

# DESCRIPTIVE ANALYSIS ON THE SUSTAINABILITY OF AFRICAN IMMIGRANT-OWNED MICRO BUSINESSES IN DURBAN, SOUTH AFRICA

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## ABSTRACT

*African immigrant-owned micro businesses struggle for survival amidst many challenges in the course of their entrepreneurship in Durban. Notwithstanding these challenges, they have continued to strive beyond expectations. Hence, the need to investigate the factors influencing the sustainability and sustainment of the African immigrant-owned micro businesses in Durban, South Africa. A quantitative approach was adopted with a total sample of 368 participants. The use of questionnaire was employed for data collection and cluster sampling technique was used. A maximum number of 338 questionnaires were returned. The factors investigated were; sociological factors, psychological factors, innovation factors and the need for high achievement factors. Data gathered was analysed using the Statistical Package for Social Sciences (SPSS), version 25.0 and inferential statistics.*

*The results revealed that all four factors (sociological, psychological, innovation and the need for higher achievement factors) have positive significant influence on African immigrant-owned micro businesses in Durban, with innovation factors being more pronounced. The study contributes to the sources of growth and sustainability of small, medium and micro enterprises (SMMEs), especially the African immigrant-owned micro businesses in Durban South Africa, by highlighting the inherent factors influencing the micro businesses. The study therefore, made the following recommendations as measures to propagate the sustainment of the African immigrant-owned micro businesses, namely acquisition of managerial skills; education, training and development; identification of business opportunities generating innovative ideas, identification of suitable business locations and creation of enabling business environment, for African immigrant-owned micro businesses.*

**Keywords:** African Immigrant, Micro Business, Entrepreneurship, Sustainability, Durban.

## INTRODUCTION

African immigrant-owned micro businesses, as well as other micro businesses are all welfare enhancing entrepreneurship, which supposedly takes place under good institutions that play important roles in channelling entrepreneurial imagination and initiatives into productive activities that enable consumers to maximise their utility at lowest costs (March et al., 2016). These activities are known to have generated economic wealth that is informed by innovativeness and the ability to adapt, filling gaps in the market (Herman & Szabo, 2014).

Entrepreneurship can be described as a fundamental source of increased efficiency, economic growth and wealth creation, which are important to any economy and an essential driver, as well as the one of the key tools of economic performance of a country that generates better jobs, achieves social cohesion and combats social exclusions (Herman & Szabo, 2014; Zoltan et al., 2013). Further, entrepreneurship according to Jackson (2016) is

the best activity for stimulating economic growth in South Africa, hence, has captured the interests of the universities that are encouraging their students to start-up their own businesses to boost employment for themselves and others.

However, African immigrant entrepreneurs that operate micro businesses in Durban fortunately find themselves to be in this category that stimulates the economy in South Africa through their various economic activities. Notwithstanding the imminent challenges that face these businesses, the owners have not stopped being optimistic about growing their investments and ultimately breaking through to create a smooth-running, successful business (Preece, 2015). The Durban municipality (2015) also eluded the facts that micro businesses are important forces that generate employment and income, thereby activating competition, exploiting niche markets, enhancing technical change, and stimulating local economic development and growth.

This study, therefore, investigates the factors influencing the sustainability of the African immigrant-owned micro businesses in Durban area of the KwaZulu-Natal province, South Africa. Sociological, psychological, innovation and the need for high achievement factors were investigated.

The structure of this article is as follows: a brief introduction, the research problem, an overview of the literature and the research process (methodology). Then, the presentation of results and the discussion of results. Finally, the conclusion, as well as the implication, limitations and the suggestions for further studies.

## **Research Problem**

Micro businesses may not as large corporations generate as much capital, but they are a critical component of, and major contributor to the strength of local economies (Brown, 2015). The question remains; how would these businesses flourish to generate capital and boost local economies? Under which condition do these business activities operate? The circumstances surrounding the operation-ability of entrepreneurship in Durban remain very tense. There seems to be unsettled scores between the indigenes of South Africa and African immigrant entrepreneurs, and even other African immigrants that are not in business. So many attacks have been recorded in the past against African immigrants by the locals. And in any of these attacks, properties, businesses and possible loss of lives were recorded.

According to Ezennia & Mutambara (2020), xenophobic attacks on African immigrants were recorded in April 2019 resulting in the loss of two lives in KwaZulu-Natal province of South Africa. This sent bad signals to the public and caused tension to grip the entire population of African immigrants in and around Durban. Further, the scholars observed that some people call these attacks xenophobic; others brush it away as just crime, while others argue that South Africans are not xenophobic. Former President of South Africa Thabo Mbeki once argued that South Africans are not xenophobic. He argued that aboriginal are just trying to protect their market from African immigrants who outcompete them in the township market (News24, 2019).

Moreover, in another account, from the South Africa government perspective, the government backslid in providing an enabling environment to protect the lives and property of the African immigrant-owned micro businesses by arguing that African immigrants in South Africa are involved in most of the crimes committed in South Africa. The above claim was substantiated during the meeting of African Ambassadors to South Africa and South African government representatives (Minister of International Relations and Co-operation, Lindiwe Sisulu; Minister of Police, Bheki Cele; and Minister of Home Affairs, Siyabonga Cwele), to ascertain the South Africa government stance and response on the xenophobic attacks that took place in March/April 2019. But, instead of addressing issues squarely, the

South African government representatives (Ministers) presented a litany of crimes being committed by African immigrants in South Africa (Fabricius, 2019).

It is now a common knowledge that a substantial number of African immigrants from the African continent operate micro businesses in Durban, making goods and services available to their customers. However, the hostility and unsympathetic treatment of African immigrant, has resulted in so many xenophobic outbreaks and other xenophobic tendencies towards African immigrants. Therefore, having considered the details of the above, the study needs to be carried out to investigate the factors influencing sustainability of African immigrant-owned micro businesses in Durban, South Africa.

## LITERATURE REVIEW

The definition of African immigrant-owned micro businesses falls in line with the South Africa's Companies Act of 2008, which defined foreign-owned businesses as businesses that are incorporated outside of South Africa. According to the Companies Act of 2008, should such companies wish to establish business operations in South Africa, they may be required either to set-up branches by registering them as foreign companies (external companies) or an incorporate wholly owned subsidiary of the foreign companies. African immigrant-owned micro businesses are businesses owned by black Africans from the African continent who owns businesses and participate in entrepreneurship wherever they found themselves, including South Africa. The difficulties in securing employment in the host country's labour market mostly drive so many of them into starting-up a micro business, as means of support for livelihood (Ngota et al., 2018). These businesses in turn create jobs and offer employment to both locals and the migrants.

In the South African context, micro businesses have been defined as those companies, "*with an annual turnover of less than ten million Rands*" (Ansary, 2016). But in this study, micro businesses can be characterised as businesses that have less than R100, 000 gross assets, excluding fixed property. The reason is that it best suits the population of African immigrant-owned micro businesses in Durban, which this study is based on. A majority of them find themselves in this category because of the proven difficulties in raising capital and lack of adequate support from the authorities.

An entrepreneur may be born out of zeal and courage to start a business and be the boss of his/her own business. Depending on the level of his/her entrepreneurial motivation, the business may be taken to the next level. These entrepreneurial business ventures are not usually big; they range from solo projects to major business undertakings, creating huge job opportunities. Small business owners are often satisfied in their small craftsmanship. Invariably, an entrepreneur exploits their talent with the constant urge of evolving their business while it grows, keeping aside the monetary interest. Running a one-person business is a creative, flexible and challenging way to becoming one's own boss and projecting one's own future. It foretells life creation as well as earning a living wage. Furthermore, it takes courage, self-determination, and foresight to aspire to be an entrepreneur. An entrepreneur ventures into uncharitably territories of business, unlike the relatively safe corporate world (Ezennia & Mutambara, 2020).

Nevertheless, for a micro business owner to grow into a successful entrepreneur there must be a vision and passion to succeed, keeping in mind the needed points that drive a business to the heights of roaring success, foremostly, the right attitude. An entrepreneur should be optimistic, avail themselves to new ideas, exhibit willingness to research and ask questions, and show the ability to reflect on past mistakes by one's self and others, to learn better practices (Ezennia & Mutambara, 2020).

Entrepreneurship has been one of the main sources of job creation which has a direct influence on economic growth and also guides national propensity. African immigrant-owned micro businesses have been recognised as an important propeller of economic growth and the regeneration of economies via the contributions to economic development, innovation, and job creation made by foreign national entrepreneurs (Khosa & Kalitanyi, 2014). Nevertheless, Radovic-Markovic & Salamzadeh (2012) also assert that entrepreneurship is a great factor which can contribute immensely towards an economic development, in any country of the world. Then again, according to Singh & Ashraf (2020), *“there exist two different types of entrepreneurship namely formal and informal entrepreneurship. The scholars describe formal entrepreneurship as entrepreneurship associated with new ventures creation which is registered, while the informal entrepreneurship is associated with new ventures that are not registered through the law but legal in all aspects”*.

African immigrant-owned micro businesses flourish in South Africa, especially since the defunct apartheid regime. South Africa is seen as fertile ground for entrepreneurship and other opportunities by the foreign nationals who come from the several continents of the world, for new and better opportunities from various fields of international endeavours. However, there is a large congregation of Asian and African immigrants in South Africa, making up more than other people from other continents. Asians from China, Pakistan, Bangladesh, India, Korea, and Africans from Zimbabwe, Ethiopia, Ghana, Congo, Cameroon, Somalia, Kenya, Nigeria, and Senegal, for instance. These African immigrants possess refined entrepreneurial qualities that enhance their ability in establishing and running successful businesses in their host countries (Ezennia & Mutambara, 2020).

Moreover, getting to hear about the success of African immigrant entrepreneurs in South Africa boosts the conviction of other economically minded foreign nationals to move to South Africa, not only for profit-making but also inclusion in the social class and being one's own boss. African immigrants may be significant catalyst in the creation of new businesses, and that African immigrant's entrepreneurship can positively impact the economy of South Africa, which (foreign national entrepreneurship) have proved to be key engines of growth in their host countries (Ezennia & Mutambara, 2019).

### **Contributions of African Immigrant-Owned Micro Businesses in South Africa**

African immigrant-owned micro businesses are considered to be one of the possible vehicles for economic growth in South Africa. Chimucheka & Mandipaka (2015) argue that the SMME sector is touted as an economic engine for many countries, namely: South Africa, Nigeria and Ghana. Chimucheka & Mandipaka (2015) claim the researchers in the field of entrepreneurship have also confirmed that the SMMEs sector plays a key role in economic growth, job creation, poverty alleviation and addressing inequality. Despite the numerous contributions made by African immigrant-owned micro businesses towards South Africa's economy, African immigrant-owned businesses continue to suffer while facing many challenges. However, the fears created by actions of the local populace coupled with other criminal activities and corruption meted-out on African immigrants causes setbacks on their business development and sustainability.

### **Challenges Faced by African Immigrant-Owned Micro Businesses in South Africa**

The recent increase in globalisation and technology has led to increased immigrant entrepreneurship in many countries including South Africa. In South Africa, immigrant entrepreneurs face many challenges in operating micro-enterprises, some of which are detrimental to their enterprises and may lead to their exit. The challenges facing foreign-owned micro businesses in South Africa are discussed below:

## **Xenophobia**

Khosa & Kalitanyi (2014) in their study on the challenges in operating micro-enterprises by African foreign entrepreneurs in South Africa discovered that although xenophobia is not a frequent problem to African foreign entrepreneurs, it is detrimental to their enterprises. Recently, two people were killed in a xenophobic violence in KwaZulu-Natal; local residents raided the homes of some foreign nationals, forcing them to seek refuge at nearby police stations and mosques (Alfreds & Phakgadi, 2019). These attacks cause setbacks in their businesses as a result of the looting of their goods.

## **Access to Finance**

Access to finance has been described as the major constraint to foreign-owned micro businesses in South Africa. According to Peters & Naicker (2013), most SMMEs in South Africa are unable to access funds because of poor market research, an inability to produce an acceptable business plan that meet the standards required by financial institutions, and a lack of access to vibrant markets. Mthimkhulu & Aziakpono (2015), in their study, also confirm that a limited access to finance is one main reason for the inability of SMMEs to expand and internationalise their businesses and this is due to inadequate collateral on the part of the entrepreneur as well as the absence of credit history.

## **Lack of Managerial Skills**

A skill has been described as the ability to do something. According to the Bureau of Economic Research (BER) (2016), management or managerial skill is a critical factor for the success of any organisation. However, in South Africa, a skills-gap is a national issue which is affecting many businesses, micro businesses inclusive. BER (2016) notes that micro businesses, especially those in the service sector, are negatively affected by a shortage of skills.

## **Poor Infrastructure**

A poor physical infrastructure has been identified as another challenge which threatens the survival and growth of micro businesses in South Africa. According to the Edinburgh Group (EG) (2013), the inadequate physical infrastructure both at home and, to some extent, in foreign countries is an impediment to the growth and survival of SMMEs worldwide, in which South African is no exception. However, Herrington et al. (2014) argue that in South Africa, physical resources such as transportation, land, communication, utilities, and electricity are expensive and discriminate against new, small or growing SMMEs.

## **Regulatory and Legal Issues**

Schwab & Sala-i-Martin (2014) in their study, confirmed that government bureaucracy or red tape is a key obstacle to entrepreneurial development in South Africa. James (2016), in his study, also claims that the delays in obtaining export permits and licenses are some of the aspects that hinder investment and efficiency of foreign-owned micro businesses in South Africa. An effective legal and regulatory framework promotes competition by avoiding excessive restrictive licensing requirements and allows international and regional banks better SMME-lending tools to enter the market.

## **Lack of Research and Development**

Rahman & Ramos (2013), in their research, note that the failure rate of micro businesses in Africa is as a result of, "*low levels of research and development*". Chimucheka

& Mandipaka (2015) claimed that the failure rate of micro businesses in South African can be attributed to low research and development capabilities. The authors postulate that some businesses in South Africa do not invest in research and development because they perceive them as expensive initiatives.

### **Lack of the Use of Technologies and Information**

According to BER (2016), most micro businesses in South Africa still battle to cope with the rapid changes in information technology. Hyder & Lussier (2016) also note that the failure rate of micro businesses in South Africa can be attributed to a failure on the part of the owner to take advantage of information technology. Hyder & Lussier (2016) discovered that SMMEs lack technology or the expertise to research and develop new business ideas and innovations.

### **Language Barrier**

Language barrier is a main challenge confronting foreign-owned business in South Africa. Moreover, language is considered as the mirror of culture and composed of verbal and non-verbal components. South Africa has national pride in terms of its culture and official languages, therefore an entrepreneur and the team can only survive if they have command of the language in the country in which business is being conducted (Ezennia & Mutambara, 2019).

### **Factors influencing African immigrant-owned Micro Businesses**

Entrepreneurship can never be devoid of strategies, hence, the extant kinds of challenges amidst some business opportunities. In other words, the entrepreneur cannot progress without facing some kind of challenge(s) that pose as a threat towards harnessing that imminent business opportunity identified, which s/he ought to strategize for accomplishment. The process of venturing into entrepreneurship is crooked, not continuous or orderly, but the change in the antecedent variables that trigger the activities must be understood (Barreira et al., 2015). Notwithstanding the common challenges mentioned in the literature by some authors and schools that are associated with entrepreneurs and entrepreneurship, other entrepreneurial challenges evolve which are discussed below. The evolution emanates from various dispositions, but is not limited to sociological, psychological, innovative and the need for high achievement factors.

#### **Sociological Factors**

There are some fundamental factors associated with the social sphere that determine entrepreneurship. These factors, as Ikeije & Onuba (2015) posit, emanate from the attributes of ethnic affiliation, race, social interconnectivity, and cultures. Arguably, however, elements such as, “*personal traits (risk-taking attitude, personal performance, inner control, target orientation), motives, and incentives*” of an entrepreneur are environmental factors that confront the successes of the entrepreneurship (Ikeije & Onuba, 2015). Conversely, a study that investigated the socio-cultural factors in the context of Buddhism practiced by the majority of Lao people revealed that Lao culture embraces collectivism and the traditional values of Theravada Buddhism, which is a belief system that functions inherently against entrepreneurial spirit (Bhasin & Ng, 2019). Hence, since the nature presents the society with assorted ambiance, better relevant business oriented behavioural ways of achieving successes should be encouraged and acquired.

#### **Psychological Factors**

Entrepreneurs are known for the exhibition of certain psychological characteristics like work commitment, zeal for total control, self-confidence, need for achievement (Fisher et al., 2014), acceptance of ambiguity and innovativeness, and an ability to face challenges and uncertainty (Anabela et al., 2013). These, in many other ways, pose a great challenge to the great demands of entrepreneurship and, most especially, towards being a productive entrepreneur. Invariably, personal qualities do enhance entrepreneurs' zeal to embark on any enterprise, abound with risk and uncertainty, and squarely face challenges. Moreover, these traits allow the entrepreneur to pick himself up after unfortunate business fall or any failures and continue with their innovative, renewing, and enterprising intuitiveness (Miller, 2015). A lack of psychological assets has been referred to as a challenge confronting an achievable wide range of entrepreneurship success by the entrepreneur who, hitherto, should provide the entrepreneur with the needed confidence to tackle and ameliorate some challenges, and equally show resilience after failure (Baron et al., 2016). Fadzil et al. (2019) believe that psychological factors alone are inadequate in establishing new venture, hence, the need to consider other factors. Additionally, Sajuyigbe & Fadeyibi (2017) examined the influence of women entrepreneurs on sustainable economic development in Nigeria and the result revealed that majority of the women entrepreneurs face psychological, sociological and other challenges.

### **Innovative Factors**

Innovation is not unique to large multinational business organisations but also affects new and small businesses, which have proved to be the modern drivers of economic growth. Thus, entrepreneurship as the economic driver is a function of new business ideas, concepts, and new value propositions, and has become desirable by several economies for growth and development. According to Ezennia & Mutambara (2020), factors enhancing innovation are training and development, business skills, generation of innovative ideas, active participation in community development, design and introduction of new products and establishment of new line of businesses. Salamzadeh (2015) posits that being innovative and creative is a function of a process of a new venture creation, which is involved in entrepreneurship towards maximizing value.

### **Need for High Achievement Factors**

The pursuit for high achievement has also been associated to each individual's hunger for power and hedonism, which has added up to the entrepreneur's challenges to enhance a willingness to square-off risks and uncertainty and take initiative in the face of challenges with daring energy (Miller, 2015). A high achievement motivation may serve to ignite the entrepreneurial intentions and link them to actionable business activities. As much as the course to the need for high achievement and risk-taking tendencies pose some challenge, they also contribute immensely to the development of a positive entrepreneurship attitude in an entrepreneur (Uddin & Bose, 2012). Kothari (2013) suggests that the key to a successful entrepreneur lies in achievement motivation and a high need for achievement.

## **RESEARCH METHODOLOGY**

This research investigated the factors influencing the sustainability of African immigrant-owned micro businesses in Durban Central Business District in KwaZulu-Natal province of South Africa. In order to achieve this, a quantitative approach was adopted to investigate the research phenomenon which includes the formulation of a comprehensive questionnaire. The variables were measured using a 5-point Likert scale ranging from "strongly disagree" to "strongly agree". The questionnaire was self-administered to the

participants so as to give the researcher the opportunity to address the essence of the research and clear all doubts, which motivated the African immigrant entrepreneurs to give sincere responses. A total of 364 questionnaires were distributed using cluster sampling technique to select participants for the study. 338 filled questionnaires were returned which represents a response rate of 92.68%. The quantitative data gathered was analysed using Statistical Package for Social Sciences (SPSS version 25.0) software. Descriptive statistics, t-test and correlation were also employed to give a good understanding of how the participants have reacted to the items in the questionnaire.

## RESULTS

Demographic statistics shows that 84.91% of the participants were males, whilst 15.1% were females. Majority of the participants, a total of 153 (45.3%) were between the ages of 31-40, followed by the participants in-between the ages of 41-50 years which were 132 (39.1%). Most of the participants have lived in South Africa for a 10-12year period. Accordingly, it was revealed that most businesses owned and run by African immigrants in Durban were under the categories of African food and groceries (28.1%) and household items and services (28.4%). These groups are followed by those that deal in ICT (Information and Communication Technology) and Innovation, which made 19.2% of the population sample, whilst the category of wearables and cosmetics made 16.9% of the sample. The least of the categories is the ungrouped items that made only 7.4% of the entire population sample.

### Reliability (Cronbach's alpha)

Cronbach's alpha was used to determine the reliability of the research instrument.

<b>Dimension</b>	<b>Number of items</b>	<b>Cronbach's Alpha</b>
Sociological factors	10	0.873
Psychological factors	11	0.877
Innovation factors	8	0.873
Need for high achievement	10	0.731
All dimensions	39	0.937

It was revealed that all variables had alpha values between 0.731 and 0.937. According to Sekaran & Bougie (2016) a Cronbach's coefficient alpha score of 0.7 and beyond is considered reliable. This indicates that the data collected was reliable (Table 1).

### Validity (KMO and Bartlett's test)

To determine the validity of the research instrument, normality test was carried out to check if the data is normally distributed; it was tested for Skewness and Kurtosis. Kurtosis value measures if the data is peaked or flat relative to its normal distribution. For a normal distribution, skewness and kurtosis is assumed to have values between -2 and +2 (George & Mallery, 2016). The Skewness ratio value is between -0.228 and -1.110; and Kurtosis ratio value is between -0.531 and 1.343. As a result, the data were normally distributed.

### T-test

One sample t-test was used to determine whether there is a statistically significant agreement or disagreement of the African-immigrant owned micro businesses. This was



measured by comparing their means to a scalar of '3'. The findings are shown on the Table 2 below.

<b>Variables</b>	<b>T</b>	<b>Sig. (2-tailed)</b>	<b>Mean</b>	<b>Standard deviation</b>
Sociological Factors	155.641	0.000*	4.592	0.42433
Psychological Factors	160.750	0.000*	4.622	0.41358
Innovation Factors	78.018	0.000*	4.646	0.85913
Need for High Achievement	160.094	0.000*	4.383	0.38786

Note: \*  $p < 0.01$

The findings of the test revealed that there is significant agreement in the levels of sociological factors, psychological factors, innovation and need for high achievement factors at a 1% level of significance.

Furthermore, bivariate correlation (Spearman correlation) was run to determine the relationship between the variables at 95% confidence interval.

<b>Dimension</b>	<b>r/ p</b>	<b>Sociological Factors</b>	<b>Psychological Factors</b>	<b>Innovation Factors</b>	<b>Need for High Achievement</b>
Sociological Factors	r p	1.000 0.000*			
Psychological Factors	r p	0.821 0.000*	1.000 0.000*		
Innovation Factors	r p	0.651 0.000*	0.709 0.000*	1.000 0.000*	
Need for High Achievement Factors	r p	0.681 0.000*	0.598 0.000*	0.554 0.000*	1.000 0.000*

Note: \*  $p < 0.01$

According to Hinkle et al. (2003), the rule of thumb states that 0.90 to 1.00 indicates very high positive correlation, 0.7 to 0.9 high positive correlations, 0.5 to 0.7 moderate positive correlations, 0.3 to 0.5 low positive correlations and 0 to 0.3 negligible positive correlations.

Table 3 above shows that there is a high positive correlation between sociological factors and psychological factors respectively at the 1% level of significance. There was also moderate positive correlation between psychological factors and innovation respectively at the 1% level of significance. Furthermore, there was a moderate positive correlation between innovation and need for high achievement at the 1% level of significance.

## **DISCUSSION OF RESULTS**

### **Sociological Factors**

The overall mean for the construct was 4.592, indicating an agreement that sociological factors are among the key factors influencing the sustainability of African immigrant-owned business in Durban. However, further analysis of each item within the construct revealed that 92% agreed that they are able to communicate with customers and suppliers in their business, 98% agreed that they understand the importance of time and deadlines, 99% understand when customers ask questions or highlight their needs, 90% agreed that they know how people respond to management and authority, 98% agreed that they understand how customers make decisions and negotiate, 89% agreed that they have the

ability to manage employees and projects, 95% agreed that they have the tendency to take business risks, 100% agreed that they are able to develop and maintain business relationships, 97% agreed that they can negotiate successful business deals and 96% agreed that they have the ability to enter into the local market. This therefore indicates that sociological factors have a significant positive relationship towards the success of African immigrant-owned business in Durban.

The t-test indicated that there is a significant agreement that sociological factors play a vital role in the sustainability of African immigrant-owned business in Durban, ( $M=4.59$ ,  $SD=0.424$ ,  $t(338)=155.64$ ,  $p<0.01$ ).

It was also established that language is an important factor which affects African immigrant-owned businesses in South Africa. Summarily, lack of knowledge of the local language remains very vital to the smooth running of the business, in other words, in absence of the knowledge of the indigenous language, effective communication, information gathering, and evaluation are hampered (Ngota et al., 2018). Therefore, it is recommended that an entrepreneur and his team can only survive if only they have a full command of the language in the country in which the business is being conducted.

### **Psychological Factors**

The overall mean for the construct was 4.62, indicating an agreement that Psychological factors are among the key factors that influences the sustainability of African immigrant-owned business in Durban.

Each item in the construct shows that 98% agreed that they continuously strive for improved business performance, 97% agreed that they maintain business and inter-personal relationships with locals, 70% agreed that they always ask for feedback to evaluate the business, 98% agreed that they pursue challenging goals, 94% agreed that they have the ability to face opposition, 98% agreed that they are inclined to possess foresight, 100% agreed to that fact that they have the desire for higher achievement, 91% agreed that they do not rely on external funding, 87% agreed that they possess managerial skills needed for the business, 98% agreed that they have self-confidence and 100% agreed that they are passionate about the business. It is therefore evident that psychological factors positively influenced African immigrant-owned micro businesses in Durban. According to Ezennia & Mutambara (2020), psychologists concentrate on personality traits to explain the entrepreneurial choice of an individual.

The t-test indicated that there is a significant agreement that psychological factors influence the sustainability of African immigrant-owned business in Durban, ( $M=4.62$ ,  $SD=0.413$ ,  $t(338)=160.75$ ,  $p<0.01$ ). Additionally, the study found that not all the owners of African immigrant's micro businesses in Durban received formal entrepreneurship education, training, and development. Also, the success of an entrepreneurial business depends on the educational background of the entrepreneur as well as the kind of training and development programmes they received. The study, therefore, recommends formal entrepreneurial education, training, and development to African immigrant owners of micro businesses in Durban.

### **Innovation Factors**

Entrepreneurship as the economic driver of innovation is a function of new business ideas, concepts, and new value propositions, and has become desirable by several economies for growth and development. The overall mean for the construct was 4.65, indicating an agreement that innovation factors are among the factors influencing the sustainability of African immigrant-owned business in Durban. Further analysis of each item within the

construct revealed that 56% agreed that they offer training and development for their kind of business to interested entrepreneurs, 53% agreed that their enterprise serves as a marketing outlet for companies, 84% agreed that they have acquired business skills to strengthen business culture, 60% agreed that they generate innovative ideas for industries, 94% agreed that they partake in economic development of the community, 78% agreed that they have introduced a new product onto the market, 82% agreed that they have opened up a new line of businesses and 94% agreed that they have introduced new ideas to develop their businesses. The study therefore, revealed that entrepreneurial innovation factors positively influenced African immigrant-owned business in Durban.

The t-test indicated that there is a significant agreement that innovation factors do influence the sustainability of African immigrant-owned business in Durban, ( $M=4.65$ ,  $SD=0.859$ ,  $t(338)=78.02$ ,  $p<0.01$ ). The finding of this area of the study also supports other existing studies (Amorós & Bosma, 2014; Herrington et al., 2014). The findings also revealed that not all the African immigrants were able to identify business opportunities in Durban before investing in the economy. It is against this drawback that the study recommends that African immigrant owners of micro businesses in Durban should indulge in research and feasibility studies to enable them to develop and to be able to identify several extant business opportunities beckoning them for investment.

### **Need for High Achievement Factors**

According to Kothari (2013), the key to a successful entrepreneur lies in achievement motivation and a high need for achievement. The overall mean for the construct was 4.38, indicating an agreement that the need for high achievement factors is among the factors that influences the sustainability of African immigrant-owned business in Durban. Further analysis revealed that 98% agreed that they have a family to support, 43% agreed that they are faced with peer pressure, 99% agreed that they have the desire to increase the size of their business, 94% agreed that there is availability of business opportunities, 77% agreed that their business is well-sited on a good location, 63% agreed that there is economic and political instability in their country, 75% agreed that South Africa has an enabling business environment, 97% agreed that they have business skills and strategies, 98% agreed that they want to improve their lifestyle and 100% agreed that they have the desire to be well-established in their line of business.

The t-test indicated that there is a significant agreement that the need for high achievement factors influence the sustainability of African immigrant-owned business in Durban, ( $M=4.38$ ,  $SD=0.388$ ,  $t(338)=160.09$ ,  $p<0.01$ ). This indicates that the need for high achievement factors positively influenced African immigrant-owned business in Durban. This result agrees with the findings of Kothari (2013); Polya & Szucs (2013). It is therefore recommended that African immigrant entrepreneurs should indulge in feasibility studies to locate to more suitable and strategic business locations prior to business investment.

## **CONCLUSION**

Entrepreneurship has been acknowledged to be the fundamental source of increased efficiency, economic growth and wealth creation, which are important to any economy and is an essential driver and one of the key tools of the economic performances of a country. It generates jobs, achieves social cohesion and combats social exclusions. In South Africa, African immigrant entrepreneurs face many challenges while operating their various businesses. Some of these challenges have proved to be detrimental to their businesses and even life threatening and may lead to their extermination.

However, despite all these challenges faced by African immigrant-owned micro businesses, their contribution to the economic development of South Africa as a country cannot be over emphasised. The study investigated the effect of four key factors namely, sociological, psychological, innovation and the need for high achievement, and how these factors influence African immigrant-owned micro businesses in Durban, South Africa. The results indicate that sociological, psychological, innovation and the need for higher achievement factors have positive significant influence on African immigrant-owned micro businesses in Durban, with innovation factors being more pronounced.

It is mostly an undeniable fact that many foreign-owned micro businesses, especially African immigrant-owned micro businesses in Durban and South Africa, are faced with diverse challenges, including rigid regulatory framework, crime, xenophobia and culture issues. The study, therefore, recommends that the government should, as a matter of importance create a flexible regulatory framework, create conducive and opportunity-driven enabling business environment, including the protection of the lives and property of the African immigrants and their businesses in Durban and nationwide. The acquisition of managerial skills should be encouraged by organising workshops to educate more entrepreneurs. Training and development must be enhanced, which may lead to possible identification of business opportunities, generating innovative ideas and identification of suitable business locations.

By implications, the study was limited to only African immigrants who owned and operated micro businesses in Durban. Therefore, future research should focus on African immigrant-owned micro businesses from two or more large economic cities in South Africa, such as Johannesburg, Cape Town or Pretoria, or in some other country. Future studies can also include immigrants from other countries of the world and across continents other than Africa.

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