions to successful entrepreneurship, and these were limited financial and operational resources, lack of assistance from individuals and institutions, self-doubt and fear of uncharted territory, highly competitive market, patriarchy and gender inequality and corruption that stifles entrepreneurship progress.

5.3.3.2. Theme 7: Emerging insight - Coping mechanisms to overcome helplessness and exploitation of opportunities

5.3.3.2.1. Coping mechanisms to overcome helplessness

As emerging insights, the empirical data highlighted the coping mechanisms to overcome challenges as well as ways to identify and exploit opportunities. When one transitions into entrepreneurship, they head for an uncharted territory, and there might be a feeling of helplessness, particularly after experiencing a sudden shock such as a retrenchment or the COVID-19 pandemic.

The researcher used the ninth interview questions to find if the respondents felt helpless, if so, what are the factors that influenced them to overcome the helplessness? If not, what drove them to not feel helpless?

The respondents of the study mentioned that the great support system and having strong networks, ability to be flexible and access to financial resources are what made them overcome the feeling of helplessness (see Table 8). To discuss the respondents' opinions in relation to this question, three constructs were developed.

Table 8: The factors that influenced the respondents to overcome helplessness

Rank	Construct	Frequency
1	Strong networks and great support system	7
2	Ability to be flexible	2
3	Access to financial resources	1

Strong networks and great support system

During the transitioning from formal employment to entrepreneurship one may feel anxiety or feel helpless due to the stress that comes with making decisions. Having networks, good relationships with people and a support system is what made the respondents able to overcome the feeling of helplessness.

The networks and relationships that the respondents referred to is both a network of personal circles such as friends and family, as well as a network of previous colleagues and industry associates, that the transitioning entrepreneur could rely on. These networks provided emotional, financial and mental support to the respondents during the period of helplessness and transitioning into entrepreneurship. Furthermore, these networks also assisted in providing opportunities that the entrepreneur could venture into, therefore the transition into entrepreneurship was made easier as opportunities were provided. Respondent 4 responded that *“It is so crucial to know people, you know, your relationship with people in the company that you are working, even outside, you know, the professional people. Like I said, for me what helped me, like I said, also the, my friends that we studied together, you know, they were in high positions”*. RPD2 stated that *“You know it was not for me on my own you know, I needed sort of like support to be able to do it”*.

Ability to be flexible

The ability to be flexible was identified by the respondents as a factor which assisted them to overcome feelings of helplessness. It is important to remain flexible and adjust easily to situations, particularly with entrepreneurship, as the operating context can change rapidly, and the competitive landscape is quite aggressive. Respondents referred to always having alternative plans in place, in case the outcome of the business decision changes. Respondent 7 stated that *“But the nature of entrepreneurship, it is flexibility. It is being able to say, “this is what I thought I was going to do, I have reached this obstacle and it is an obstacle that I am not able to remove.” And then just to be able to say, “what is my plan B?”*

Access to financial resources

An access to financial resources also was mentioned as the factor that helped the respondents overcome the helplessness, one respondent stated that *“So, if you have the resources, then it is easier. You can just be able to pay for things. If you do not have resources, then you will just put the purchase orders, you will pack everything because there is no money to buy. I am willing to discuss, so it is helping ease the anxiety as well”.* (RPD1)

5.3.3.2.2. Identification and exploitation of opportunities

In addition to coping mechanisms to overcome helplessness, it is critical for an individual who is transitioning into entrepreneurship to identify and exploit opportunities. The researcher used the 7th interview question to find out how one identifies and exploits different benefits and opportunities while transitioning from being an employee to an entrepreneur. Table 9 presents the three constructs that were used to discuss the respondents’ views with regards to this interview question.

Table 9: Identifying and exploiting different benefits and opportunities

Rank	Constructs	Frequency
1	Create and enable environment for more opportunities	6
2	Readiness to utilise opportunities	4
3	Environmental scanning	2

Create and enable an environment for more opportunities

The respondents shared what they think could have been done to present them with more opportunities. Respondents responded that taking time out before embarking on a business venture, and to exploring the types of businesses that are available and how to structure it to achieve more effective results is important. Other responses included placing effort in leveraging of networks and growing those relationships.

The respondents indicated that they had to do research for identifying and exploiting different benefits and opportunities for their businesses, this was done in a form of reading a book or checking the internet. It is especially important to be knowledgeable about the industry you are in, so that you can easily identify opportunities and also the challenges to be able to overcome them. Respondent 9 explained *“I am in business, but I am paranoid, you know, there is something I do not know about business, right. And the only way I got around that was that I read a lot of books, audio books, this, and that, you know”*.

Readiness to utilise the opportunities

The respondents mentioned that it is important to be ready to grab and use every opportunity that presents itself to them. It does not matter how big or small the opportunity might be. One must be able to exploit those opportunities when transitioning to entrepreneurship. The respondents believed that every opportunity, when used wisely, presents many positives that can result and that will help an individual and the business to grow. Respondent 4 stated that *“You just need to be given one opportunity, and then from there, you know, you build it from there. And then that does it, at least me or what I have realised, I was given just one opportunity”*

Environmental Scanning

It was mentioned by the respondents that one must do environmental scanning to identify opportunities and exploit different benefits and opportunities. The ability to scan the environment will ensure that a person identifies many opportunities, rather than just focusing on one opportunity and solution. Respondents shared that during environmental scanning, they had to intensively apply themselves to their surroundings, particularly in identifying further gaps and how to choose the most profitable. The entrepreneurs must always be looking for new opportunities where

no ordinary person is looking. RPD7 stated that *“So, I had to think very quickly to say, what other things I need to do. And how you find things to do is to then scan the environment and say, “what are the industries that are still working even during the lockdown?”*

5.4. Conclusion of findings chapter

The study investigated how individuals transition from formal employment into entrepreneurship. Eleven interviews formed the empirical data of the study. A qualitative data gathering process was followed using an interview guide where interview questions was used to gather data from the respondents. In summary, seven themes were developed to profile responses provided by the respondents of the study. These themes have been presented in the sections above as findings for the study.

The following chapter is used to discuss the findings reported in this chapter, in conjunction with what was obtained in literature. To that end, similarities and differences are highlighted and a conceptual model for transitioning from formal employment to entrepreneurship is proposed.

CHAPTER 6

6. DISCUSSION

6.1. Introduction

In chapter 4 of this research, the methodology used to gather and analyse the primary data for the study was described. A qualitative approach was used, where semi-structured interviews were conducted with 11 respondents. The interviews were recorded and further transcribed into text data, before coding the text data. A phenomenological analysis was conducted through the stories told by the respondents, and presented chronologically or sequentially (Creswell, Hanson, Plano & Morales, 2007), into themes that arose during the research. This phenomenological research design was aimed to identify activities surrounding a particular phenomenon and present it in a chronological manner to provide meaning or insight into the exact cause and effect of specific life experiences (Sanders, 1982; Sandelowski, 1991).

The findings of the study were then presented in the previous chapter, in consideration to an overarching topic of transitioning into entrepreneurship and presenting the various themes that emerged from the respondents of the study.

In this chapter, the findings in chapter five are discussed, by identifying where there are commonalities with literature, or where gaps still exist. The discussion is presented around the research questions and themes presented from the findings chapter.

6.2. Discussion for Research Question One

The first research question was: *How does an individual transition from formal employment into entrepreneurship, in the context of a sudden change such as retrenchments, COVID-19 and a shrinking economy.* The two main themes that were developed and used to profile this research question are:

- Theme 1: Common factors that led respondents into entrepreneurship
- Theme 2: Experience of respondents transitioning into entrepreneurship

The discussion surrounding each theme is presented below.

6.2.1. Theme 1: Common factors that led respondents to exit formal employment

The contributing factors and reasons that led respondents to exit formal employment are significant and all happened at different times and phases. The reasons highlighted by the respondents included: Resignation to follow passion and calling; Forced out – ‘constructive dismissal’; Resign due to being unhappy at work; Voluntary Severance Package (VSP) before retrenchment to pursue opportunity, and lastly, Retrenchment due to operational requirements.

To understand these reasons, literature highlights when an individual makes the decision to exit employment, there is a variety of paths that they can take to reach the final decision. These paths are captured as part of a model that illustrated the decision to exit and therefore turnover, which shows that there are a variety of factors taken into consideration during a turnover decision (Vardaman, Taylor, Allen, Dondo & Amis, 2015; Furst, Harris & Rosen, 2014; Lee, Mitchel, Holtom, McDaniel & Hill, 1999).

To discuss why individuals exit formal employment through resignation to follow their passion and calling, research by Wiklund, Nikolaev, Shir, Foo and Bradley (2019) note that individuals transition into entrepreneurs due to deeply personal reasons. Therefore the majority are driven to achieve personal fulfilment and satisfaction.

Some individuals exit formal employment through being *forced out* and taken through a dismissal process. The exact underlying causes for this are unknown. However, what has been observed from the empirical data is that not providing the relevant support in terms of availing resources and providing the social support required by an individual can indeed make an individual negative towards formal employment, and hence could lead the individual towards entrepreneurship (Leary & Kowalski, 1990; Tedeschi & Riess, 1981).

Literature (Gambardella, Ganco & Honore, 2015) highlights that employees could transition to entrepreneurship due to their employer either not exploiting the knowledge created by the employee, or that the management of the firm underappreciates the ideas of the employee, or that the employee over-values their ideas relative to the perspective of the firm. From the study it is not clear which of the three reasons is most dominant, however from the perspective of the respondent, it is evident that the firm underappreciated the ideas of the employee.

Another factor that contributed to individuals exiting formal employment to pursue entrepreneurship is *not being happy at work*. Hom and Kinicki (2001) included that a hostile environment in the workplace leads to employee dissatisfaction and therefore a high turnover.

Employee behaviour is largely determined by other people's potential perceptions or impressions of the individual. Therefore, should there be a negative perception or impression of the individual, there is a likelihood that there will be a lack of support in resources or social support for the individual to achieve their goals (Leary & Kowalski, 1990; Tedeschi & Riess, 1981). This can lead to an individual being negative towards formal employment and result in them exiting.

The current economic climate organisations find themselves in, has resulted in the majority needing to resort to retrenchments and organisational restructuring due to the (largely) financial challenges. These challenges can further deepen the unemployment levels in the country, and possibly see many in formal employment at risk of retrenchment and other forms of layoffs. Therefore, this will leave a large majority of individuals seeking alternative means of income, and hence the transition into entrepreneurship. Therefore, the findings from the study for individuals transitioning into entrepreneurship due to going through a retrenchment process are not surprising.

What appears to be an emerging insight from the study is that despite the lack in resource availability, human capital and infrastructure to establish new ventures, individuals who transition into entrepreneurship (generally after experiencing a sudden shock), continue to pursue entrepreneurship, despite having the option of going back into formal employment.

Furthermore, from previous chapters, it is noted that it is during weak and strained economic periods when GDP is low and unemployment is high, that more entrepreneurial activity takes place (Konon, Fritsch & Kritikos, 2018). Literature referred to this as the 'refugee effect' (Thurik, Carree, Van Stel & Audretsch, 2008), and is dominated by entrepreneurship by necessity. Therefore it would be expected that more entrepreneurial activity starts to take place during this period. However, from this study, we observe that individuals increased their entrepreneurial activity not only as a means for survival, as many of them could have easily gone back into the job market, but for other reasons, such as autonomy, a personal desire and opportunity seizing, to name a few. We explore these further in the sections below.

To conclude, the findings of this research, and in particular of this first theme, confirms what is found in literature, regarding reasons why individuals exit formal employment, as those reasons are broad and, in most cases, deeply personal.

The discussion further, builds on to factors that lead individuals into entrepreneurship, and confirms what has been found in literature.

6.2.2. Theme 2: Respondents' experience on transitioning into entrepreneurship

To simplify how to interpret and discuss the experiences that the respondents provided, these were grouped into three categories. Some experiences were positive, others were negative and there was another category which, depending on how they were handled and viewed, could be positive or negative.

The positive experiences reported in the findings of the study included self-development, changing mindset, exposure and mentally prepared, self-drive (stepping out of comfort zone), self-belief (prove yourself) and learning to adapt to a new norm. Commonalities with literature, is that there are positive benefits of transitioning into entrepreneurship. Some including a potential source for an individual's growth and well-being (Wiklund, Nikolaev, Shir, Foo & Bradley, 2019). Factors such as improved job satisfaction, less mental strain or stress, better physical health (Nikolova, 2019), autonomy, better quality of life, and better self-

awareness (Kautonen, Kibler & Minniti, 2017) are captured as positive experiences in literature.

The negative experiences of transitioning into entrepreneurship reported in the findings of this study included being alone (with no help), doubting of own capabilities, and being emotionally drained and stressed. In agreement with the study's findings on negative experiences is Hincapié (2020), who highlights that transitioning entrepreneurs sometimes have a lack of belief in their own abilities to become entrepreneurs. An interesting view to this is Wiklund, Nikolaev, Shir, Foo and Bradley (2019) who hypothesised that it is during entrepreneurship for opportunity that individuals mostly have positive experiences. In the case of this study, there is an observation that despite some individuals transitioning to entrepreneurship for necessity, there is still a significant number of positive experiences relative to the negative experiences. Also, despite some respondents transitioning to entrepreneurship due to opportunity, there seems to be closely similar experiences to individuals that transition due to necessity.

Wiklund, Nikolaev, Shir, Foo and Bradley (2019) further agree with the findings on the mixed experiences (both positive and negative) and highlight that the entrepreneurial journey is one that is often an emotional rollercoaster, with periods of excitement and fulfilment, and also other periods of distress, uncertainty and resource depletion. These experiences stem from the challenges experienced, particularly during the start-up phase, and require an individual to have a positive mindset and confident persona, to achieve their goals.

In conclusion, the discussion of theme two confirms literature in that there is a combination of positive, negative and mixed experiences when transitioning into entrepreneurship. Importantly is that an individual's personality type (including their confidence and drive) as well as their past experiences affect the entrepreneurship journey. Furthermore, the findings extend on the literature of learned entrepreneurship, in that it adds findings on transitioning into entrepreneurship from formal employment.

6.3. Discussion for Research Question Two

The second research question of the study was to understand, *what were the critical skills and resources requirements to enable successful transition into entrepreneurship and adapt into a volatile environment driven by sudden change (e.g. retrenchment, COVID-19 or shrinking economies)*. There were three themes developed for this research question:

- Theme 3: Critical skills and capabilities for transitioning into entrepreneurship
- Theme 4: Required resources for transitioning to entrepreneurship
- Theme 5: Role of corporate in employee transitioning to entrepreneurship

The discussion surrounding each theme is presented below.

6.3.1. Theme 3: Critical skills and capabilities for transitioning into entrepreneurship

There is a diverse set of skills and capability required when transitioning from formal employment into entrepreneurship. The findings from the study highlighted some, including have the ability to identify gaps and apply knowledge into problem solving, self-belief and motivation, good financial understanding, acquiring knowledge about the industry, having self-discipline and learning. This discussion only expands on the major skills and capability reported with the highest frequency ratings, based on empirical data.

The findings on this theme indicate that the ability *to identify gaps and apply knowledge into problem solving* is the most common capability that was identified by the respondents of the study. Based on an explanation on what entrepreneurship is, this skill is consistent with the findings and literature. Entrepreneurship is defined as the exploratory act of recognising and seizing potential opportunities (Shankar & Shepherd, 2019; Shane & Venkataraman, 2000).

In close application to identifying gaps, is of course, the application of previous knowledge or experience gained by the transitioning entrepreneur is valuable to how they would identify and seize opportunities. In agreement with this is Corbett (2007)

who highlights that the knowledge that one has acquired previously has an effect on the manner in which one identifies opportunity. These past experiences shape the cognitive schema of a person, and thus affects their ability of future sense-making (Chung, Choi & Du (2017). Therefore, the ability to apply knowledge into problem solving, is also found as dominant and critical to the journey of transitioning into entrepreneurship.

A second skill identified as dominant through the study is having self-belief and motivation. This skill also came up as a common factor experienced during transitioning into entrepreneurship (Theme 2), where respondents had to motivate and believe in themselves to overcome the negative experiences of feeling alone, having self-doubt on own capabilities following experiencing a sudden shock such as a retrenchment process. This type of skill is encompassed in the term *personal initiative* (Frese & Fay, 2010), which highlights that individuals would generally develop skills of being self-driven, future-orientated, proactive and persistent in overcoming barriers (Frese & Fay, 2010), particularly after going through a negative experience.

A third critical skill is to have a good financial understanding. This again opens the discussion regarding the type of entrepreneurship and motives behind transitioning, comparing entrepreneurship for opportunity to entrepreneurship for necessity. Despite respondents experiencing a sudden shock and change, and almost seen to be forced into entrepreneurship, there is a drive and motive to achieve financial reward. Studies do consider that a balance of skills and experience across professional fields such as accounting, facility management and production (Bublitz, Fritsc & Wyrwich, 2015) is required for entrepreneurship.

From the study, another common capability that was identified for transitioning into entrepreneurship was the ability for entrepreneurs to acquire industry knowledge. In agreement with this finding is literature (Kacperczyk & Younkin, 2017) that also identifies that work experience (or industry knowledge) that an individual has acquired in engaging with a particular market, contributes significantly to the ease at which one transitions to entrepreneurship and starts the business venture.

It is important to note that these skills and capabilities are by no means exhaustive of all skills and capabilities for individuals who transition into entrepreneurship from formal employment. Studies by Lazear (2004) as well as Bublitz, Fritsch and Wyrwich (2015) theorise that an entrepreneur has a levelled set of skills or is a 'jack of all trades', meaning they would generally be competent in a variety of skills and capabilities that allow them to adapt to different environments.

To conclude, the findings of theme three builds on to literature regarding the skills required for entrepreneurship, in that it add the skills and capabilities required for individuals who are transitioning from entrepreneurship following formal employment, and in particular, skills required to overcome helplessness after going through a difficult period.

6.3.2. Theme 4: Required resources for transitioning to entrepreneurship

From the findings of the study, respondents identified resources such as skilled and experienced human resources, financial resources and capital funds, marketing resources, working tools and equipment, as well as networking and partnerships as critical resources required for transitioning into entrepreneurship.

Many of the entrepreneurs acknowledged that they required skilled and experienced human resources, in the form of technical experts of certain professionals such as accountants, book-keepers, marketers and promoters, to name a few. These resources are quite valuable to a transitioning entrepreneur as they do not have the knowledge or skills in these areas and therefore would obtain it externally. Research takes it further as it shows that, for a new business to thrive, there needs to be a match in the opportunity or need identified and the resources required to meet that need or opportunity (Laura & Knight, 2017). In particular, the resource of relationships and human resources. These relationships are in the form of an investor, partnerships with other businesses and a customer.

In most cases, due to financial constraints (Bischoff, Gielnik & Frese, 2020), new ventures are unable to secure these resources, which makes the transition into entrepreneurship quite a challenge. Literature shows that indeed, many new businesses often lack the resources they need to close operational gaps and solve problems that they encounter (An, Zhao, Cao, Zhang, & Liu, 2018). Therefore, what

usually happens is that new ventures and start-up entrepreneurs, start to “make do with what they have available” termed as Bricolage (Barker & Nelson, 2005, p 333; Desa,2012).

Another common resource that respondents identified as critical is the financial resources and capital funds required to start the business venture. Research (Bischoff, Gielnik & Frese, 2020; Lafontaine & Shaw, 2016) finds that financial resources are enablers for new businesses in that they can allow entrepreneurs to develop or refine a product, obtain marketing campaigns and further recruit skilled and experienced employees (Laura & Knight, 2017). However, it is not only financial resources that make it sufficient for building a business. The resource in partnerships and networking was further identified by the respondents as critical during the start-up phase of the business. Laura and Knight (2017) explain that entrepreneurs also need to acquire social resources in the form of investor partnerships and the right kind of employees.

Another critical resource identified is marketing resources. Research (Walchli & Crittenden, 1996; Webb, Ireland, Hitt, Kistruck & Tihanyi, 2011) demonstrates the key relationship between marketing and entrepreneurship, stating that “the practices of marketing is in serving customers’ needs profitable and responsibly” (Walchli & Crittenden, 1996, p2). Liu, Luo, and Shi (2002), also showed that most entrepreneurial activities in an organisation, should be housed under the marketing function, as entrepreneurial activities are closely linked to the identification and evaluation of opportunities (Walchli & Crittenden, 1996).

The last critical resource identified from the study is working tools and equipment (assets). These working tools were identified as everyday essentials for operational purposes of the business. The major items identified by the respondents were office space and buildings, all the relevant equipment that come with it, such as connectivity and office administration tools, as well as equipment for franchising/plant/production work. Literature classifies these as operational resources, and highlight that in general new ventures struggle to secure these and end up applying bricolage (explained earlier) by making use of the current resources at hand, be it turning a home into an office space, or finding a location that provides connectivity (Barker & Nelson, 2005, p 333; Desa,2012).

To conclude, the findings for theme four, is consistent with what is found in literature. Resource limitations (including people and financial resources or capital funds) was a common theme in entrepreneurship literature, particular in emerging or developing economies.

6.3.3. Theme 5: Role of corporate in employee transitioning to entrepreneurship

A key theme that arose during the study was the role that corporate organisations need to play in employees transitioning into entrepreneurship. This included the development and implementation of training programmes, encouraging entrepreneurship through creating an entrepreneurial culture, and job rotation to enhance skills and capability.

Given the volatile periods that many organisations find themselves in, this requires a change in how businesses drive an innovative and idea generation culture. What emerged from the findings of the study, as well as literature, is that organisations should encourage entrepreneurship through the application of corporate entrepreneurship in incumbent organisations, in order to enable the exploitation of opportunities and gain a competitive advantage in a rapidly changing and complex environment (Chen & Nadkarni, 2017; Shimizu, 2012; Liu, Luo & Shi, 2002).

Therefore, this culture would equally allow for knowledge and skills to be imparted to employees who can at a later stage, transition into entrepreneurship. The training programmes identified by respondents of the study included items linked to the resource requirements as well as the skills and capability requirements in the previous sections, such as financial skills, marketing and negotiation skills, presentation and stakeholder buy-in skills, just to name a few. Other aspects of the training programmes should include lessons on problem solving, scenario planning, idea generation and innovative thinking. Important to note is that literature (Mensmann & Frese, 2019) is in contrast with delivering such training programmes on their own, as training and education on entrepreneurial activities will not have a long-term impact on developing entrepreneurial learning. Studies rather recommend that a combination of training programmes as well as real life experiences be adopted by organisations (Lafontaine & Shaw, 2016). In contradiction to this is

Bischoff, Gielnik and Frese (2020), who highlight that the teaching of entrepreneurial activities allows for an improved performance in business development.

This brings the research to the third point identified in the study that corporate organisations should enable better transitioning of their employees into entrepreneurship, for example, the rotation of jobs or roles to enhance skill and capability. Literature agrees that an individual will *best learn through experiences* (Lafontaine & Shaw, 2016; Balasubramanian; 2011; Politis, 2005), and that efforts of only providing training and education on entrepreneurial activities will not have a long-term impact on developing entrepreneurial learning (Mensmann & Frese, 2019). Therefore, it is through experiences that an individual is able to better apply knowledge to problem solving and therefore identify and exploit opportunities (Lafontaine & Shaw, 2016; Kacperczyk & Younkin, 2017; Corbett, 2007).

In conclusion, the findings for theme five, extends on the literature found in this study on organisations adopting corporate entrepreneurship. In the extension, the context is about employees transitioning into entrepreneurship, and not only for the staying in the organisation.

6.4. Discussion for research question three

The third research question was to understand the type of challenges present for individuals who are transitioning from being employed to being entrepreneurs, in the context of a sudden change (e.g. retrenchments, COVID-19 or shrinking economy)?

The entrepreneurship journey is accompanied with many challenges (Bischoff, Gielnik & Frese, 2020), of which respondents from the study were able to highlight common themes or factors of challenges experienced during the transition into entrepreneurship. These were indicated as limited financial and operational resources, lack of assistance from individuals and institutions, self-doubt and a fear of uncharted territory, highly competitive market, patriarchy and gender inequality as well as corruption that stifles entrepreneurial progress.

Furthermore, there is an emerging theme on the coping mechanisms used to overcome helplessness after experiencing a sudden shock such as a retrenchment as well as ways in which an individual who is transitioning into entrepreneurship can identify and exploit opportunities.

6.4.1. Theme 6: Challenges encountered during transitioning to entrepreneurship

The findings of the study identified critical challenges encountered by individuals who transition from formal employment into entrepreneurship, that stifles entrepreneurship progress. These are limited financial and operational resources, lack of assistance from individuals and institutions, self-doubt and fear of uncharted territory, highly competitive market, patriarchy and gender inequality and corruption that stifles entrepreneurial progress.

The lack of financial and operational resources has been discussed in the previous sections (see Theme 4 on resources required), and it is not surprising that the limitation of financial and operational resources presents itself as a challenge during the transition into entrepreneurship. The lack of access to capital can present a significant constraint on business creation and therefore a barrier for entrepreneurs to participate in entrepreneurial activities (Bischoff, Gielnik & Frese, 2020).

The respondents highlighted the lack of assistance from individuals and institutions as a common challenge that they experienced. This assistance is in the form of access to business opportunities or capital funding required from external individuals. Indeed, research agrees that securing of resources from investors or other key stakeholders is a challenge for entrepreneurs, especially during the start-up phase of the business (Huang & Knight, 2017; Huang, 2018). As important is the building of the relationships with these stakeholders in order to enable the ease of flow and transfer of information and resources required by the entrepreneur (Huang & Knight, 2017).

Another challenge that respondents provided in the study was their self-doubt and fear of uncharted territory. This has already been expanded on in previous sections (see Theme 2 negative experiences). In agreement is Hincapié (2020), who

highlights that transitioning entrepreneurs tend to have a lack of belief in their own abilities to become entrepreneurs.

The context of this study is that of a developing country that is characterized by a weak economy, where respondents have transitioned into entrepreneurship, following a sudden shock such as a retrenchment. With this in mind, the challenge of entering markets that already have well established enterprises, results in a challenge of operating in a highly competitive market. This challenge is valid based on studies that show that new businesses established in urban-city-like areas are less likely to succeed, due to the increased competition levels (Lafontaine & Shaw, 2016). Balasubramanian (2011) also confirms that a common challenge that entrepreneurs face, is in creating a reputation for themselves in the market and maintaining superior value over their competitors who are already established in the market. Grandy and Hiatt (2020) agree that for individuals transitioning into entrepreneurship, there will be the challenge of barriers to entry or competing with incumbent firms, for a particular market.

From the study, all the female respondents discussed the point of patriarchy and gender inequality as a challenge during their transition into entrepreneurship. Thébaud (2015) mentions that the gender-differentiated perceptions about entrepreneurship contributes to the gender gap, and increased strain on women if they pursue entrepreneurship. Harrison, Leitch, and McAdam (2020) agree that entrepreneurship has been perceived as established in masculinity, and therefore, women entrepreneurship has been confined by these social structures (Dobrev & Barnett, 2005), making it difficult for females to progress in the field of entrepreneurship. Literature (Thébaud, 2015; Jennings & Brush, 2013) also highlights that due to the insufficient supportive structures from institutions, females are less encouraged to have entrepreneurial actions and intents. The findings from the study indicate that females have supportive structures from their immediate spouses and family, however the challenge exists with the external male counterparts such as clients, customers and competitors.

The last common challenge that was identified in the study is the corruption that stifles the entrepreneurship process. This can be in the form of poor regulation of markets which allow barriers to entry (Grandy & Hiatt, 2020), or when officials of an

institution do not follow due processes for personal benefit, at the misfortune of others (particularly the vulnerable). In order for entrepreneurship to thrive, and for an economy to observe a positive effect from entrepreneurship, there needs to be institutional infrastructures in place that support entrepreneurship (Luthans & Ibrayeva, 2006; Fritsch). These structures should drive entrepreneurial cultures (Sorgner & Wyrwich, 2019) as this can result in a productive set of entrepreneurs, who can operate successful businesses, and therefore open up the economy, employ more individuals and contribute to a stronger economy (Nikolova, 2019).

In conclusion, the findings for theme six, confirm what is found in literature, under the broader topic of challenges in entrepreneurship. Challenges encountered during transitioning from formal employment, are consistent with what is found in literature.

6.4.2. Theme 7: Emerging insight - Coping mechanisms to overcome helplessness and exploitation of opportunities

6.4.2.1. Coping mechanisms to overcome helplessness

What was observed from the findings is that individuals who experienced a sudden shock such going through a retrenchment, the COVID-19 pandemic, or being forced out of formal employment, and later went on to transition into entrepreneurship, felt a sense of helplessness. This was coupled with the anxiety or uncertainty of entering an uncharted territory that had no guarantees. The findings indicate that individuals who experienced this feeling of helplessness were able to overcome it. Common aspects that influenced how they overcome this feeling of helplessness included, having a strong network and a great support system, being able to remain flexible, and the relief of having access to financial resources.

The importance of relationships is again surfacing as an area of interest specifically in the context of individuals transitioning into entrepreneurship from formal employment. Research identifies relationships and networks as a critical resource for new businesses to thrive (Huang & Knight, 2017). Furthermore, this emphasises the importance of building relationships with stakeholders in order to enable the ease and transfer of information and resources required by the transitioning entrepreneur.

Also, a great support system is required by individuals transitioning into entrepreneurship. Literature agrees that the role for social support in making the environment that entrepreneurs operate in, more risk tolerant is necessary (Liu, Hao & Zhang, 2019), therefore making the transition into entrepreneurship easier as the individual can be at ease and not develop a sense of helplessness or anxiety following the sudden shock experienced. Literature highlights that any social threat that exists in a low risk tolerant society will negatively affect entrepreneurs' ability to learn and overcome helplessness.

The findings of the study also indicate the ability to remain flexible as a mechanism used by respondents to overcome helplessness. Literature focuses on skills that an individual will have in order to overcome helplessness, in particular grouped under the term personal initiative (Frese & Fay, 2010). This is the psychological empowerment required to assist individuals in overcoming helplessness (Frese & Fay, 2010), which includes being able to 'un-learn' negative beliefs, and equip individuals with skills of being self-starting, future-orientated, proactive and persistent. Other mechanisms that literature refers to is adaptability (Muehlfeld, Urbig & Weitzel, 2017) particularly for entrepreneurs transitioning into entrepreneurship.

The last mechanism identified in the findings is the access to financial resources. This factor has been discussed extensively in previous sections, initially arising as a negative experience in transitioning into entrepreneurship if there is a lack in financial resources, further appearing as a challenge for transitioning into entrepreneurship and starting up a new business. Research (Bischoff, Gielnik & Frese, 2020; Lafontaine & Shaw, 2016) highlights that access to financial resources is a key enabler for new businesses and eases an individual's journey to transition into entrepreneurship.

6.4.2.2. *Identification and exploitation of opportunities*

Over and above the coping mechanisms to overcome helplessness, it is critical for the individual who is transitioning into entrepreneurship to be able to recognise and seize opportunities. True to the definition, entrepreneurship is starting a new business in a new or existing market, in order to exploit opportunity (Kacperczyk & Younkin, 2017).

Firstly, the findings of the study refer to how respondents created an environment for being able to identify more opportunities. This was through acquiring knowledge about the business and the industry, in the form of reading books, searching the internet, and listening to audio books. Referring to the previous section on overcoming helplessness, and using psychological empowerment (Frese & Fay, 2010), this kind of mindset and mental state suggests that an individual has the motivational orientation aligned to resolving entrepreneurial challenges (Campos, Frese, Goldstein, Lacovone, Johnson, McKenzie & Mensmann, 2017). Also, respondents referred to growing and strengthening relationships and networks in order to leverage off them. Again, linking back to the importance of relationship building, and using the resource of networking for transitioning into entrepreneurship (Huang & Knight, 2017).

Furthermore, an aspect identified under this theme is the readiness of the transitioning entrepreneur to utilise an opportunity. Research shows that the knowledge that the individual has acquired previously has an effect on the manner in which one identifies opportunity (Corbett, 2007). Therefore, their readiness to utilize opportunity relies on how knowledgeable and informed an individual is on the particular business and industry (Shane, 2000). We can therefore see a cyclic effect of constructs such as learning, knowledge, opportunity identification and opportunity exploitation (Corbett, 2007) on the transition from formal employment to entrepreneurship.

The last factor reported from the findings on identifying and exploiting opportunity, is the ability to do environmental scanning. During the difficult period of a shrinking economy, new businesses need to be innovative in how they enter and compete with existing organisations in order to remain competitive in the market (Shankar & Shepherd, 2019). This means constantly evaluating what is taking place in the surrounding environment in which the transitioning entrepreneur operates. Most importantly about environmental scanning is the new knowledge that is picked up. As individuals transition into entrepreneurship, they learn to survive in the absence of sufficient resources, by *making do with what they have* at hand. This process enables the transitioning entrepreneur to identify opportunity and generate new knowledge (An, Zhao, Cao, Zhang, & Liu, 2018).

In conclusion, the findings for theme seven, confirm what is found in literature, under the topic of entrepreneurship. Regarding coping mechanisms to overcome helplessness, these findings add to literature since there has not been any study that explores this in the context to transitioning from formal employment to entrepreneurship. Furthermore, the findings confirm what is found on literature regarding the importance of identifying and exploiting opportunities in entrepreneurship.

6.5. Conclusion

This chapter aimed to discuss and analyse the findings in chapter five, in relation to the literature presented in previous chapters of the research study. The purpose of the study is to understand how individuals transition from being formally employed to entrepreneurship in the context of a shrinking economy, particularly a country such as South Africa. The discussion chapter was presented in a format that answers the research questions of the study. Each research question was profiled with specific themes that were developed from the research study.

CHAPTER 7

7. CONCLUSIONS AND RECOMMENDATIONS

7.1. Introduction

South Africa has a weak economy that is coupled with high unemployment rates expected to further increase as a result of the country being downgraded to junk status and worsened by the coronavirus pandemic which hit the world earlier this year. This study presents a research problem that individuals who are formally employed find themselves at risk of unemployment. Furthermore, individuals are unable to effectively engage in entrepreneurial activity, particularly during volatile periods of sudden change, due to resource limitations and an ecosystem that does not encourage entrepreneurship. This means that individuals struggle to transition from being formally employed to becoming successful entrepreneurs.

The literature review conducted in this study presented patterns on individuals transitioning from formal employment to entrepreneurship (Gambardella, Ganco & Honore, 2015; Cassiman & Ueda, 2006; Wiklund, Nikolaev, Shir, Foo & Bradley, 2019; Kacperczyk & Younkin, 2017). Furthermore, in the context of the theory that grounded the study, the literature also reviewed the influence learning orientation, market knowledge, and transforming that knowledge to entrepreneurial activities to enable the successful transitioned to entrepreneurship (Kacperczyk & Younkin, 2017; Politis, 2005).

Most of these studies were positioned in the context of developed countries, and therefore presented a gap in terms of investigating this topic for developing countries such as South Africa, whereby the economy is shrinking and where individuals would have experienced a sudden shock, such as a retrenchment or the COVID-19 pandemic.

That being said, this study was aimed at investigating then, how individuals transition from formal employment to entrepreneurship, particularly after going through a

sudden shock or change, such as being retrenched, the COVID-19 pandemic, or a shrinking economy.

Following the research problem presented above, the research questions that were investigated in the study are:

1. How does an individual transition from formal employment to entrepreneurship in the context of a sudden change, such as a shrinking economy, retrenchments, and the COVID-19 pandemic?
2. What are the critical skills, capabilities and resources required to enable successful transition into entrepreneurship, and adaptation into a volatile environment driven by sudden change (for example shrinking economies, retrenchment, or COVID-19 pandemic)?
3. What are the types of challenges are encountered by individuals who are transitioning from being employed to being entrepreneurs, in the context of a sudden change (for example shrinking economies, retrenchment, or COVID-19 pandemic)?

In the previous chapter, the findings of the study in line with these research questions were discussed, by showing linkages to the literature review that was conducted in previous chapters of the study. The outcome of the discussion chapter has therefore resulted in the development of a conceptual model of successful transitioning into entrepreneurship from formal employment. The conceptual model which will be presented in this chapter.

7.2. Theoretical review of principal findings

7.2.1. Conclusion for research question one

To answer research question one, the respondents of the study responded in describing the common factors and reasons they had exited formal employment and explained the journey of how they transitioned from formal employment to entrepreneurship. Therefore Theme 1 and Theme 2 were used to profile and answer research question one.

To conclude, the findings and discussion of research question one, confirms what is found in literature, regarding reasons why individuals exit employment to transition into entrepreneurship. It was also concluded that there is a combination of positive, negative and mixed experiences when transitioning into entrepreneurship. Importantly is that an individual's personality type (including their confidence and drive), their learning orientation, as well as their past experiences (previous work or life lessons, industry knowledge, exposure to business), affect the entrepreneurial learning journey. These findings extend on the theory of learned entrepreneurship, in that it adds the context of transitioning into entrepreneurship following experiencing a sudden shock or change. The cyclic effect of converting experiences into knowledge and applying knowledge to engage in entrepreneurial activities, based on an individual's learning orientation and manner which they transform past experiences will significantly affect how they identify and recognize opportunity.

7.2.2. Conclusion for research question two

To answer research question two, the findings and discussion of this study highlighted the critical skills and capabilities required to transition from formal employment to entrepreneurship. An emerging insight from these findings were the resources required to enable successful transition into entrepreneurship, and also what role corporate organizations could play in ensuring employees who transition to entrepreneurship have an easier pathway. Therefore Theme 3, Theme 4 and Theme 5 were used to profile and answer the research question.

In conclusion, the findings and discussion for research question two, builds on to literature regarding the skills required for entrepreneurship, in that it adds the skills and capabilities required for individuals who are transitioning from entrepreneurship following formal employment, and in particular, required to overcome helplessness after going through a sudden shock. Furthermore, the finding on resource requirements is consistent with what is found in literature. Resource limitations (including people and financial resources or capital funds) was a common theme in entrepreneurship literature, particular in emerging or developing economies. Lastly the findings for theme five, extends on the literature found in this study on the need for organisations adopting corporate entrepreneurship, in order to enable employees to transition into entrepreneurship. Therefore, employees who find themselves at risk

of job loss, can have a practical plan and strategy on how to transition from formal employment to entrepreneurship.

7.2.3. Conclusion for research question three

In answering research question three, regarding the challenges that present themselves to individuals who transition from formal employment to entrepreneurship, two themes were developed to profile the research question. Theme 6 being the challenges that present themselves to individuals who transition, and Theme 7 as an emerging insight on the coping mechanisms to overcome helplessness, and ways to identify and exploit opportunities.

it can be concluded that entrepreneurship on its own comes with its fair share of challenges (Bischoff, Gielnik & Frese, 2020). However, particularly for transitioning entrepreneurs, challenges indicated were limited financial and operational resources, lack of assistance from individuals and institutions, self-doubt and a fear of uncharted territory, highly competitive market, patriarchy and gender inequality as well as corruption that stifles entrepreneurship progress.

In conclusion, the findings and discussion for research question three confirm what is found in literature, under the broader topic of entrepreneurship. Challenges encountered during transitioning from formal employment, are consistent with, and therefore confirm what is found in literature (Bischoff, Gielnik & Frese, 2020). Regarding coping mechanisms to overcome helplessness, the findings add to literature since there has not been any study that explores this in the context to transitioning from formal employment to entrepreneurship. The entrepreneurship journey requires an individual to be constantly assessing their environment and identifying or acquiring resources that would match a specific opportunity. Therefore, the findings on opportunity identification and exploitation is confirmed with what is found in literature.

7.2.4. The Conceptual Model

Based on the conclusions presented in the sections above for each research question, a conceptual model was been developed to illustrate the transition of individuals from formal employment into entrepreneurship, given the context of a shrinking economy. Figure 4 presents the model that can be applied to individuals who need/want to transition from formal employment into entrepreneurship.

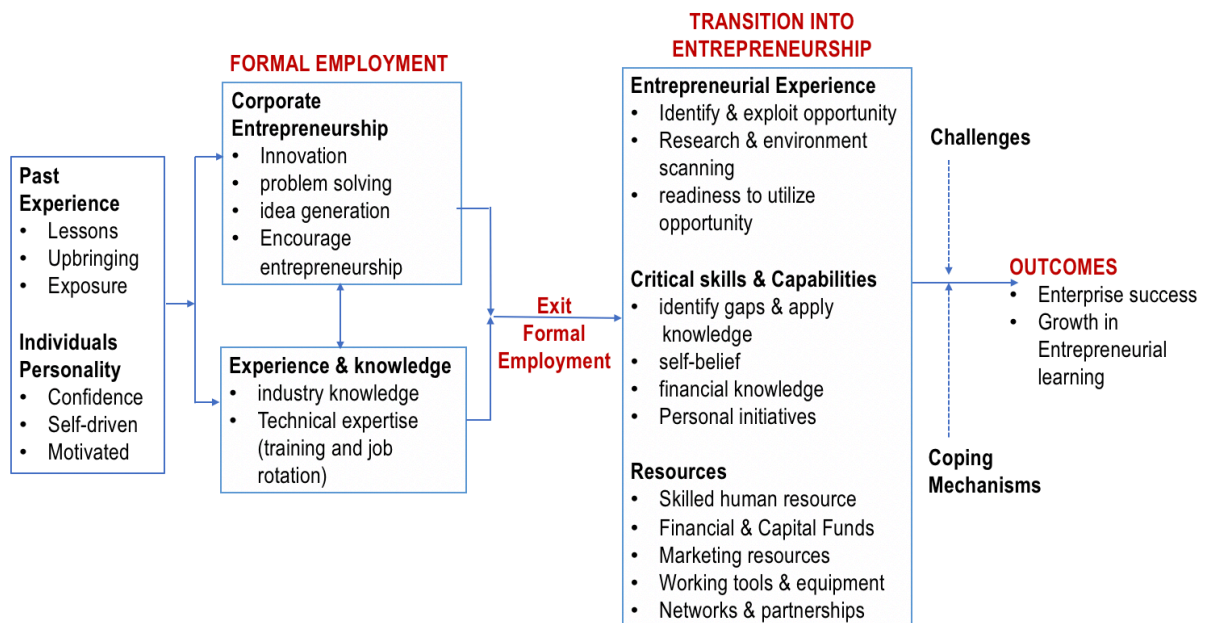


Figure 4: Proposed conceptual model for transitioning into entrepreneurship

The model above considers the contributing factors as well as the typical activities that would take place during the transition from formal employment to entrepreneurship. An individual would generally have had gone through past experiences that may affect their cognitive learning ability for later transitioning and entrepreneurial learning. Furthermore, these experiences could have also exposed and prepared them mentally for the transition period. Furthermore, the individual's personality traits such as being confidence, self-drive and motivation also affect how the person will deal with the transition into entrepreneurship (Theme 2).

During formal employment, there are critical activities that would take place, that prepare the individual for transitioning into entrepreneurship. First activity includes how organisations drive a culture of corporate entrepreneurship, by encouraging entrepreneurship through embedding practices such as being innovative, teaching

problem solving and constant idea generation (see Theme 5). Second activity is that during employment an individual would build experience and industry knowledge that will become valuable during the entrepreneurial learning stage. The type of knowledge and technical expertise an individual build during formal employment is interrelated to the environment that the organisation creates through having an entrepreneurial culture.

In reviewing the theory of entrepreneurial learning, it is noted that these two activities highlighted above are critical to an individual transitioning into entrepreneurship, since the theory proposes that an individual will use their personal and career experiences as well as their learning or reasoning logic, to develop their entrepreneurial knowledge.

The exit from formal employment could be voluntary or non-voluntary, depending on the prevailing circumstances. Should the unfortunate event of retrenchments or being forced out of formal employment take place, the individual could either use personal initiative skills (Erdogan, Ozyilmaz, Bauer, and Emre, 2018; Frese & Fay, 2010) or leverage from the networks and support systems (personal, professional colleagues or industry associates) to overcome any learned helplessness (see Theme 7) and practice entrepreneurial activities. Therefore, the model has shown to be aligned with the theory that emerged during the literature review.

During the transition to entrepreneurship, the individual will go through a variety of experiences. Some good and some bad (Theme 2). In the case of bad experiences, the individual can learn convert disadvantages into advantages by identifying possible opportunities in a bad experience and exploit size it. This can be achieved by doing sufficient environmental scanning, networking and research being constantly ready to utilise opportunity (Theme 7). Therefore, it is noted that personal initiative skills can be used to overcome typical challenges or the theory of learned helplessness. Therefore, in doing so, an individual is able to achieve growth in their entrepreneurial learning.

Critical skills and capabilities (Theme 3) when transitioning into entrepreneurship involves being able to identify gaps and apply knowledge to solve problems. One must be able to have some sense of financial knowledge to manage the business

and apply personal initiative skills to be able to overcome challenges and that occur along the journey. Based on the model, the transitioning entrepreneur has to assess the resource requirements (Theme 4) for seizing such opportunity. Given the context of a shrinking economy and limited resources available in emerging economies, this step is critical to the success and outcome of transitioning to entrepreneurship. The individual would then be in a position to exploit the opportunity by applying the relevant resources onto the opportunity, as well as leveraging off networks and partnerships (See theme 7). Throughout the transitioning stage, there should be constant evaluation of surrounding conditions, as well as reflection of own learning orientation, and the business orientation.

It goes without saying that challenges are eminent in this journey, and therefore transitioning entrepreneurs need to apply coping mechanisms to overcome these challenges (Theme 6 and Theme 7). The outcome of this model therefore ensures that the business is able to perform and achieve its goals, also, that the entrepreneur who has transitioned from formal employment has the opportunity to grow from the experience.

The study has contributed to the emerging literature of entrepreneurial learning for individuals transitioning from formal employment into entrepreneurship. More specifically, the study was positioned in the context of a weak and shrinking South African economy, that is characterized by high unemployment rates and low levels of quality entrepreneurial activity (which would be as a result of opportunity).

The study further contributed to literature in confirming the skills, capabilities, resource requirements and challenges experienced during entrepreneurial learning, and further extended on theories of transitioning from formal employment to entrepreneurship and including coping mechanisms to overcome challenges and any learned helplessness that the individual would have experienced.

In conclusion, the proposed conceptual model, has presented the various themes that emanated from the research study. The researcher has further illustrated the connection of the model to the theory that underpinned the study, learned entrepreneurship.

7.3. Implications for stakeholders

The conceptual model developed in the previous section can be used to better understand how an individual can successfully transition from formal employment into entrepreneurship. Based on the conceptual model, an individual can successfully transition given that they are prepared for the various experiences (both opportunities and challenges) that lie ahead. The individual would also need to have the relevant skills and capabilities to identify and exploit opportunities, coupled with a fair amount of past experience or knowledge of an industry, such that it can ease the transition into entrepreneurship. As challenges are common in the entrepreneurial journey, the individual will need to apply coping mechanisms to overcome these challenges and further be in a position to exploit any opportunity that presents itself. In doing so, the outcome would be entrepreneurial growth, not only for the enterprise but also for the individual.

A key enabler for transitioning entrepreneurs is resources. These need to be planned for in advance in order to effectively transition into entrepreneurship. Sources for these resources could be through entrepreneurial institutions, corporate organizations and the networks that transitioning entrepreneurs would have built.

In adopting this model, corporate organisations will have an alternative platform to manage the exiting of employees who they are unable to retain, due to economic constraints and operational requirements for the organisation. Corporate organizations would, therefore, need to start creating a culture that encourages entrepreneurship, and develop employees to be more innovative and creative towards problem solving. The various skills and capabilities required by individuals who transition into entrepreneurship can be acquired through training programmes or learned through on-the-job experiences, which the employer would have to structure.

7.4. Limitations of the research

From chapter 4 of the study, it was discussed that the qualitative nature of the research could present some subjectivity to the research process, due to the respondents providing an interpretation of their lived experiences surrounding a particular phenomenon, and therefore it is expected that there would be subjective bias present (Creswell, 2016).

The sample size of the study is not exhaustive of all individuals in this particular population. The design of the research is such that, a limited number of interviews could be conducted on respondents who had consented to participate in the study (Saunders & Lewis, 2018; Creswell & Poth, 2016). These findings are, therefore, transferable and could not be generalized, due to the inherent design of the research. This presents an opportunity for future research of learned entrepreneurship, particularly in the context of transitioning from formal employment to entrepreneurship (Cope, 2011).

The purpose of the research design was exploratory, and hence a conceptual model was developed. The conceptual model developed in the study has never been tested using a quantitative research approach. Therefore, presented the limitation that the researcher could not quantify the findings of the study. This presents an opportunity for future research on expanding and building on to literature.

The last limitation of the study is interviews that were conducted using virtual meeting calls, which meant that there were no body language cues or non-verbal inferences that could have been used in the interview (Zikmund et al., 2013).

7.5. Recommendations for future research

The context of the research study was positioned in South Africa, with respondents generally based across various provinces of the country with career experiences in various industries. Future research could possibly look into a more focused group and geographical locations of the individuals. To the best of the researcher's knowledge, a study of this nature has not been previously conducted. There is opportunity to further confirm the findings of this study through a quantitative research approach, given that the model presented has not been validated and is conceptual. The following presents a possible list of topics to build on from this research:

- Evaluating the influence of past experiences on transitioning from formal employment to entrepreneurship
- Evaluating the impact of resource limitation on transitioning from formal employment to entrepreneurship
- The role of government in creating an eco-system that is more tolerant for transitioning entrepreneurs
- The success rate of employees who have transitioned from formal employment into entrepreneurship during strained economic conditions
- The impact of transitioned entrepreneurs on their local economy (or community)
- The role of the employer for transitioning entrepreneurs
- The impact of incubation hubs on transitioning entrepreneurs

8. REFERENCES

- Acs, Z., Szerb, L., Lafuente, E., & Márkus, G. (2019). The global entrepreneurship Index report 2019. *The Global Entrepreneurship and Development Institute*. Retrieved from <http://doi.org/10.13140/RG.2.2.17692.64641>
- An, W., Zhao, X., Cao, Z., Zhang, J., & Liu, H. (2018). How bricolage drives corporate entrepreneurship: The roles of opportunity identification and learning orientation. *Journal of Product Innovation Management*, 35(1), 49-65.
- Amburgey, A., & Birinci, S. (2020, March 27). The effects of COVID-19 on Unemployment insurance claims, Economic Synopses, No 9. Federal Reserve Bank of St Louis. Retrieved from <https://doi.org/10.20955/es.2020.9>
- Baker, T., & Nelson, R. E. (2005). Creating something from nothing: Resource construction through entrepreneurial bricolage. *Administrative science quarterly*, 50(3), 329-366.
- Balasubramanian, N. (2011). New plant venture performance differences among incumbent, diversifying, and entrepreneurial firms: the impact of industry learning intensity. *Management Science*, 57(3), 549-565.
- Bischoff, K. M., Gielnik, M. M., & Frese, M. (2020). When capital does not matter: How entrepreneurship training buffers the negative effect of capital constraints on business creation. *Strategic Entrepreneurship Journal*, 14(3), 369–395.
- Bosma, N., & Kelley, D. (2019). Global Entrepreneurship Monitor 2018/2019 global report. Retrieved from: <https://www.gemconsortium.org/file/open?fileId=50213>
- Bublitz, E., Fritsch, M., & Wyrwich, M. (2015). Balanced Skills and the City: An Analysis of the Relationship between Entrepreneurial Skill Balance, Thickness, and Innovation. *Economic Geography*, 91(4), 475–508.
- Burke-le Roux, A. B., & Pretorius, M. (2017). Exploring entrepreneurial learning during formal business rescue processes: insights from the South African experience. *SA Journal of Human Resource Management*, 15(1), 1–15.
- BusinessTech. (2020, April 6). Triple-blow to South Africa's economy. Retrieved from <https://businesstech.co.za/news/finance/387739/triple-blow-to-south-africas-economy/>
- Campos, F., Frese, M., Goldstein, M., Lacovone, L., Johnson, H. C., McKenzie, D., & Mensmann, M. (2017). Teaching personal initiative beats traditional training in boosting small business in West Africa. *Science*, 357(6357), 1287–1290.
- Cassell, C. (2015). *Conducting research interviews for business and management students*. London, England: SAGE.
- Chen, J., & Nadkarni, S. (2017). It's about time! CEOs' temporal dispositions, temporal

- leadership, and corporate entrepreneurship. *Administrative Science Quarterly*, 62(1), 31-66.
- Chung, G. H., Choi, J. N., & Du, J. (2017). Tired of innovations? Learned helplessness and fatigue in the context of continuous streams of innovation implementation. *Journal of Organizational Behavior*, 38(7), 1130–1148.
- Cope, J. (2011). Entrepreneurial learning from failure: An interpretative Phenomenological analysis. *Journal of business venturing*, 26(6), 604-623.
- Corbett, A. C. (2007). Learning asymmetries and the discovery of entrepreneurial opportunities. *Journal of Business Venturing*, 22(1), 97–118.
- Corbett, A., Covin, J. G., O'Connor, G. C., & Tucci, C. L. (2013). Corporate entrepreneurship: State-of-the-art research and a future research agenda. *Journal of Product Innovation Management*, 30(5), 812-820.
- Cronje, J., and Omarjee, L. (2020, April 6). The economy may shrink by up to 4% due to coronavirus, warns SA reserve bank. *Fin24*. Retrieved from <https://www.fin24.com/Economy/South-Africa/just-in-economy-may-shrink-by-up-to-4-due-to-coronavirus-says-sa-reserve-bank-20200406>
- Cronje, J. (2020, March 27). Moody's cuts South Africa's credit rating to junk. *Fin24*. Retrieved from <https://m.fin24.com/Economy/just-in-moodys-cuts-south-africas-credit-rating-to-junk-20200327>
- Creswell, J. W., & Poth, C. N. (2016). *Qualitative inquiry and research design: Choosing among five approaches*. Thousand Oaks, CA: SAGE.
- Creswell, J. W., Hanson, W. E., Plano, V. L., & Morales, A. (2007). Qualitative research designs: Selection and implementation. *The Counselling Psychologist*, 35(2), 236–264.
- Creswell, J. W., & Poth, C. N. (2016). *Qualitative inquiry and research design: Choosing among five approaches*. Sage publications.
- Desa, G. (2012). Resource mobilization in international social entrepreneurship: Bricolage as a mechanism of institutional transformation. *Entrepreneurship theory and practice*, 36(4), 727-751.
- Dludla, S. (2019, October). Job seekers' prospects worsen as the army of unemployed swells. Retrieved from <https://www.iol.co.za/business-report/economy/job-seekers-prospects-worsen-as-the-army-of-unemployed-swells-36260249>
- Dushnitsky, G., & Matusik, S. F. (2019). A fresh look at patterns and assumptions in the Field of entrepreneurship: What can we learn? *Strategic Entrepreneurship Journal*, 13(4), 437–447.

- Erdogan, B., Ozyilmaz, A., Bauer, T. N., & Emre, O. (2018). Accidents happen
Psychological empowerment as a moderator of accident involvement and its
outcomes. *Personnel Psychology*, 71(1), 67–83.
- Fedderke, J. W. (2018). Exploring unbalanced growth: Understanding the sectoral
structure
of the South African economy. *Economic Modelling*, 72, 177-189.
- Frese, M., & Fay, D. (2010). Personal initiative: An active performance concept for
work in the 21st century. *Research in Organizational Behaviour*, 23, 133-187.
- Fritsch, M., & Wyrwich, M. (2017). The effect of entrepreneurship on economic
development--an empirical analysis using regional entrepreneurship
culture. *Journal of Economic Geography*, 17(1), 157–189.
- Fritsch, M., Sorgner, A., & Wyrwich, M. (2019). Self-employment and well-being across
institutional contexts. *Journal of Business Venturing*, 34(6), N.PAG.
- Foo, M., Vissa, B., & Wu, B. (2020). Entrepreneurship in emerging
economies. *Strategic Entrepreneurship Journal*, 14(3), 289–301.
- Gardener, T. M., Wright, P. M., & Moyynihan, L. M. (2011). The Impact of Motivation,
Empowerment, and Skill-Enhancing Practices on Aggregate Voluntary
Turnover: The Mediating Effect of Collective Affective Commitment. *Personnel
Psychology*, 64(2), 315–350.
- Gambardella, A., Ganco, M., & Honoré, F. (2015). Using What You Know: Patented
Knowledge in Incumbent Firms and Employee Entrepreneurship. *Organization
Science*, 26(2), 456–474.
- Goodman, S., Rajagopaul, A., and Cassim, Z. (2019). Putting the shine back into
South African mining: a path to competitive growth. *McKinsey & Company*.
Retrieved from
<https://www.mckinsey.com/~media/McKinsey/Featured%20Insights/Middle%20East%20and%20Africa/Putting%20the%20shine%20back%20into%20South%20African%20mining/McK-Putting-the-shine-back-into-South-African-mining-A-path-to-competitiveness-and-growth.ashx>
- Guest, G., Bunce, A., & Johnson, L. (2006). How many interviews are enough?
An experiment with data saturation and variability. *Field methods*, 18(1), 59-82.
- Grandy, J. B., & Hiatt, S. R. (2020). State Agency Discretion and Entrepreneurship in
Regulated Markets. *Administrative Science Quarterly*, 65(4), 1092–1131.
- Harrison, R. T., Leitch, C. M., & McAdam, M. (2020). Woman’s entrepreneurship as a
gendered niche: the implications for regional development policy. *Journal of
Economic Geography*, 20(4), 1041–1067.
- Heslin, P. A., Bell, M. P., & Fletcher, P. O. (2012). The devil without and within: A

- Conceptual model of social cognitive processes whereby discrimination leads stigmatised minorities to become discouraged workers. *Journal of Organizational Behavior*, 33(6), 840–862.
- Hincapié, A. (2020). Entrepreneurship over the Life Cycle: Where Are the Young Entrepreneurs? *International Economic Review*, 61(2), 617–681.
- Hsieh, H. F., & Shannon, S. E. (2005). Three approaches to qualitative content analysis. *Qualitative health research*, 15(9), 1277-1288.
- Huang, L., (2018). The Role of Investor Gut Feel in Managing Complexity and Extreme Risk. *Academy of Management Journal* 61(5): 1821–47.
- International Monetary Fund. (2020). Policy responses to Covid-19. Retrieved from <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#top>
- Ismail, Z., & Kollamparambil, U. (2015). Youth unemployment duration and the competing exit states: What hides behind long spells of black youth unemployment in South Africa? *African Development Review*, 27(3), 301–314.
- Jacob, S. A., & Furgerson, S. P. (2012). Writing interview protocols and conducting interviews: Tips for students new to the field of qualitative research. *Qualitative Report*, 17, 6.
- Jennings, J. E., & Brush, C. G. (2013). Research on Women Entrepreneurs: Challenges to (and from) the Broader Entrepreneurship Literature? *Academy of Management Annals*, 7(1), 663–715.
<https://doi-org.uplib.idm.oclc.org/10.1080/19416520.2013.782190>
- Kacperczyk, A., & Younkin, P. (2017). The Paradox of Breadth: The Tension between Experience and Legitimacy in the Transition to Entrepreneurship. *Administrative Science Quarterly*, 62(4), 731–764.
- Kallio, H., Pietilä, A. M., Johnson, M., & Kangasniemi, M. (2016). Systematic methodological review: Developing a framework for a qualitative semi-structured interview guide. *Journal of Advanced Nursing*, 72(12), 2954–2965.
- Kautonen, T., Kibler, E., & Minniti, M. (2017). Late-career entrepreneurship, income and quality of life. *Journal of Business Venturing*, 32(3), 318–333.
- Konon, A., Fritsch, M., & Kritikos, A. S. (2018). Business cycles and start-ups across industries: An empirical analysis of German regions. *Journal of Business Venturing*, 33(6), 742-761.
- Maier, S. F., & Seligman, M. E. (1976). Learned helplessness: Theory and evidence. *Journal of Experimental Psychology: General*, 105(1), 3–46.
- Maula, M. V., Keil, T., & Zahra, S. A. (2013). Top management's attention to

- discontinuous technological change: Corporate venture capital as an alert mechanism. *Organization Science*, 24(3), 926-947.
- Muehlfeld, K., Urbig, D., & Weitzel, U. (2017). Entrepreneurs' exploratory perseverance in learning settings. *Entrepreneurship Theory and Practice*, 41(4), 533-565.
- Mensmann, M., & Frese, M. (2019). Who stays proactive after entrepreneurship training? Need for cognition, personal initiative maintenance, and well-being. *Journal of Organisational Behavior*, 40(1), 20–37.
- Mkentane, L. (2019, October 29). Unemployment continues to climb to the worst levels in more than a decade. Retrieved from <https://www.businesslive.co.za/bd/national/2019-10-29-unemployment-continues-climb-to-worst-levels-in-more-than-a-decade/>
- Mollick, E. (2014). The dynamics of crowdfunding: An exploratory study. *Journal of Business Venturing*, 29(1), 1-16.
- Nikolova, M. (2019). Switching to self-employment can be good for your health. *Journal of Business Venturing*, 34(4), 664–691.
- Lafontaine, F., & Shaw, K. (2016). Serial Entrepreneurship: Learning by Doing? *Journal of Labor Economics*, 34, 217–254.
- Lazear, E. P. (2004). Balanced skills and entrepreneurship. *American Economic Review*, 94(2), 208-211.
- Leary, M. R., & Kowalski, R. M. (1990). Impression management: A literature review and two-component model. *Psychological bulletin*, 107(1), 34.
- Laura, H., & Knight, A. P. (2017). Resources and Relationships in Entrepreneurship: An Exchange Theory of the Development and Effects of the Entrepreneur-Investor Relationship. *Academy of Management Review*, 42(1), 80–102.
- Lee, T. W., Mitchell, T. R., Holtom, B. C., McDaneil, L. S., & Hill, J. W. (1999). The unfolding model of voluntary turnover: A replication and extension. *Academy of Management journal*, 42(4), 450-462.
- Leung, L. (2015). Validity, reliability, and generalizability in qualitative research. *Journal of Family Medicine and Primary Care*, 4(3): 324–327.
- Liu, Y., Li, Y., Hao, X., & Zhang, Y. (2019). Narcissism and learning from entrepreneurial failure. *Journal of Business Venturing*, 34(3), 496-512.
- Liu, S. S., Luo, X., & Shi, Y. Z. (2002). Integrating customer orientation, corporate entrepreneurship, and learning orientation in organizations-in-transition: an empirical study. *International journal of research in marketing*, 19(4), 367-382.
- Liu, S. S., Dubinsky, A. J., & Shi, Y. Z. (2000). Change to survive: China's new

- state-owned enterprises. *Global Focus*, 12(2), 87-98.
- Lives, W. (1984). *Principia Biographical*. New York and London: Norton.
- Luthans, F., & Ibrayeva, E. S. (2006). Entrepreneurial self-efficacy in central Asian Transition economies: Quantitative and qualitative analyses. *Journal of International Business Studies*, 37(1), 92–110.
- Ormarjee, L. (2020, April 30). SA risks losing 7 million jobs, reaching over 50% unemployment: Treasury's grim worst-case scenario. *Fin24*. Retrieved from: <https://www.fin24.com/Economy/South-Africa/sa-risks-losing-7-million-jobs-reaching-over-50-unemployment-treasurys-grim-worst-case-scenario-20200430>
- Politis, D. (2005). The process of entrepreneurial learning: A conceptual framework. *Entrepreneurship Theory and Practice*, 29(4), 399–424.
- Pontikes, E. G. (2012). Two sides of the same coin: How ambiguous classification affects multiple audiences' evaluations. *Administrative Science Quarterly*, 57(1), 81-118.
- Roulton, K. (2010). Considering quality in qualitative interviewing. *Qualitative research*, 10(2), 199-228.
- Sandelowski, M. (1991). Telling stories: Narrative approaches in qualitative research. *the journal of nursing scholarship*, 23(3), 161-166.
- Saldaña, J. (2009). An introduction to codes and coding. *The coding manual for Qualitative researchers*, 3.
- Sanders, P. (1982). Phenomenology: A new way of viewing organizational research. *Academy of management review*, 7(3), 353-360.
- Saunders, M., & Lewis, P. (2018). *Doing research in business and management* (2nd ed.). Harlow, England: Pearson.
- Sekaran, U., Bougie, R. (2010). *Research methods for business: A skill-building approach*. New Delhi, ND: Wiley.
- Shane, S. (2000). Prior knowledge and the discovery of entrepreneurial opportunities. *Organization science*, 11(4), 448-469
- Shankar, R. K., & Shepherd, D. A. (2019). Accelerating strategic fit or venture emergence: Different paths adopted by corporate accelerators. *Journal of Business Venturing*, 34(5), 105886.
- Shepherd, D. A., Patzelt, H., Williams, T. A., Warnecke, D. (2014). How does project termination impact project team members? Rapid termination, 'creeping death', and learning from failure. *Journal of Management Studies*, 51, 513-546.
- Shimizu, K. (2012). Risks of corporate entrepreneurship: Autonomy and agency issues. *Organization Science*, 23(1), 194-206.
- Shipp, A. J., Furst, H. S., Harris, T. B., & Rosen, B. (2014). Gone Today but here

- Tomorrow: Extending the Unfolding Model of Turnover to Consider Boomerang Employees. *Personnel Psychology*, 67(2), 421–462.
- South African Reserve Bank, (2020). Monetary policy review. *South African Reserve Bank*. Retrieved from <https://www.resbank.co.za/Lists/>
- Statistics South Africa. (2019). Economic growth: GDP contracts by 0.6% in the third quarter. *StatsSA*. Retrieved from <http://www.statssa.gov.za/wp-content/uploads/2019/12/figure2.jpg>
- Statistics South Africa. (2019). Unemployment rises slightly in the third quarter of 2019. Statistical release P0211. Quarterly labour force survey. *StatsSA*. Retrieved from <http://www.statssa.gov.za/publications/P0211/P02113rdQuarter2019.pdf>
- Statistics South African. (2020, March 3). Economy slips into recession. *StatsSA*. Retrieved from <http://www.statssa.gov.za/?p=13049>.
- Stein, M. (2016). 'Fantasy of fusion' as a response to trauma: European leaders and the origins of the Eurozone crisis. *Organisation Studies*, 37(7), 919–937.
- Tedeschi, J. T., & Riess, M. (1981). Identities, the phenomenal self, and laboratory research. *Impression management theory and social psychological research*, 3, 22.
- Thébaud, S. (2015). Business as Plan B. *Administrative Science Quarterly*, 60(4), 671–711.
- Thurik, A. R., Carree, M. A., Van Stel, A., & Audretsch, D. B. (2008). Does self-employment reduce unemployment? *Journal of Business Venturing*, 23(6), 673–686.
- Thurmond, V. A. (2001). The point of triangulation. *Journal of nursing scholarship*, 33(3), 253–258.
- Vardaman, J. M., Taylor, S. G., Allen, D. G., Gondo, M. B., & Amis, J. M. (2015). Translating Intentions to Behavior: The Interaction of Network Structure and Behavioral Intentions in Understanding Employee Turnover. *Organization Science*, 26(4), 1177–1191.
- Venkataraman, S. (2019). *The Distinctive Domain of Entrepreneurship Research, Seminal Ideas for the Next Twenty-Five Years of Advances*, 2019 Emerald Publishing Limited.
- Walchli, S. B., & Crittenden, V. L. (1996). Marketing and Entrepreneurship: Research Ideas and Opportunities (Book). *Journal of the Academy of Marketing Science*, 24(3), 273.
- Webb, J., Ireland, R., Hitt, M., Kistruck, G., & Tihanyi, L. (2011). Where is the opportunity without the customer? An integration of marketing activities, the

- entrepreneurship process, and institutional theory. *Journal of the Academy of Marketing Science*, 39(4), 537–554.
- Weick, K.E., 1995. Sense-making in organisations. (Vol 3). Newbury Park, CA: Sage.
- Wiklund, J., Nikolaev, B., Shir, N., Foo, M.-D., & Bradley, S. (2019). Entrepreneurship and well-being: Past, present, and future. *Journal of Business Venturing*, 34(4), 579–588.
- Xavier-Oliveira, E., O Laplume, A., & Pathak, S. (2015). What motivates entrepreneurial entry under economic inequality? The role of human and financial capital. *Human Relations*, 68(7), 1183–1207
- Yiu, D. W., Lau, C., & Bruton, G. D. (2007). International venturing by emerging economy firms: The effects of firm capabilities, home country networks, and corporate entrepreneurship. *Journal of international business studies*, 38(4), 519-540.
- Yuan, F., & Woodman, R. W. (2010). Innovative Behaviour in the Workplace: The Role of Performance and Image Outcome Expectations. *Academy of Management J Journal*, 53(2), 323–342.
- Zikmund, W., Babin, B., Carr, J. & Griffin, M. (2013). *Business research methods* (8th ed.). Mason, OH: South-Western

9. APPENDICES

9.1. APPENDIX A: Problem Identification

Table 10: Top 10 countries in the GEI (Ács et al., 2019)

Country	GEI 2019 lower limit	GEI 2019 upper limit	GEI 2019	GEI Rank 2019	GEI Rank 2018	Country
United States	80.5	93.2	83.6	1	1	United States
Switzerland	74.0	90.3	80.4	2	2	Switzerland
Canada	75.0	85.8	79.2	3	3	Canada
Denmark	69.2	89.5	77.8	4	6	Denmark
United Kingdom	73.4	81.6	75.5	5	4	United Kingdom
Australia	66.8	79.4	74.3	6	5	Australia
Iceland	62.6	83.3	74.2	7	7	Iceland
Netherlands	64.7	80.0	73.7	8	11	Netherlands
Ireland	64.6	77.9	73.1	9	8	Ireland
Sweden	64.5	76.0	68.5	10	9	Sweden

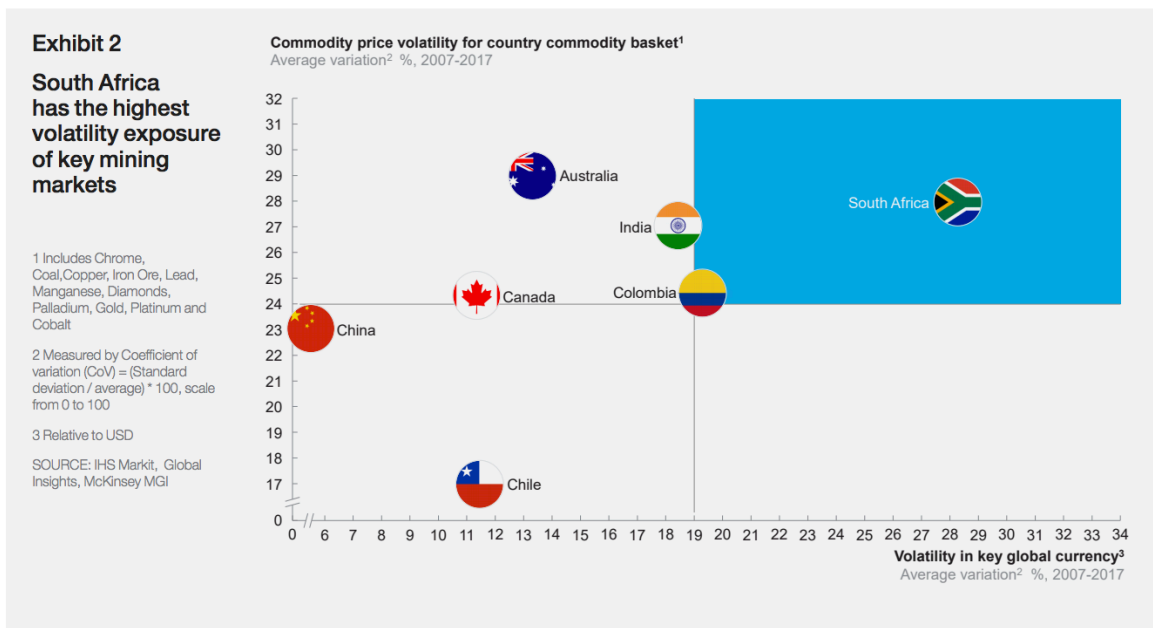


Figure 5: Commodity price volatility for country commodity basket (Goodman, Tajagpaul & Cassim, 2019)



Figure 8: Framework on How Bricolage drives corporate entrepreneurship (An, Zhao, Cao, Zhang & Liu, 2018)

9.3. Appendix C: Interview Guide

Questions of the interview guide:

1. Tell me about your experience in formal employment and the corporate environment?
2. Tell me about your background career experience in formal employment?
3. Can you describe what were the common factors that led you into the journey of entrepreneurship?
4. Can you describe how you experienced your journey of transitioning into entrepreneurship?
5. Can you tell me about your experience of having to start your business after getting retrenched?"
6. How does an individual successfully transition from being employed to being an entrepreneur?
7. How does one identify and exploit different benefits and opportunities while transitioning from being an employee to an entrepreneur?
8. What were the critical challenges present during the transition phase?
9. When leaving work or being retrenched, did you feel helpless, if so, what are the factors that influenced you to overcome your helplessness? If not, what drove you not feel helpless?
10. What are the critical skills or capabilities you would say one requires to transition into entrepreneurship
11. What are the resource requirements to transition into entrepreneurship

12. In your view, what can corporates do to ensure better that employees are better prepared for the sudden change of loss of jobs?
13. In your view, what can a corporate organisation do to enable employees better to transition into entrepreneurship?
14. Is there anything else that the interviewee would like to add in developing this framework?

9.4. Appendix D: Approved Ethical Clearance

MastersResearch2020 <MBAResearch2020@gibssa.mail.onmicrosoft.com>
to me ▾

Wed, 26 Aug, 20:06

**Gordon Institute
of Business Science**
University of Pretoria

Ethical Clearance
Approved

Dear Reabetswe Mabe,

Please be advised that your application for Ethical Clearance has been approved.

You are therefore allowed to continue collecting your data.

We wish you everything of the best for the rest of the project.

[Ethical Clearance Form](#)

Kind Regards

9.5. Appendix E: Non-disclosure agreements

Signed non-disclosure agreement for transcription services

Gordon Institute of Business Science

University of Pretoria

Confidentiality Agreement (using transcribers):

This document serves as a confidentiality agreement between Reabetswe Mabe (researcher) and the transcription services company Theresa Vermeulen (transcription company). The researcher will in certain instances share information with the transcriber, therefore the content of the information shall remain confidential between the researcher and transcription company.

The information shared by the researcher will be any data or information whether in tangible or intangible form, whenever and however disclosed, including, but not limited to (i) information contained in audio or video recordings, (ii) transcriptions of audio and video recordings; and (iii) any other information that should reasonably be recognized as confidential information.

The transcribers agrees to use the confidential Information solely in connection with the provision of transcription services and not for any purpose other than as authorized by this agreement without the prior written consent of an authorized representative of the researcher. No other right or license, whether expressed or implied, in the Confidential Information is granted to the transcriber hereunder. All use of Confidential Information by the transcribers shall be for the benefit of the researcher and any modifications and improvements thereof by the transcribers shall be the sole property of the researcher.

The transcribers shall return, delete or destroy all recordings embodying the Confidential Information provided including all transcripts and audio and video recordings, upon the earlier of (i) the completion or termination of the project between the parties being contemplated hereunder; (ii) the termination of this Agreement; or (iii) at such time as the researcher may so request.

If you have any concerns, please contact my supervisor or me. Our details are provided below.

Researcher: Reabetswe Mabe
Email: 18361278@mygibs.co.za
Phone: 078 169 0324

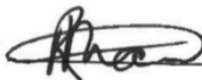
Transcription service:
Email:
Phone:

Signature of Transcriber:



Date: 1 September 2020

Signature of researcher:



Date: 29-11-2020

Non-disclosure agreement for editing services

**Gordon Institute
of Business Science**
University of Pretoria

Confidentiality Agreement (using editors):

This document serves as a confidentiality agreement between REABETSWE MABE (researcher) and the editors services company Jennifer Croll (editing company). The researcher will in certain instances share information with the transcriber, therefore the content of the information shall remain confidential between the researcher and transcription company.

The information shared by the researcher will be any data or information whether in tangible or intangible form, whenever and however disclosed, including, but not limited to (i) the researcher's research report including references and appendix (ii) information contained in audio or video recordings, (ii) transcriptions of audio and video recordings; and (iv) any other information that should reasonably be recognized as confidential information.

The editor agrees to use the confidential Information solely in connection with the provision of editing services and not for any purpose other than as authorized by this agreement without the prior written consent of an authorized representative of the researcher. No other right or license, whether expressed or implied, in the Confidential Information is granted to the transcriber hereunder. All use of Confidential Information by the editor shall be for the benefit of the researcher and any modifications and improvements thereof by the editor shall be the sole property of the researcher.

The editor shall return, delete or destroy all recordings embodying the Confidential Information provided including all edited documents, transcripts and audio and video recordings, upon the earlier of (i) the completion or termination of the project between the parties being contemplated hereunder; (ii) the termination of this Agreement; or (iii) at such time as the researcher may so request.

If you have any concerns, please contact my supervisor or me. Our details are provided below.

Researcher: Reabetswe Mabe
Email: 18361278@mygibs.co.za
Phone: 078 169 0324

Editor service: J.A.Croll
Email:
Phone:

Signature of Editor: J.A.Croll Date: 29th November 2020

Signature of researcher: [Signature] Date: 29-11-2020

9.6. Appendix F: Code list created from interviews

Table 11: Code list for generated during data analysis of interviews

No	Codes
1	Reached ceiling & max potential in employment
2	Comparison to Peers who are doing better
3	No promotions
4	Desire to grow own empire
5	Not fulfilled anymore in employment
6	Organisations have a low risk appetite (not open to new ideas)
7	Negative team dynamics in corporate employment
8	Indirect bullying in formal employment
9	Need for creativity & innovation
10	Clashing opinions in employment
11	Negative feeling working for someone
12	Overlooked on work promotions/opportunities
13	Restructuring the contract payment terms
14	Restructuring the work of the contract
15	A desire for control and ownership
16	Retrenchment or Section 189 or business closure
17	Never wants to experience retrenchment
18	Watching people break - painful experience
19	unplanned shock
20	Learning to adapt to new norm
21	Changing & shifting mindset
22	Exposure & mentally prepared
23	Long term vision
24	Self-belief (Prove yourself)
25	Self-development
26	Self-drive (Stepping out of comfort zone)
27	Being Alone with no help
28	Emotionally draining & stressed
29	Self-Doubt of capabilities
30	Being cautious to not trust everyone
31	Create lens of reputation
32	Crying and praying
33	Emotional journey: Up and down

34	Overly self-critical
35	Scared and Excited - mixed emotion
36	identify problems & give solutions
37	identify low hanging fruits
38	Ability to identify the strengths and weaknesses
39	Ability to practice what was learnt
40	Ability to turn disadvantages to opportunities
41	Meeting customer needs
42	Able to see opportunity
43	learn to leave (gain relevant experience and apply elsewhere)
44	Ability to believe in oneself (self-motivation)
45	being passionate
46	Getting people to believe in you (having to prove your capability)
47	Knowing your worth - don't sell short
48	Financial literacy
49	Good financial understanding
50	Lack of proper financial management
51	Poor management of finances
52	Technical skills to measure opportunities
53	Expand knowledge
54	Understanding the industry
55	Managing own time
56	Make time for rest
57	know when to work and look for opportunity (network)
58	Long term vision
59	skills development in employment - have a vision
60	Being patient (no profits in short term)
61	money
62	A business needs cash to stay alive
63	Paying salaries
64	Finance professionals support
65	Administration support
66	Staff employed is critical
67	Challenge of having a market
68	Identifying your market
69	Marketing specialist
70	Marketing skills on your business
71	Building space & stationing
72	Network connect
73	Virtual meetings

74	Using client premises
75	Heavy equipment for work
76	A need for strong networking (social skills)
77	Ability to maintain relationship
78	Ability to assemble the teams
79	Leverage networks
80	Working with likeminded people
81	Proper management of financial & business resources
82	exposure to programmes that entrepreneurs needs
83	Solving problems
84	Ability to do side hustle
85	Ability to identify opportunities and utilising them during working
86	A plan and a strategy for transitioning
87	organisation policies on BEE strategy - procurement processes
88	not corporate responsibility to support transition
89	Unwillingness to work with small businesses
90	Step out your comfort zone
91	Technical skills to run the business
92	Learning new skills in formal employment
93	Missed opportunities due to not having funding
94	pivoting business after waiting for funds
95	Lack of support from networks
96	False pretence to assist
97	Unwillingness to work with small businesses
98	Fear of the unknown
99	Lack of trusting own self
100	tend to not believe in own product
101	Convince people
102	difficulty with market penetration
103	Customer difficulty
104	not knowing business and industry direction
105	woman working (proving) harder than men
106	perception of men as better leaders
107	intimidation of males to female
108	Conflict of interest
109	Not releasing info for self-gain
110	not following processes
111	New firms forced to be corrupt
112	opportunities available only after favours given

113	Ability to be flexible
114	Access to financial resources
115	Strong networks and great support
116	Environmental scanning
117	readiness to utilise opportunity
118	Create and enable an environment for more opportunities