AN ANALYSIS OF THE BUSINESS PRACTICES AND WORK ETHICS OF NATIVE AND IMMIGRANT ENTREPRENEURS IN SOUTH AFRICA

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ABSTRACT

There are xenophobic attacks against immigrant entrepreneurs in South Africa. These attacks are founded on perception that the business practices of immigrant entrepreneurs are different from those of native entrepreneurs. The primary objective of the study was to investigate if there are significant differences in the business practices and work ethics of native and immigrant entrepreneurs. The study examined the marketing practice, purchasing practice and work ethics of native and immigrant entrepreneurs. The study used the quantitative research method with a descriptive research design. Data was collected through the use of self-administered questionnaire in a survey. The participants in the study were both native and immigrant entrepreneurs. Convenience and snowball sampling technique were used to obtain a sample of native and immigrant entrepreneurs. Data analysis included descriptive statistics and the independent samples T-test. The results indicated that there are no significant differences in the business practices and work ethics of native and immigrant entrepreneurs.

Keywords: Immigrant Entrepreneur, Native Entrepreneur, Marketing Practice, Purchasing Practice, Work Ethics.

INTRODUCTION

Pendleton et al. (2006) point out that South Africa is a diverse nation with various racial groups from all parts of the world. After the independence of South Africa in 1994, an increasing number of immigrants from other African countries and from other continents started moving to South Africa. Currently, South Africa face three major challenges namely poverty, unemployment and income inequality. The current unemployment rate in South Africa is 27.2% (Statistics South Africa, 2018). Almost 57% of South Africans live below the poverty line of two United States Dollars per day (Agüero et al., 2007:785). Inequality is one of the key policy objectives of South African government. South Africa has been recognised in both local and international literature to have one of the highest levels of inequality in the world (Tregenna and Tsela, 2012).

Globally, small businesses are major contributors to economic growth and employment. In South Africa, the contribution of small and medium enterprises (SMEs) to employment in the private sector is 36% (Abor and Quartey, 2010). The creation of small businesses is one of the options to address the development challenges of unemployment, poverty, income inequality and crime that South Africa faces (Fatoki and Garwe, 2010). The small business space in a country often includes both native and immigrant entrepreneurs (Liedeman et al., 2013). The Organisation for Economic Co-operation and Development (2013) remarks that immigrant entrepreneurs contribute to the economic growth of their host countries. Immigrant entrepreneurs bring new skills and competencies and help to reduce labour shortages in host countries. Recently there have been xenophobic attacks against immigrant small business owners in South Africa (Semboja, 2015 Chinomona and Maziriri, 2015). According to Semboja (2015), the Minister of Small Business Development remarks that "foreign business owners, like those who were attacked and had their shops looted in Soweto and neighbouring townships should share their business practices with locals if they wanted to live and trade here without fear of disturbance or violence". This suggests that the xenophobic attacks are founded on the perception there are differences in the business practices of native and immigrant entrepreneurs. Immigrant entrepreneurs tend to be more successful than native entrepreneurs (Liedeman et al., 2013; Semboja, 2015). The study intends to investigate if there are significant differences in the business practices (marketing and purchase practices) and work ethics of native and immigrant entrepreneurs.

RESEARCH OBJECTIVES

In recent times, there have been attacks against immigrant-owned businesses in South Africa. There is also the perception that the business practices of immigrant entrepreneurs are different from that of native entrepreneurs. The objectives of the study are:

- 1) To examine if there is a significant difference in the marketing practice of native and immigrant entrepreneurs.
- 2) To investigate if there is a significant difference in the purchasing practice of native and immigrant entrepreneurs.
- 3) To examine if there is a significant difference in the work ethics of native and immigrant entrepreneurs.

LITERATURE REVIEW

Entrepreneur

Moreland (2006) states the term '*entrepreneur*' was first used by Cantillon in 1734 to describe a person who bears the risk of profit or loss. Nieman and Nieuwenhuizen (2009) define an entrepreneur as a person who sees an opportunity in the market, gathers resources, and creates and grows a business venture to meet customer needs. Bates et al. (2005) state that an entrepreneur should be creative, innovative, committed and determined, able to deal with risk and uncertainty, opportunity-orientated, determined and motivated to excel, self-confident, visionary-minded, superior in conceptual ability be able to inspire others. According to Timmons and Spinelli (2009), entrepreneurs are optimistic and strive for integrity, thrive on the competitive desire to excel and win, and seek opportunities to improve any situation. The term "*entrepreneur*" is often used interchangeably with "*small business owner*" (Lucky and Olusegun, 2012). The small business space in a country often includes both native and immigrant entrepreneurs. Native entrepreneurs are people that were born in a country and started business in that country Natives form the vast majority of entrepreneurs who are considered as owners of small businesses in South Africa (Fatoki, 2015).

Immigrant Entrepreneur

Immigrant entrepreneurship refers to entrepreneurial activities carried by immigrants in their host countries either through personal initiatives or with the assistance of from acquaintances in the host or home country (Nestorowicz, 2011; Tengeh, 2013). The businesses owned by immigrants are referred to as immigrant-owned businesses. An immigrant entrepreneur is a person who arrives in a host country and starts a business for the purpose of economic survival (Vinogradov, 2008; Garg and Phayane, 2014).

Theoretical Framework of Immigrant Entrepreneurship

The theories of immigrant entrepreneurship can be classified into the disadvantage theory, the cultural theory, the ethnic enclave model, the middleman minority model, the ecological succession concept, the opportunity structure theory and the interactive theory (Zhang 2010: 31).

The disadvantage theory by Light 1979 contends that the primary reason why immigrants become entrepreneurs is because of the disadvantages that they suffer in host countries. Immigrants face difficulties in entering the labour markets of their host countries. Self-employment is one of the opportunities available to immigrants. The cultural theory by Masurel et al. (2004) claims that "immigrants have some culturally specific features." These features include a strong ethnic community, economical living dedication to hard work. The ethnic enclave theory by Wilson and Portes (1980) maintains that through ethnic enclaves, customers labour and resources are acquired. The Middleman minority by Blalock (1967) and Bonacich (1973) argues that the customers of immigrant entrepreneurs typically come from ethnic or immigrant groups that are segregated from the majority group. Minority entrepreneurs play the role of middleman between producer and consumer and employer and employee. Middlemen minority tend to have strong ethnic ties. The ecological theory by Aldrich et al. (1989) contends that immigrant entrepreneurship is nurtured by changes in the environment of a residential area. Natives tend to move on to other areas when immigrant population increases in an area. This leads to a decrease in the native population. The opportunity structure theory by Evans (1989) remarks that linguistically bounded groups of immigrants can form niches that can be tapped by entrepreneurs. Immigrant entrepreneurs can obtain resources and labour from co-ethnics. The interactive model by Waldinger, Aldrich et al. (1990) explains that immigrant entrepreneurship is based on the interaction between the opportunity structure of the host society and the group characteristics and social structure of the immigrant community.

Contribution of Native and Immigrant Entrepreneurs

Small businesses play an important role in almost all economies but especially in developing countries with major employment and income distribution challenges, such as South Africa. According to Fatoki and Garwe (2010), the creation and sustainability of small businesses are vital to the economic prosperity of a country or else it risks economic stagnation. Small businesses are an important tool in poverty alleviation, income equality, employment and sustainable economic growth of South Africa (Agupusi, 2007). Immigrant entrepreneurs contribute to job creation in South Africa Garg and Phayane (2014). According to Kalitanyi and Visser (2010) 73 percent of African immigrant entrepreneurs employ South Africans, Fatoki and Patswawairi (2012), point out that the average number of people employed by immigrant entrepreneurs is four. This suggests that immigrant entrepreneurship is the one of the methods that can be used to reduce the high unemployment rate of South Africa. By creating employment, immigrant entrepreneurship can be one of the ways to reduce poverty, inequality and stimulate economic growth in South Africa (Tengeh et al., 2012). In addition, immigrant entrepreneurs contribute to the economic growth of host countries (Basu, 2011). Migrants contribute to the economy by purchasing goods and services, and importing skills (Khosa and Kalitanyi, 2014).

Challenges Facing Native and Immigrant Entrepreneurs

Kongolo (2010) remarks that "the failure rate of small businesses is very high in South Africa." Many small businesses in South Africa do not make it past the second year of

trading. The challenges faced by native-owned small businesses include: (1) access to finance: small businesses need access to capital to fund their growth and expansion. Access to finance is very limited for small businesses in South Africa and other developing (Govori 2013). (2) Inadequate infrastructure: This ranges from shortage of water supply, inadequate transport systems and lack of electricity to improper solid waste management. (Agwu and Emeti, 2014). (3) Marketing problem and lack of management skills: Factors such as high competition, low demand for products, inability to meet customer needs, wrong pricing strategies, lack of knowledge, poor location, product variety and branding and lack of functional management skills have a negative impact on the performance of small businesses (Cant and Wiid, 2013).

Immigrant entrepreneurs are challenged by: (1) xenophobia: Xenophobic violence has increased in the urban area of South Africa (Tevera, 2013). According to Chinomona and Maziriri (2015: 20), immigrants live in fear in South Africa Also strong competition exists between immigrant and native shop owners. This has led to widespread opposition by natives to immigrants conducting business in the townships (Liedeman et al., 2013). Immigrantowned shops have been the subject of co-ordinated acts of violence by South Africans. Charman and Piper (2012) argue that violence against immigrant entrepreneurs should not just be seen within the context of xenophobia but can also be explained in the context of criminal activity and economic competition. This can be described as "violent entrepreneurship" and many native South African shopkeepers have also been subjected to crime. (2) Language: An entrepreneur or someone on his or her team must have command of the language in the country in which business is being conducted (Khosa and Kalitanyi, 2014). Effective communication plays a critical role in the success of a business (Manyi, 2010). Immigrant entrepreneurs face language barrier and this prevents them from communicating effectively with customers (Forman and Larson, 2014). The failure rate of immigrant-owned businesses is often high. Immigrant entrepreneurs are negatively affected by credit constraints and language ability (Organisation for Economic Co-operation and Development, 2013). (3) Competition: According to Perks (2010), many immigrant owned shops have insufficient and limited ranges of products and suffer from severe competition from native small business owners and large retail stores. (4) Access to finance: Immigrant entrepreneurs face greater financial difficulties compared with native entrepreneurs in acquiring credit for business start-up. Many immigrant entrepreneurs have never used or had access to business and financial support from banks and other financial institutions. Immigrant entrepreneurs thus have to rely on personal savings and ethnic social resources (Basu, 2011).

Business Practices and Work Ethics

Lee (2005) defines business practice as "a frequently repeated act, habit or custom performed to a recognized level of skill. It is often thought of as the uncodified "know-how" resulting from human experience, improvisation and innovation". Business practices are the methods, processes, generally accepted techniques and standards used by a business in the pursuit of objectives to accomplish a set of outlined tasks (Neneh and Van Zyl, 2012). Good business practices produce good performance. Business practices include all the major areas of running a business such as operations, finance, marketing and purchasing (Mandal et al., 2008).

This study will focus on marketing and purchasing practices. Moloney et al. (2005) describe marketing as a business practice that focuses on the importance of having a profound appreciation for the customer. This will provide the firm with competitive advantage in the

market place. Firm performance has been established to directly depend on efficient marketing practices (Andres et al., 2009). Purchasing is a business practice that involves the activities in a firm that focuses on getting a product or service from the supplier to the final customer. Purchasing practice impacts on the ability of a firm to compete on cost, quality and supplier responsiveness (Akenroye et al., 2012). According to Van Ness et al. (2010), the concept of work ethics evolved from the work of Max Weber and focuses on the value of work commitment. Work ethics provides answers to why some individuals place a greater importance on work and appear more hard working than others. A good work ethics will positively impact on business performance of the business (Komari and Djafar, 2013).

RESEARCH METHODOLOGY

The study used the quantitative research approach with a descriptive research design. Data was collected through the use of self-administered questionnaire in a survey. The survey was conducted in Polowane and Mankweng in the Limpopo province of South Africa. The study focused on both native and immigrant entrepreneurs Because of the difficulty in obtaining the sampling frame of native and immigrant entrepreneurs in the study area, convenience and snowball sampling methods were used. A pilot study was conducted on the survey instrument used in this research with twenty native and twenty immigrant entrepreneurs in order to ensure face and content validity. To measure work ethics, twenty eight questions were developed by the researchers based on previous studies. The questions were divided into seven groups namely integrity and honesty, observance of safety regulations, productivity, proper use of tools and resources, attendance and punctuality and cooperation and team work. Nine question developed by the researchers from the literature were used to measure purchasing practice. In addition, thirteen questions developed by the researchers from the literature were used to measure marketing practice. The Likert scale question type ranging from 1 "strongly disagree" to 5 "strongly agree" was used to measure work ethics and purchasing and marketing practices. Owners were assured of confidentiality with regard to the data collected. The Cronbach's alpha was used to measure reliability. Data analysis included descriptive statistics and the independent samples T-test.

RESULTS AND DISCUSSIONS

180 questionnaires were delivered to native entrepreneurs and 75 questionnaires were returned. The response rate was 41.7%. 64 questionnaires were returned out of the 160 delivered to immigrant entrepreneurs. The response rate was 40%. The gender composition of the respondents was as follows: immigrant entrepreneurs (79% male and 21% female). Native entrepreneurs (65% male and 35% female). For the two groups, entrepreneurs in the 21-40 age brackets dominate. Most of the respondents of the study are self-proprietors (72% immigrant entrepreneurs and 64% native entrepreneurs. Most of the respondents have been operating their businesses for between 5-9 years (46% immigrant entrepreneurs, 49, native entrepreneurs), in the retail business (54% immigrant entrepreneurs and 62% native entrepreneurs).

TABLI WORK ETHICS OF IMMIGRANT A		VE ENTRI	EPRENE	URS		
	Immigrant		Native		Independent T- test	
Questions	Mean	SD	Mean	SD	F	Sig.
A. Integrity and Honesty		~-		~-		~-8.
I would not tell the truth if one of my friends would be fired		0.929				
because of my answer.	2.44		2.08	1.007	0.010	0.920
Good work ethics include the willingness to do the right thing.	4.46	0.542	4.56	0.733	0.430	0.514
I would overlook "shady" business practices if they were not		4.000	2.38	1.159	0.172	0.680
illegal and it would put money in my pocket.	2.52	1.092	2.01	0.0((0.004	0.505
Scale mean	3.05	0.854	3.01	0.966	0.204	0.705
Cronbach's Alpha	0.73	T	1		-	
Observance of Safety Provisions I don't concern myself with work safety rules; I know how to work safely.	2.68	1.186	2.56	1.198	0.021	0.885
A clean workplace insures that the workplace is safe.	4.20	0.639	4.22	0.790	2.593	0.111
An unsafe workplace can cost me money.	4.04	1.009	4.02	0.958	0.195	0.659
The cost of on-the-job accidents greatly exceeds actual medical costs.	3.86	1.088	3.62	0.855	1.688	0.197
Safety is everybody's business	4.34	0.798	4.22	0.932	0.309	0.579
Scale mean	3.82	0.944	3.73	0.932	0.961	0.486
Cronbach's Alpha	0.73	0.711	ente	01210	0.701	01100
Productivity						
I take a lot of pride in the quality of work that I complete.	4.44	0.675	4.56	0.644	0.307	0.581
Attention to detail is very important in any line of work.	4.34	0.688	4.38	0.780	0.026	0.872
It takes less time to do the job correctly the first time than to have to do it over.	3.92	0.944	3.88	0.849	0.001	0.976
Productivity includes the quality of the work, not just the quantity of the work.	4.22	0.975	4.34	0.772	0.394	0.532
Scale mean	4.23	0.821	4.29	0.761	0.243	0.740
Cronbach's Alpha	0.70			1		
Proper Use of Tools and Resources						
A certain amount of material is always wasted in the production process; therefore, employees have no responsibility for wasted materials.	3.02	1.301	2.90	1.147	1.830	0.179
If I borrow a tool, I clean it and return it as soon as I am finished with it.	3.92	0.829	4.16	0.738	0.004	0.952
I don't concern myself with wasted materials.	2.62	1.048	2.96	1.029	1.265	0.263
Improper use of tools and machinery can create an unsafe workplace.	4.26	0.965	4.28	0.730	2.376	0.126
Proper training is the key to proper use of tools and machinery.	4.28	0.858	4.42	0.575	2.527	0.115
Scale mean	3.62	1.000	3.74	0.843	1.600	0.327
Cronbach's Alpha	0.75	1				
Responsiveness to Supervision		1.00.				
I do not always follow directions if I know a better or easier way.	2.74	1.226	2.70	1.233	0.098	0.755
The ability and willingness to follow directions is important to	4.04	0.925	4.20	0.756	0.003	0.956
any kind of work.	2.20	1 0=/			0.051	0.856
Scale mean	3.39	1.076	3.45	0.995	0.051	0.020
Scale mean Cronbach's Alpha	3.39 0.71	1.076	3.45	0.995	0.031	
Scale mean Cronbach's Alpha Attendance and Punctuality I take a lot of pride in not missing work needlessly and being at		1.076	3.45			0.320
Scale mean Cronbach's Alpha Attendance and Punctuality	0.71			0.995	0.999	

recreation, I think it's OK to call in sick.				1.452	2.878	
I go to work even when I don't feel well.	2.62	1.210	2.64			0.720
3				1.241	0.129	
Scale mean	3.03	1.231	3.20	1.207	1.213	0.373
Cronbach's Alpha	0.80					
Cooperativeness and Teamwork						
Cooperation and teamwork sometimes requires me to do more	3.38	0.901	3.70			0.802
than my fair share of the work.				0.953	0.063	
Cooperation includes doing things that I would rather not do.	2.96	1.160	3.56			0.430
				0.993	0.627	
Teamwork requires working together to achieve common	4.40	0.948	4.46			0.149
goals.				0.706	2.114	
Cooperation and Teamwork include speaking up when I think	3.78	1.036	3.98			0.340
we are making a mistake.				0.937	0.920	
I will compromise my opinion sometimes for the benefit of the	3.89	0.926	2.02			0.031
team.				1.076	4.780	
Scale mean	3.68	0.994	3.54	0.933	1.701	0.263
Cronbach's Alpha	0.70					
Overall Cronbach's Alpha of work ethics	0.76					
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Significance at 0.05.

Table 1 depicts the results of the descriptive statistics and T-test of immigrant and native entrepreneurs. The Cronbach's alpha is higher than 0.70 for all the scales used to measure work ethics. This indicates a high level of internal consistency of measures. Seven scales were used to measure work ethics.

Integrity and Honesty

The scale mean for immigrant is 3.05 and native is 3.01. This indicates a slightly higher level of integrity and honesty of immigrant entrepreneurs compared to native entrepreneurs.

Observance of Safety Provision

The scale mean for immigrant is 3.82 and native is 3.73. This indicates a slightly higher level of observance of safety provision of immigrant entrepreneurs compared to native entrepreneurs.

Productivity

The scale mean for immigrant is 4.23 and native is 4.29. This indicates a slightly lower level of productivity of immigrant entrepreneurs compared to native entrepreneurs.

Proper Use of Tools and Resources

The scale mean for immigrant is 3.62 and native is 3.74. This indicates a slightly lower level of proper use of tools and resources of immigrant entrepreneurs compared to native entrepreneurs.

Responsiveness to Supervision

The scale mean for immigrant is 3.39 and native is 3.45. This indicates a slightly lower level of responsiveness to supervision of immigrant entrepreneurs compared to native entrepreneurs.

Attendance and Punctuality

The scale mean for immigrant is 3.03 and native is 3.20. This indicates a slightly lower level of attendance and punctuality of immigrant entrepreneurs compared to native entrepreneurs.

Cooperativeness and Teamwork

The scale mean for immigrant is 3.68 and native is 3.54. This indicates a slightly higher level of attendance and punctuality of immigrant entrepreneurs compared to native entrepreneurs. For all the seven factors used to measure work ethics, the results of the T-test indicate that there are no significant differences between immigrant and native entrepreneurs.

Table 2 PURCHASING PRACTICE OF IMMIGRANT AND NATIVE ENTREPRENEURS								
I UKCHASHAG I KA	Immigrant		Native			Independent T-test		
Questions	Mean	SD	Mean	SD	F	Sig.		
Do you network with other fellow business owners when purchasing from suppliers.	4.18	0.962	2.80	1.245	1.185	0.03		
Do you partner with other business owners when purchasing.	3.34	1.255	2.64	1.306	0.423	0.517		
Do you save on cost when purchasing as a group.	4.02	1.091	2.92	1.259	2.135	0.05		
Do you purchase in bulks.	4.26	0.986	3.02	1.082	0.192	0.16		
Do you receive any discount for purchasing in bulks.	4.14	0.881	3.64	1.064	2.259	0.136		
Do you have a fixed supplier	3.54	1.164	3.40	1.229	0.638	0.427		
Do you just purchase from anyone closest to you.	2.10	0.974	2.46	0.813	1.377	0.243		
Do you purchase on credit from your suppliers.	3.68	1.203	2.92	1.182	0.004	0.947		
Do you pay only cash for all your purchases.	3.48	1.182	3.54	1.054	0.871	0.353		
Scale mean	3.48	1.078	3.19	1.137	1.009	0.412		
Cronbach's Alpha	0.72		·					

Significance at 0.05.

Table 2 shows the results of the purchasing practice of immigrant and native entrepreneurs. The two variables where there are significant differences are networking and cost savings. Immigrant entrepreneurs tend to network with co-ethnics when buying and are able to buy in bulk leading to cost savings. Watson (2007) points out that networking involves information and resources sharing, reduction of costs and social interactions that exist between individuals and organisations. Chen et al. (2007) find a positive relationship between networking and firm performance. Ngoc and Nguyen (2009) point out that networking play an important role in spreading knowledge about a firm's existence and its practices. Networking also help a firm learn appropriate behaviour and increases a firm's legitimacy. Thus, networking positively influences the firm's access to external resources.

Table 3 illustrates that the only significant difference in terms of the marketing practice of immigrant and native entrepreneurs is networking. The other variables that were tested show no significant difference. The scale mean of the immigrant entrepreneur is 3.76, while the native entrepreneur is 3.61. The t-test does not indicate a significant difference at

5% level of significance. The results indicate that there are is no significant difference in the marketing practice of between immigrant and native entrepreneurs. The Cronbach's alpha of the scale is 0.76. This indicates a high level of internal consistency of the scale.

MARKETING PRACTICE O	Tab E IMMICP		ATIVE EN	TDEDD	ENIELIDS		
MARKETING FRACTICE O	Immigrant		Native		Independent T- test		
Questions	Mean	SD	Mean	SD	F	Sig.	
I gather information about what customer buys	4.32	0.587	4.28	0.904	3.779	0.055	
I gather information about the volume our customers buy	4.26	0.664	4.26	0.828	0.889	0.348	
I gather information about how often customers buy our products	4.32	0.713	4.24	0.771	0.055	0.816	
Our products are sold according to the wishes of the customers	3.80	0.969	3.86	1.010	0.183	0.670	
I offer products with different prices to different customer groups	2.42	1.263	2.40	1.385	0.916	0.341	
I use different methods to communicate with customers	3.34	0.895	3.48	1.074	1.857	0.176	
I use different marketing communication to different customer groups	3.18	1.063	3.20	1.278	2.523	0.115	
I actively seek new customers	4.36	0.827	4.12	1.100	0.950	0.332	
I prefer to concentrate on the customers we already have	2.70	1.298	2.68	1.332	0.039	0.844	
I monitor how the customer relationship develops	4.08	0.695	4.08	0.724	0.000	0.654	
Our customers become regular customers	4.30	0.614	4.28	0.671	0.049	0.825	
I consciously pursue profitable customers	3.18	1.044	3.30	1.249	2.356	0.128	
Networking plays a significant role attracting new customers.	4.56	0.611	2.80	1.048	5.894	0.017	
Scale mean	3.76	0.865	3.61	0.959	1.209	0.436	
Cronbach's Alpha	0.76	•					

Significance at 0.05.

CONCLUSION

There are xenophobic attacks against immigrant entrepreneurs in South Africa. These attacks are founded on the perception that the business practices of immigrant entrepreneurs are different from those of native entrepreneurs. The study compared the business practices (marketing and purchasing) and the work ethics of immigrant and native entrepreneurs. The results indicated that both groups of entrepreneurs have good work ethics and there are no significant differences for the seven measures of work ethics. The purchasing practices are significantly different in the areas of networking to purchase goods and purchasing in bulk. This positively impacts on the cost structure and the selling prices of immigrant entrepreneurs.

RECOMMENDATIONS

Immigrant entrepreneurs create employment and contribute to economic growth; Government agencies should start engaging immigrant entrepreneurs in their programmes. Government agencies should include immigrants in all the programmes to develop entrepreneurship in the country.

Native entrepreneurs should learn from immigrant entrepreneurs on how networking can help in attracting new customers and reducing costs. The findings of the study revealed that immigrants tend to network better than natives. Both immigrant and native entrepreneurs should help each other in overcoming the challenges that both parties face in operating their businesses in South Africa. Natives should learn from immigrants on their support network. Although this study is business oriented, it can also be of help in the social field (for example, educating locals about the evils of xenophobic attacks since xenophobia is normally blamed on business competition). There is the need for native and immigrant entrepreneurs to form trade associations especially with co-ethnics. Training of native entrepreneurs in the area of networking and purchasing can be done by agencies that support small business development in South Africa.

AREAS FOR FURTHER STUDY

It is recommended that further research should be done on how to improve networking and teamwork between immigrant and native entrepreneurs. This can help to improve the performance of both immigrant and native entrepreneurs.

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