

Assessing immigrant entrepreneur’s contribution to entrepreneurial development: A case of small retailers in the Mangaung, Free State province



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Dates:

Received: 21 June 2021
 Accepted: 02 Mar. 2022
 Published: 28 Apr. 2022

How to cite this article:

Moloi, L.Y., Mosweunyane, L. & Chipunza, C., 2022, ‘Assessing immigrant entrepreneur’s contribution to entrepreneurial development: A case of small retailers in the Mangaung, Free State province’, *Southern African Journal of Entrepreneurship and Small Business Management* 14(1), a440. <https://doi.org/10.4102/sajesbm.v14i1.440>

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Background: Despite numerous training programmes by the South African (SA) government equipping citizens with entrepreneurial skills to create businesses for economic development. The country still faces a high rate of liquidation of businesses leading to unemployment.

Aim: This article mainly aimed to assess immigrant entrepreneurs’ contribution to entrepreneurial development in the Mangaung Metropolitan Municipality (MMM).

Setting: The study focuses on the role that skilled immigrant entrepreneurs play in entrepreneurial development in MMM through Human Capital theory.

Methods: Drawing on interpretivist paradigm, the study adopted empirical stance and qualitative approach. A total of 20 participants’ immigrant entrepreneurs and employees from small retailers in MMM were interviewed. Data collected were analysed using the Burnard’s (1991) stage-by-stage method of the semi-structured interviews. Content analysis was used to analyse data collected. Whilst thematic analysis was employed to analyse the data obtained from the face-to-face interviews.

Results: Although immigrant entrepreneurs were using their resources to share expertise and experience, most of their employees were not willing to learn. Immigrant entrepreneurs considered government support as a valuable tool when seeking to understand their contribution to developing the citizens. Accordingly, the results demonstrated that entrepreneurial skills transfer via in-store training influenced local citizens’ entrepreneurial mindset and decision to start businesses. The findings also revealed that immigrant businesses might play a critical role in solving entrepreneurial development of SA as government funding was considered to be a tool for skills transfer and entrepreneurial growth.

Conclusion: Whilst most studies investigated immigrant-citizen’s entrepreneurial skills transfer process, little attention was given to possible entrepreneurial development mechanisms through business collaboration. The study concludes that human capital in the form of skilled labour has a positive effect on entrepreneurial development. This informs policymakers to prioritise the upskilling of the workforce and contributes towards value-generating economic activities.

Keywords: SMME’s; immigrant entrepreneurship; entrepreneurial skills; entrepreneurial development; collaboration, and government support.

Introduction

This study focuses on assessing the contribution of immigrant entrepreneurs on entrepreneurial skills development in Mangaung Metropolitan Municipality (MMM). The study is guided by the objective to determine the nature of immigrant entrepreneurs’ contribution to entrepreneurial development amongst South African citizens in the Mangaung Metropolitan area. The approach assesses the contribution of immigrant entrepreneurs to skills development, its impact on employment and economic growth. A study on immigrant entrepreneurship has been growing recently (Adendorff & Halkias 2014). However, only few studies were conducted on it in developing countries (Shinnar & Nayir 2019). Despite a number of studies, there are many gaps yet to be researched (Akin, Bostanci & Akyol 2017:501; Shinnar & Nayir 2019:559). Hence, this study assesses the contribution by immigrant entrepreneurs to entrepreneurial development, particularly small retail businesses in Mangaung Metropolitan Municipality (MMM) of South Africa. Acs (2006) and Naudé (2010) posit that entrepreneur can be a key contributor to the job growth, innovation and the shaping of communities. Moreover, Radipere and Dhlwayo (2014)

concur that entrepreneurship is the force that drive economic development of any country. However, South Africa is rated as having the smallest percentage of entrepreneurs compared to other developing Southern African Development Community (SADC) countries (Radipere & Dhliwayo 2014). Therefore, immigrant entrepreneurs play a significant role in the economy through the creation of businesses despite the size of the business (Ngota, Raikaran & Mang'unyi 2019). As Fatoki (2014) concurs, most developed countries have benefit from immigrant entrepreneurs. Thus, the inflow of immigrant entrepreneurs in South Africa can possibly play a role in entrepreneurial development, with the anticipation of finding possible solutions to the problem of entrepreneurial development or activities leading to low rate of employment in South Africa, particularly in MMM. The main aim of the study is to assess the immigrant entrepreneurs' contribution to entrepreneurial development in Mangaung.

Tengeh and Nkem (2017) describe immigrant entrepreneurship as business activities conducted by immigrants in their host countries, either with the assistance of social networks or through individual initiative. The concept of immigrant entrepreneurship has become an important socio-economic phenomenon, as it plays a critical role in economic development (Aaltonen & Akola 2014). Scholars (Fairlie 2012; Fairlie & Lofstrom 2014) observed that trends in a new business formation are increasing amongst immigrants but decreasing amongst citizens. A similar trend is also seen in emerging economies such as South Africa. In accord, Nkealah (2011) posits that entrepreneurship seems to be thriving amongst the immigrant population in South Africa, but this does not seem to be the case amongst South Africans. Results revealed that South African business owners (small, medium and micro enterprises [SMMEs]) do not view themselves as potential entrepreneurs mainly because the majority of South Africans have grown up with little or without entrepreneurial background. Instead, South Africans are employed by immigrant entrepreneurs (Kalitanyi & Visser 2010) and therefore, entrepreneurial skills can be transferred from these immigrant employers to the employees who will then contribute to entrepreneurial development of the country.

The research issue behind the article is that local entrepreneurs especially in small retail appear to be closing down (Ligthelm 2010). The importance of scholarly research about entrepreneurial growth and improvement cannot be underestimated because of the obvious lack of concentration of prior studies on this aspect. On the other hand, Nkealah (2011) asserts that there seems to be an increasing number of immigrant entrepreneurs in SA. Since the 1994 democratically held elections, SA has witnessed an entry of immigrants, with a majority of them from African countries (Landau & Jacobsen 2004; Simelane 1999). Nonetheless, there is no known work that has focused on the contribution of entrepreneurial development by immigrant entrepreneurs to SA citizens through human capital theory (HCT). As a result of this limit in research on the role of entrepreneurial

development of South African citizens, this study addressed the research gap on how the seeming success of immigrant entrepreneurship can be transferred to local people to promote entrepreneurial development in Mangaung Metropolitan.

The rest of this article is structured as follows: firstly, a brief review of related Entrepreneurial literatures is presented; secondly, research methodology, Empirical results and discussion, and, finally, the Conclusions of this article are provided.

Literature review

Entrepreneurship and immigrant entrepreneurship in South Africa

Despite the small retail sector's hard commitment, the challenges of entrepreneurial skills growth are not entirely resolved globally. Henry, Hill and Leitch (2003) and Undiayaundeye and Otu (2015) affirm that entrepreneurs are identified as the engine of economic progression and the creation of wealth, and they add to a good quality of life by providing employment opportunities for both the educated and less educated entrepreneurs (Nieman & Nieuwenhuizen 2009; Venter, Urban & Rwigema 2012). Glackin and Mariotti (2012) define it as having to do with entrepreneurs' innovative ability to identify societal needs and harness resources at own risk to satisfy those needs for economic gain. Other researchers define entrepreneurship according to their discipline specialties. However, for the purpose of this study, entrepreneurship is a process whereby persons (entrepreneurs) recognise opportunities based on market needs or gaps and start their own businesses to satisfy societal needs through innovation, with the intention to make profit (Fatoki & Patswawairi 2012). Immigrant entrepreneurship is, therefore, the process, whereby persons from a foreign country recognise opportunities in a host country and create business to make profit. Aaltonen and Akola (2014) define immigrant entrepreneur as a person who moved from a different country to create a business in a host country.

The South African government has prioritised entrepreneurship and the development of small businesses as the facilitator for achieving economic growth and development (Bosma, Wennekers & Amorós 2011). The uptake of immigrant entrepreneurs in SA is believed to have resulted in a shift in the control of small retail shops in townships from locals to immigrant entrepreneurship (Charman, Petersen & Piper 2012). Local entrepreneurs seem to be failing to compete with immigrant entrepreneurs in the retail sector, as they appear to be fading away from the sector whilst immigrant entrepreneurs are taking over. Kalitanyi and Visser (2014) proclaim that one of the most debatable issues in recent times in the South African literature has been the impact of African immigrant entrepreneurship on reducing unemployment. Furthermore, Chamunorwa and Mlambo (2014); Lemes, Almeida and

Hormiga (2010) assert that the effect of immigration on unemployment has been central to the social, economic and political debate in recent years.

There is a proliferation of successful immigrant-owned small retail businesses in South Africa as compared to those owned by South Africans. This might be influenced by the fact that foreigners are unable to find employment easily in SA, hence they usually end up creating businesses instead. Furthermore, Ngota et al. (2019) posit that with the increased shortage of jobs amidst increasing trends of migration into SA over the years, small businesses are becoming the only smart option. In agreement, Fatoki (2010) affirms that there has been a growing development of businesses owned by immigrants in SA. Furthermore, Tengeh and Nkem (2017) assert that businesses owned by immigrants represent a significant conduit for advancing the growth of the South African economy. Therefore, the adoption of immigrants in the mainstream economy will develop the level of entrepreneurial activities in SA. Moreover, the adoption of immigrants in the mainstream economy will improve the level of entrepreneurial activities in SA and minimise the level of unemployment and people's dependence on government grants.

Entrepreneurial development in retail business

The goal of entrepreneurship development is to broaden the base of entrepreneurs in an economy to hasten the pace at which new businesses are created. Van Aardt et al. (2008) argue that such high levels of entrepreneurship aid the production and exchange of goods and services, thereby stimulating economic growth and development. Furthermore, entrepreneurship is said to bring about structural transformation in business, resulting in growth and increased output for the benefit of society (Hisrich, Peters & Shepherd 2010). This will bring about an increase in the creation of business. Mitchelmore and Rowley (2010) further assert that entrepreneurial development activities make the field of entrepreneurship attractive to non-entrepreneurs by creating and developing an interest in entrepreneurial activities, and supporting them in mastering the required skills and competences to become involved in such enterprises. The involvement of the immigrant entrepreneurship in entrepreneurship development would reduce the current dependency on government for a livelihood. Ogbo and Agu (2012) postulate that this may be achieved through various means, examples of which are structured institutional development programmes. Therefore, the intervention of government would play a significant role in the growth of entrepreneurs and non-entrepreneurs who lack resources by providing the necessary programmes or initiatives to assist them to stay and grow in the field of the retail industry. Through the support of and collaboration with government and immigrant business owners, local entrepreneurs can develop their entrepreneurial skills particularly in the MMM area. Thus, the collaboration with immigrant business owners will play a significant role in helping local citizens, who are interested in entrepreneurial activities, to become part of and participate in immigrants' SMMEs. In support,

Stokes, Wilson and Mador (2010) posit that entrepreneurship knowledge and skills are necessary resources for the success of SMMEs and ultimately for economic development. This would further promote job creation rooted in entrepreneurship, leading to economic growth and poverty eradication.

Rasool and Botha (2011) argue that a lack of skills limits SA's economy from developing. Additionally, inadequate entrepreneurship education is still one of the prime factors preventing the growth of the economy of South Africa (Fatoki & Garwe 2010). However, the involvement of the private sector in the creation of entrepreneurship would reduce the current dependence of the government on livelihoods. Ogbo and Agu (2012) postulate that this may be achieved through various means, such as the development of entrepreneurship through collaborations with the seemingly succeeding immigrant entrepreneurs. Chrysostome and Lin (2010) make a point that the influence of immigrant entrepreneurship in the host country is not limited to its economic aspects, but it also plays an important role in non-economic aspect such as a developing entrepreneurial spirit and providing role models for citizens as well. Entrepreneurial development would enhance entrepreneurial self-efficacy, and the level of confidence individuals have in their entrepreneurial capabilities (Chen, Greene & Crick 1998), which will motivate and encourage them to recognise opportunities and their capabilities. This would, therefore, generate wealth and decrease people's reliance on government for jobs (Radipere & Dhliwayo 2014). The seeming success of immigrant entrepreneurship and government support may play a critical part in developing entrepreneurship, especially in MMM.

Government support and immigrant entrepreneurs

Government provides a range of direct financial assistance packages to the SMMEs which include subsidies, grants, tax benefits such as tax rebates and deductions which play an important role in assisting the SMMEs in their enterprise (Xiang & Worthington 2013). The authors further argue that the role of the government is to ease the SMME's financial constraints by assisting SMMEs to obtain financing. In addition to funding, a wide range of business developments such as business advice, counselling, mentoring, finance, training, incubators and clusters can be provided by government agencies (Xiang & Worthington 2013). However, financing and preparation are the most critical resources for budding entrepreneurs, both locals and immigrants.

The majority of SMMEs in South Africa have been founded by owners who have little awareness of the business world and are not aware of the risks that could result in the failure of businesses (Naudé 2013; Vis 2012). Hence, the number of SMMEs in SA has not only led to a decline in unemployment but a decline in local entrepreneurs. There have been interest and calls from some government quarters on foreigners to share ideas of successful entrepreneurship with South African SMME owners (Fatoki 2010; Times Live 2015:1). In addition, the government has developed an institutional

model to help small immigrant businesses (Tengeh 2013). This was meant to alleviate resentment and build the perception that the business spaces of SA are not being stripped away by immigrants. Again, the structural models to help small immigrant enterprises have not yet achieved their goal of shifting the idea that SA's business areas are not being taken away by immigrants who employ South Africans because of high levels of unemployment and discrimination. Therefore, the use of available government interventions needs to be updated to allow professional (immigrants) entrepreneurs to help South Africans unlock their full potential for entrepreneurial development.

Theoretical framework and human capital theory

The framework demonstrated the basis on which questions and objectives of research are formulated, whereas the literature review argued that SMMEs can have an influence on employment creation. The conceptual framework hypothesised that immigrant entrepreneurship can influence the creation of employment and entrepreneurship development which in turn would lead to survival of small retail businesses. In other words, these elements, if not well-managed or implemented effectively, can either influence the rate of employment creation and entrepreneurship development positively or negatively. Based on the below-mentioned theory, the study was guided by the HCT which was developed by Block and Sandner (2009). The theory's concern is that opportunity entrepreneurs are likely to have higher human capital talents and a higher cognitive ability, which lead to more productive and efficient activities. Thomas, Smith and Diez (2013:3) define human capital as 'people, their performance and their potential in the organisation'. The inclusion of the term 'potential' is important as it indicates that employees can develop their skill and abilities over time (Thomas et al. 2013:3).

Human capital is vital to discovering and creating entrepreneurial opportunity (Marvel 2013). Marvel (2013) further argues that human capital helps to accumulate new knowledge and the creation of advantages for new businesses. Given the entrepreneurial gaps between immigrants who infiltrated the retail industry, and local citizens, grasping the fact that entrepreneurial development depends on entrepreneurs' collaboration, the appropriateness of entrepreneurial skills (or programs) in use cannot be understated. Hence, Wuttaphan (2017) concurs that currently, human resource is now viewed as human capital which leads to a source of value. The theory of human capital (HC) recognises that not all labour is capital (Kenton 2020). However, employers can increase the value of that capital by investing in employees (Kenton 2020) by developing their knowledge and skills. Nafukho, Hairston and Brooks (2004) agree that human capital is seen as investment in education and training is a form of capital required for the development of individuals, organisations and communities. Human capital attributes, such as education and experience, may also be critical for entrepreneurial development.

The theory is, therefore, relevant for the research, as it enables employees to take advantage of the opportunities available, exposes their entrepreneurial skills and enables them to learn more from all available platforms. Therefore, owners of small retail business which are mostly immigrants can use this theory to assist local citizens to acquire knowledge that will stimulate entrepreneurial spirit in them. In agreement, Unger et al. (2011) posit that HCT is concerned with knowledge of small-scale business owners. Hence, Marvel, Davis and Sproul (2016) emphasise that human capital is vital in stimulating aspects of entrepreneurship. Ngepah, Saba and Mabindisa (2021) affirm that human capital has a positive and a significant impact on both total output and economic growth. Furthermore, the disaggregated proxy of human capital shows that a higher level of skilled employment is associated with higher total output and economic growth.

Therefore, with the implementation of human capital by immigrant entrepreneurs, and with the empowerment of South Africans through relevant programmes, South Africans would be empowered to increase the country's human capital it would contribute positively to development of entrepreneurs, creating and building enterprises which may result in growth of the economy and emerging businesses in SA.

Entrepreneurs possess this human capital skill. As a result, immigrant entrepreneurs can impart this human capital skill to their employees, which they will use to create economic value that will pay off.

Research method and design

The study adopted a qualitative approach, in accordance with the interpretivist paradigm, with the aim to assess the contribution of immigrant entrepreneurship to the entrepreneurial development in MMM. This study adopted an empirical stance. Empirical research 'is used to express the results of qualitative scientific data on real world phenomena' (Pasek 2012). The elucidation for this study is to determine the nature of the immigrant entrepreneurs' contribution to entrepreneurial development in the Mangaung Metropolitan area.

The scope of the empirical enquiry was limited to retail SMMEs, particularly immigrant entrepreneurs and their employees in the MMM area as capital city of the Free State Province of South Africa. Twenty participants were sampled out of an estimated 603 immigrant businesses in the study area using convenience sampling. In conformance with the qualitative design, the interview measurement instrument was used and controlled by the researcher. Fox (2009) posits that in-depth interviews are suitable in situations where the researcher wants to use open-ended questions to acquire information in depth from few people. Hence, in-depth interviews were conducted to individual immigrant business owners and their local employees. The data collection instrument was compiled from the perspective of the participants and the interview items addressed or measured

exactly what they were intended to measure, thus ensuring validity of the instrument, and as the same instrument was used in all the interviews, consistency was assured, therefore the interviews were regarded as reliable. Data collected were analysed using Burnard's (1991) stage-by-stage method of data analysis for the analysis of the semi-structured interviews. Burnard's method assumes that semi-structured interviews should be recorded in full and the whole recording be transcribed. Content analysis was used to analyse the data collected, whilst thematic analysis was employed to analyse the data, which were obtained from the face-to-face interviews.

Therefore, a complete framework was used for a more detailed coding and analysis of transcripts using thematic content analysis. Originally, the researcher generated 10 themes from the transcriptions during the first-level coding. The researcher transcribed the recording, diary notes and the other stage of proofreading was done by other researchers to ensure credibility. The revisiting and re-emersion of the data and the comparison with the themes by researchers led to the further modification and reduction of the 10 themes to five themes. The content analysis followed a systematic process of coding and drawing conclusions from texts. This process starts by determining which units of data will be analysed from written or verbal texts (Cooper & Schindler 2006). Verbatim quotations were used to illustrate specific themes which emerged from the data which were obtained from the interviews.

To ensure the trustworthiness and eliminate bias in the results, two rounds of content analysis were performed on the field recordings. The rounds were generated to diverse views independently and to check if researchers' documentation of report findings was consistent with what the research participants actually said. The interviews were audio-recorded and transcribed, and the recorder was not only a data soliciting device, but also served to expand the memory of the researcher and supplement diary notes. This was done as part of corroboration of evidence and promoting trustworthiness of results. Thus, consideration was given to the following issues: credibility (verifying the truthfulness of the results by means of the researcher's reflective notes and peer inspection; transferability (relevance of the findings) was guaranteed through classifications of the data. Dependability or the consistency of the findings was safeguarded by documenting the key phases of the research process, particularly the data collection and analysis procedures.

Ethical considerations

The master's project was approved by the Faculty Research and innovation Committee (FRIC) at the Central University of Technology, Free State, reference number: FMSEC04/19.

Results and discussion

This section presents the findings from the collected data in detail, in terms of using frequencies and themes relative to the objective of the study. It also discusses these findings in relation to the broad research objective. The first section of

the results consists of the participants' demographics followed by the qualitative results.

In reporting the findings from this study, the participant's demographic profile is reported in Table 1 provided below, and closely followed by the nature of immigrant entrepreneurs' contribution and entrepreneurial skills transfer. Participants' demographic profile was prepared.

The table below reports the demographic data of South African citizens employed by immigrant entrepreneurs as well as data of immigrant business owners involved in small retail businesses in the Mangaung Metropolitan area.

Employee's participants

As shown in Table 1, the gender of the participants shows that the majority of the participants were females at 70%, and the remaining percentage were male. One immigrant participant said that 'I prefer to hire and share skill with women because they are hard workers'. This finding would satisfy the policymakers because of the national priority of promoting gender equality. About 80% of the participants were fairly youth, that is, between 20 and 29 years old, with the remaining (20%) falling in the age category of 20 to 39 years. Based on the data provided above, most of local citizens working for immigrant entrepreneurs are young, yet uneducated and mostly females. The findings further show that females need to be given the opportunity to showcase their potential in boosting the economy closing the gap of gender equality and previously disadvantaged black women.

Based on the above results, young local females work the most with immigrant entrepreneurs and therefore can benefit the most from their entrepreneurial skills.

Immigrant participants

As shown in Table 1, 30% of participants had matric and below, whilst 50% studied beyond matric and only 1% had postgraduate. Table 1 further reveals the dominating gender as male (80%) and remaining percentage being females. This implies that the small retail business is dominated by males. Majority of immigrant business owners were between the ages of 20–39 (60%) and only 30% were over the age of 40. This is supported by a study on African immigrant entrepreneurs in SA by Ngota et al. (2019) who found that there were younger male immigrant entrepreneurs who operated businesses in SA than their female counterpart. The percentages shown above show that young men with tertiary qualifications run their own business at an early age, which is something lacking for their locals' counterparts in the MMM area.

The immigrant participants were from different countries with Nigeria dominating with 40%, followed by Bangladesh with 30%. Participants with experience counted 70%, whilst 30% were without experience. Based on these findings, clearly, immigrant's retail business owners have the

TABLE 1: The demographic data of immigrant business owners and local citizens involved in immigrants' small retail businesses.

South African employed by foreigners			Immigrant business owners	
Category	Number of participants (n = 10)	Percentage (%)	Number of participants (n = 10)	Percentage (%)
Gender				
Female	7	70	2	20
Male	3	30	8	80
Age group				
Below 20	0	-	-	-
20–29	8	80	1	10
30–39	2	20	6	60
40–45	0	-	3	30
Above 50	0	-	-	-
Nationality				
South Africa	10	100	-	-
Zimbabwean	-	-	-	-
Mosotho	-	-	-	-
Nigerian	-	-	4	40
Other	-	-	6	60
Highest qualifications				
None	0	-	-	-
Primary schooling	0	-	1	10
Matric and below	6	60	3	30
TVET or equivalent	4	40	2	20
University degree/ diploma	0	-	3	30
Postgraduate	0	-	1	10
Do you have any experience in the work you are performing?				
Yes	6	60	7	70
No	4	40	3	30
Yes, specify	-	-	-	-
How long have you been in this business?				
less than 1 year	3	30	1	10
1–5 years	7	70	3	30
6–10 years	0	-	5	50
11–15 years	0	-	1	10
More than 15 years	10	-	-	0
What is your salary per month?				
Below R1000	2	20	-	-
R1500–3000	6	60	-	-
R3500–5000	1	10	-	-
More than R6000	1	10	-	-
How much profit do you make per month?				
Less than R5500–R10 000	-	-	1	10
R10 001–R15 000	-	-	6	60
R15 001–R20 000	-	-	3	30
More than R20 000	-	-	-	-
How many employees do you have in your business?				
None	-	-	1	10
1–2 employees	-	-	7	70
3–4 employees	-	-	1	10
5 employees	-	-	1	10
More than 5	-	-	-	-

Source: Computed from survey results 2019.

entrepreneurial experience to manage their businesses. The majority of participants (50%) have been in the business for 6–10 years, whilst only 10% of them have more than 11 years in business. This finding is consistent with participants' experience. The immigrant businesses were not doing badly as shown in Table 1, 90% were having more than R10 000 in profits while having employees who are not more than five.

Based on the above findings, some of the immigrant entrepreneurs started their business years ago and have a lot of experience, whereas others started more recently without financial support. It is clear from the evidence above that youth entrepreneurs' activities in South Africa remain low compared to other countries in Africa.

The nature of immigrant entrepreneurs' contribution to entrepreneurial development

Tengeh, Ballard and Slabbert (2012) pointed out that a number of these businesses have succeeded in employing local workers, and, as Hohn (2012) asserts, they aid economic growth because the low-income population benefits directly through employment. It has been reported that SA has been dominated by foreigners especially in small businesses, which normally led to fights between South Africans and foreigners, whereby South Africans accuse foreigners of taking their jobs (Nkealah 2011). To a lesser extent, local citizens' background or financial state leaves them with no choice but to work in low-paying jobs. Therefore, it can be concluded that immigrant entrepreneurs do contribute to creating employment in MMM. However, there is a need for proper entrepreneurial development for persons working for immigrants in order for them to start their own businesses. By being the employees of immigrant entrepreneurs, these workers can develop entrepreneurial skill while doing the job. Most immigrant entrepreneurs are climbing the retail business ladder. Particularly, their entrepreneurial skills allow individuals to acquire financial services through different investment or savings such as stokvels. This is supported by researchers (such as Lyon, Sepulveda & Syrett 2007; Singh 2015), who state that even though immigrant entrepreneurs are accused of maintaining their competitiveness by engaging in practices like evading tax, non-adherence to labour laws and the employment of vulnerable illegal immigrants, amongst others, they contribute to the community by making products cheaper, as they use competitive practices to outperform locals.

In support of this finding, Participant 09 said:

'Yes, to some degree they do contribute because fellow South Africans didn't really hire any other people in their tuck shops, whereas these immigrants hire South Africans to work in their shops and you can work as cashier or cleaner, so it's somewhat type of a job creation.' (Participant 09, female, cleaner)

The responses of other two participants whom they hire indicated that they looked for an individual with capabilities, not qualifications per se. Participant 6 said:

'Yes, they do, because when they hire you they don't want any qualification, if you have passed matric, or interview, they give you the job, even if we clean they do provide some job for us.' (Participant 06, female, security)

According to Tharpe (2015), SMMEs owned by immigrant entrepreneurs help alleviate congestion in main malls or supermarkets by offering local communities' essential food or clothing items at affordable prices. Despite the assertion

by Peberdy (2017) who proclaimed that the migrant spaza shops are harmful to local economies and inhibit job creation, this study revealed that immigrant business owners do hire local citizens and make a difference in their lives. This is also supported by Hohn (2012) who posits that a number of these migrant businesses succeed in employing local workers.

The findings have also revealed that immigrant entrepreneurs have control over spaza shops in MMM and local entrepreneurs fail to compete with immigrant entrepreneurs in the retail sector. It is thus clear that the market presented itself as an opportunity to immigrants who came to SA for employment, whilst local citizens were looking for proper education and employment from large companies. It could be understood from this finding that immigrants did not only took over the market but brought some innovation in the market that is causing them to infiltrate the market. One could say that the cause was the resistance to change of a new millennium by local business owners and that left the door opened for immigrants. In support of this finding, Participant 09 said:

'The immigrants have changed the market because I feel like they have infiltrated the market industry because most of the South African are unemployed even those who used to own business back then they are out of the business now because of the immigrants who took over the market.' (Participant 09, female, cleaner)

Another issue that was pointed out when discussing immigrant entrepreneurs' contribution was about the standard of economy such as low prices and tax payment. Participant 03 said:

'They help our economy to grow because if you compare locals with foreigners, foreigners have many businesses than locals.' (Participant 03, female, stock-taker & cleaner)

Participant 06 affirmed that:

'They are friendly, they make sure that they don't run out of stock, they think out of the box like they ask customers what they would like, and they always bring new ideas. Their prices are very low compared to other shops; they are good in savings & investment, they buy in bulk for discount.' (Participant 06, female, security)

Ngota et al. (2019) corroborate this by asserting that immigrant entrepreneurs brought competitiveness and innovation. However, it could be understood from these findings that entrepreneurial development may be gained through immigrant entrepreneur's contributions. Therefore, it can be concluded that immigrant entrepreneurs who already play a crucial role in creating new ventures and employment may give an opportunity to local people who work for them to gain business experience. Immigrant entrepreneurs evidently stimulate economic growth in a positive way (Ngota et al. 2019). For that reason, they can be used as a stimulus for entrepreneurship development in MMM.

In-store skills transfer

Kalitanyi and Visser (2014) posit that immigrant entrepreneurial skills are an asset to the South African

economy and not a liability. Furthermore, knowledge and skills sharing manifest in collaboration that involves employers in assembling and generating knowledge through partnership engagements. However, studies about immigrant entrepreneurial skills transfer found that these entrepreneurs require some sort of support (Kalitanyi & Visser 2010; Khosa & Kalitanyi 2015; Ngota et al. 2017) for the immigrant entrepreneurs to keep their businesses surviving, creating an opportunity for entrepreneurial skills development. There is willingness to share entrepreneurial skills between immigrants and local citizens for the benefit of South Africa economy. Participant 05 and Participant 02 agree with other participants in uttering that:

'Yes, in the business, as I do my work, I get to learn how business operates.' (Participant 05, male, owner)

'Yes, they do, but indirectly, because they allow us to do some of the work that we have no knowledge of and we learn from that.' (Participant 02, female, cashier)

In corroboration, Kalitanyi and Visser (2014), in their study on migration and migrants' entrepreneurial skills in South Africa established that immigrant entrepreneurs indeed transmitted their entrepreneurial skills to local citizens. Asoba and Tengeh (2016) further concur that immigrants who migrate to South Africa are highly skilled and some of them come with artisan skills, entrepreneurial skills and managerial skills, which enable them to manage and expand business ventures in their host destinations. As evident from these results, immigrant entrepreneurs pass skills to local people to improve their entrepreneurial skills:

'Yes, I believe I am transferring the skills with the system I am using in the business, by showing them how to order and receive goods from suppliers, packaging, and dealing with customers. Yes, I tell them to look at what I am doing when approaching customers and suppliers, and then leave them with the shop to run everything on their own. In that way I transfer managerial skills to them indirectly.' (Participant 07, male, owner)

The transcripts above show that local citizens concur with the immigrant entrepreneurs that they learned a lot in the business. Additionally, immigrant entrepreneurs transfer skills to their employees in an informal way, providing in-store training and coaching to develop local citizens' entrepreneurial skills. It is believed by a slight majority of immigrants that South Africans will find it easier to start up their own businesses, because it is easy for them to get funding from organisations such as Sector Education and Training Authority (SETA) and others, as well as get support from government and loans from the bank. With such support, the study revealed that partnership is of benefit for both parties as locals will bring capital and immigrants' entrepreneurial skills and knowledge to reduce unemployment rate, grow economy, business sustainability and alleviate poverty.

Immigrant entrepreneurs are increasingly becoming the leading employers in SA's economy (Kongolo 2010). However, Crush, Skinner and Stulgaitis (2017) pointed out that government is yet to acknowledge that immigrant

retail business owners make a valuable contribution to the economy of the country, through job creation for some South Africans. South African participants interviewed in this study believed that retail shops owned by immigrants have not jeopardised opportunities for South Africans by joining the retail market but have created jobs for some South Africans who are unable to find jobs in large businesses especially those with no tertiary qualifications. It is interesting that majority of the immigrants hire people without capabilities and qualifications because they believe that an individual learns everything while doing the job. The participants mentioned that requirements for small business formation should be eased to allow potential entrepreneurs to join the industry particularly retail industry.

Garg and Phayane (2014) posit that immigrant entrepreneurs can be used to support the entrance of young people into entrepreneurial activities by forging sustainable partnerships. With support from the government, many of these retail businesses could be increased to medium enterprises that employ more people (Garg & Phayane 2014). Therefore, government should provide the needed passages and means to allow this sector to grow. Through government programmes, immigrants with relevant skills needed by SA locals can positively help locals master these skills, but in order to benefit both parties, government support is required.

Based on this study, immigrant entrepreneurs have higher human capital talent and cognitive ability because of the early childhood preparation on entrepreneurship which is something that is lacking to Mangaung locals to successfully manage business. The findings have revealed that the majority of locals only have little formal education compared to immigrants who additionally have experience, practical learning and entrepreneurial skills to exploit opportunities, and that hinders locals to successfully start and sustain business (Jovanovic 1982; Unger et al. 2011). Therefore, immigrant entrepreneurs may have higher human capital talents (Block & Sandner 2009), which may be useful when transferring skill to local citizens and therefore, develop their entrepreneurial capabilities. With the findings, collaboration could change the low rate of young entrepreneurs in MMM.

Discussion

The need to explore the contribution of immigrant entrepreneurs to entrepreneurial development stems from the unemployment and lack of entrepreneurial skills of most South African SMMEs, especially those in the retail sector. Although SMME owners and managers can use their resources to effectively share their expertise and experience with their employees in their stores, most of their employees are not willing to learn. Apart from acute skills shortages, South African SMMEs have a substantial lack of the vital skills and expertise needed to run business effectively (Hanclova et al. 2015). This lack of entrepreneurial skills and technological skills explains the limited activity of local enterprises, such as SMME grocery stores and wholesalers in South Africa.

Immigrant entrepreneurs contribute towards the development of the economy by creating employment for themselves and for South African citizens (Kalitanyi 2007). However, immigrant entrepreneurs considered government support as a valuable tool when seeking to understand their contribution to job creation and to develop the local citizens' entrepreneurial skills. As such, the results demonstrated that entrepreneurial skills transfer via in-store training influenced local citizens' entrepreneurial mindset and decision to start businesses. Moreover, interventions through several initiatives to promote collaborations with immigrant entrepreneurs might help to improve the growth of entrepreneurial development in order to expand the transfer of entrepreneurial skills amongst the local citizens. Lastly, results demonstrated that skills can be transferred to local citizens who are willing to learn and start a business. This can be achieved through the intervention of government programmes and if strategies are developed to foster long-term bonds between immigrants and local citizens. Utilising HCT may assist immigrant entrepreneurs to impact entrepreneurial skills amongst locals through in-store training. In-store training emphasises the capacity to create and maintain business connections and to allow local citizens to adjust privately in the comfort of a business, as learning remains one of the potentialities of this training platform. Government funding for this training is also required, to ensure that the transition of skills of high quality takes place.

Although Rambe and Mosweunyane (2017) argue that the growth of entrepreneurship is insufficient to reduce poverty; inequality amongst SMMEs is judged by increased entrepreneurial activity. The study acknowledged the great concern that the delay between the exponential growth of immigrant businesses (Retail SMMEs) and the increasing levels of unemployment in South Africa, amidst claims about the development of potential of SMME, is the eradication of poverty in the society. The business collaboration is a more dependable way of rolling back the frontiers of poverty in this country.

The findings indicate that the majority of SMME owners or managers consider government funding to be a tool for skills transfer and entrepreneurial growth, and that there are strategies to be implemented amongst the government programmes initiated to assist and grow young entrepreneurs in South Africa, not only for South Africans, but also for immigrant entrepreneurs. Hence, studies on immigrant entrepreneurial skills transfer have found that some sort of support is required (Kalitanyi & Visser 2010; Khosa & Kalitanyi 2015; Ngota et al. 2017) for immigrant entrepreneurs to keep their businesses going in order to be able to create job opportunities for others, thereby creating an opportunity for skills transfer. Seamless incorporation of collaboration will be a great aid in helping immigrants expand their businesses, and in this way, local entrepreneurs would also be able to gain entrepreneurial knowledge and skills. Entrepreneurship policies and strategies should,

therefore, not only consider the financial effects of government initiatives but also consider their contribution and how they can be used to facilitate the successful implementation of the development of entrepreneurship through cooperation.

Implications for further research

The goal of this study was to assess the level of contribution of immigrants to develop the entrepreneurial skills of local citizens with the aid of skills, expertise and experience of immigrants. However, the research was confined to immigrant entrepreneurs and local people residing in Mangaung, in particular Bloemfontein, in the Free State province. Future research could also look at a diverse community of various employers who encourage entrepreneurship through different business environments such as social media sites, universities and colleges looking at the training programmes offered. Future studies should focus more on strategies for easing regulations and policies on the creation of entrepreneurial skills and knowledge required to improve SMMEs, especially for young people. Any study should mix traditional enterprises with virtual enterprises in order to establish and have a greater impact on the development of entrepreneurship skills amongst local people.

Recommendations

This article seeks to contribute to entrepreneurial skills, knowledge and experience through integrated government programmes and through platforms such as in-service training. The seamless integration of collaboration would be a great help in assisting immigrants with their needs to grow their business, and in same way, local entrepreneurs will also be able to receive guaranteed training to develop their entrepreneurial skills and boost economy. The knowledge emanating from this article may assist in shaping the decision of prospective locals and immigrant entrepreneurs contemplating to collaborate with South African government. It may also assist in influencing the strategies for easing regulations and policies on the creation of entrepreneurial skills and knowledge required to improve SMMEs, especially young people in Free State. Therefore recommendations are as follows:

Promote collaboration policy

Promote a programme of cooperation that will be collected and issued to establish an environment that allows immigrant entrepreneurs to start up their enterprises. In addition, through government funding, business would register and pay tax that would lead to economic growth, poverty easing and job creation. The South African government should consider making it mandatory for immigrant entrepreneurs to partner with local SMME businesses to encourage entrepreneurship amongst South Africans. Cooperation with immigrant entrepreneurs may also help boost the entrepreneurial activities of young people in SA.

Improve support structures

It seems that South Africans depend more on government aid than on refugees. Immigrant entrepreneurs need to play their part in government policy to provide vocational training and expand entrepreneurship skills training to maintain a broad scope for entrepreneurship skills creation and implementation. Ensure that a potential investment opportunity is more leveraged and that its appeal matches the needs of the public. The key is that the government must recognise that certain talents have an effect on business, whether they belong to future entrepreneurs or workers. Immigrant entrepreneurs and governments also need to gain an awareness of the psychological, personal, social and cultural characteristics that can affect the decision of local people on entrepreneurship.

Conclusion

There is no question that immigrant entrepreneurs create jobs. There are, therefore, exceptional things that locals should learn from immigrant small retail business owners. Given the often undisclosed transferability of entrepreneurial skills by immigrant entrepreneurs as they have an impact on the country's small retail sector, the study sought to assess the contribution of immigrant entrepreneurs on entrepreneurial development to determine how it affects the entrepreneurial development of South Africans. It is with the dependability of the HCT and the willingness of immigrant entrepreneurs, these can resolve the problem facing the nation and the value of developing entrepreneurship amongst South African people to minimise unemployment. Furthermore, South African citizens with low level of human capital can gain some experience to incorporate the formal education they have to start and sustain the business through the integration of immigrant's human capital.

Whilst positive feedback on the creation of entrepreneurship provides opportunities for expanded jobs, negative feedback scares locals and immigrant entrepreneurs from partnering because of the lack of trust and unfavourable policies. This can affect possibly the success of cooperation, hence government should, by all means, consider the views of immigrants as they will have a huge effect and support their economy, as entrepreneurship (SMME) is evolving and improving the figures on unemployment, economy and developing entrepreneurship.

Acknowledgements

Competing interests

The authors declare that they have no financial or personal relationships that may have influenced the writing of this research article.

Authors' contributions

L.Y.M. conceptualised and wrote the literature review. L.M. helped with methodology and questionnaire construction, and C.C. helped with analysis and language issues.

Funding information

This research received a grant from Central University of Technology, Free State (Grant number: 39362).

Data availability

Data sharing is applicable to this article as there were new data created in this study.

Disclaimer

The expressed views and opinions in this article are those of the authors and do not necessarily reflect the official policy.

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