



THE UNIVERSITY OF ZAMBIA  
IN COLLABORATION WITH  
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HYBRID ENTREPRENEURSHIP A VIABLE ROUTE FOR DEVELOPMENT OF  
MORE RESILIENT ENTERPRISES: A CASE OF NDOLA

BY  
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## **DEDICATION**

I wish to dedicate this paper to my lovely wife Brenda Chandhla and my children Mumba, Towela and Natasha. Thank you all for your loving support during my period of study.

## **ABSTRACT**

The study investigated the practice of hybrid entrepreneurs in Ndola. Noting high enterprise failures in the country, it was important to identify a cadre of entrepreneurs that were prepositioned to develop stronger and more resilient enterprises. Previous studies had presented benefits of hybrid entrepreneurship and indicated that enterprises run in that form survived for longer periods than other. Therefore hybrid entrepreneurs could be considered for this purpose. The objectives of the study were to determine the level of involvement in hybrid entrepreneurship among people in fulltime employment in Ndola; to examine why hybrid entrepreneurship should be considered as a viable way of developing more resilient enterprise in Ndola; and to suggest what could be done to promote hybrid entrepreneurship in Ndola as a way of entering into entrepreneurship. A typical case sample of 418 individuals in fulltime employment in Ndola was included in the study and the methodology utilized was descriptive survey.

The findings showed that majority of respondents owned private enterprises besides holding on to their formal jobs. A further majority of those not owning any enterprises intended to setup enterprises within the next two years. This indicated that the concept of hybrid entrepreneurship was popular in Ndola. The study revealed that most of the enterprises owned by respondents showed characteristics of pushed entrepreneurship. It was also found that the benefits of hybrid entrepreneurship available to respondents to some extent failed to fully address some challenges faced by entrepreneurs. The funds raised seemed inadequate to finance both initial capital and operations. Despite this challenge, it was found that enterprises owned by the respondents survived longer than the general small and medium scale enterprises (SMEs) in Zambia and thus could be seen as

more resilient. Some benefits that accrued to the enterprises associated with the jobs such as access to pay-backed loans, access to employers' business networks; and work experience could partly be attributed to the prolonged existence of the enterprises. It was concluded that, with the right business environment and support from Government, hybrid entrepreneurship could lead to formation of stronger and more resilient enterprises in Ndola.

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## CHAPTER I

### INTRODUCTION

#### **Background of the Study**

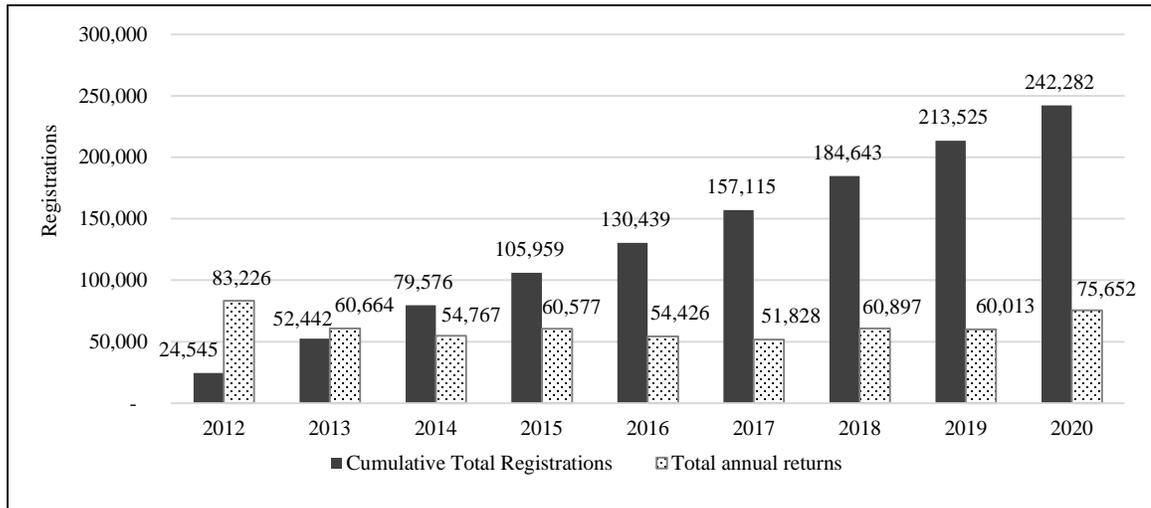
Entrepreneurship plays different important roles in national economies. It provides a livelihood for the owners of the enterprises; creates jobs for the masses and provides goods and services thereby contributing to the general welfare of society. There are a variety definitions of entrepreneurship. However, most writers agree that entrepreneurship involves risking resources in setting up a new enterprise or developing an existing one resulting in change and new products. According to Nasereddin (2019, p. 93), Schumpeter describes an entrepreneur as “a person who [is] willing and able to convert a new idea or invention into a successful innovation.” Innovation entails improvement, thus key to the concept of entrepreneurship is better processes, techniques and products. Schumpeter also associated entrepreneurship with the idea of “creative destruction” where entrepreneurs destroyed existing business structures to create new and improved ones (Gunther, 2018). Thus, entrepreneurship should bring about organizational change and provision of new products. Mehmood et al (2019, p.1) describes entrepreneurship as achievement of “something new and tangible.” These new and tangible things are solutions to society problems as well as needs for goods and services created within an enterprise setup. The enterprises meet the needs of society while society pays for the solutions. Diandra and Azmy (2020) describes new areas of focus in entrepreneurship as management processes

such as creativity and autonomy; enhancing capacity adaptability and creating economic and social value. Thus, as the new products are being produced using such entrepreneurial skills as creativity, innovation and risk taking, the end result of the entrepreneurial process should be enhanced economic and social value. The constant innovation makes enterprises continuously answer to society's problems, thus making society heavily dependent of enterprises for its well-being. It is this interdependence that results in strong enterprises. This is confirmed by Ajide and Kameel (2018) who indicate that the major role of entrepreneurship was associated with taking risks and developing strong business enterprises. Thus higher entrepreneurial activity should result in higher levels of more resilient enterprises in a country.

This was not the case with Zambia as over the years, the country had seen high levels of entrepreneurial activity, but also experienced high levels of enterprise failures. Analyzing the trends of enterprise formalization at the Patent and Companies Registration Agency (PACRA) also showed downwards trends in enterprise activity. The statistics for name and company registrations as well as annual returns filed with the PACRA showed that the total number of registrations of business names and companies rose cumulatively from 24,545 to 242,282 between 2012 and 2020, representing an increase to 987.1% cumulatively of the figure at the start of the period. The enterprises that submitted annual returns reduced from 83,226 to 75,652 representing a 9.1% decline. (PACRA, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019 & 2020). The figure of annual returns and its decline over the period of consideration compared to the cumulative approved registrations gave an indication that most enterprises formed in Zambia were inactive or going under. These

trends to a large extent indicated a high rate of businesses not taking off or discontinuing experienced in Zambia (See Figure 1 and Appendix B).

**Figure 1: Showing trends in the registrations of business names and companies as well as annual returns submissions from 2012-2020**



*Source: PACRA*

In the same vein, the Global Entrepreneurship Monitoring (GEM) Zambia report of 2012 revealed that the country recorded increased dynamic entrepreneurial activities with 41% of its citizens aged between 18-64 years old involving themselves in entrepreneurial activities, one of the highest rates in the World (Chigunta & Mwanza, 2017, p.52). However, according to Herrington and Kelley (2012, pp. 27-28), Zambia experienced one of the highest business discontinuance rate in the world, at 20%, over a period of twelve months with only four percent of new enterprises in Zambia surviving beyond three and a half years. As a result, Zambia remained highly dependent on imports for most household goods and industrial supplies and on copper for its exports (Chikalipah, 2018; Sikamo, Mwanza & Mweemba, 2016).

According to Mumba (2017), the high levels of entrepreneurial activity among Zambians indicated absence of secured and prestigious employment. Majority of the people running small businesses were seen as pushed into entrepreneurship by the need to survive. The claims by Mumba (2017) were not backed by statistical evidence. If his sentiments were proven, that could explain why there was high decline in number of active firms in the country as Nasiri and Hamelin (2018) and Mumba (2017) indicate that necessity-driven entrepreneurs do not carefully plan initiatives; and usually pay little attention to innovation and growth, thus ended up collapsing. Mubita et al (2017) add that other challenges that hampered the growth of small and medium scale enterprises (SMEs) in Zambia were lack of access to market; too much competition from imports; limited access to capital; inadequate business infrastructure; unstable income; poor access to land and trading premises; lack of security resulting in crime and thefts and problems of transportation. These challenges portrayed an unstable and unsupportive business environment in Zambia that could also be leading to the collapse of many enterprises.

Zambia made several efforts towards enterprise development since independence in attempts to diversify the economy away from dependence on copper mining. Statutory bodies such as Zambia Industrial Mining Corporation (ZIMCO) and its preceding institutions and the Small Industry Development Organization (SIDO) and its successors were all meant to promote local industries (Nuwagaba, 2015; Makuyana & Odhiambo, 2014). According to United Nations Conference on Trade and Development (2017), Zambia still remained highly dependent on copper mining as the efforts could not achieve the diversification that they were intended for due to various reasons amongst which were limited funding and inadequately defined mandates for institutions as ZIMCO, SIDO and

others. Recently the Government embarked on the Private sector development programmes to promote entrepreneurship as guided by the long-term Vision 2030.

Some researchers prescribe government interventions as solutions to the high rates of small enterprise failures in Zambia. Beyani (2016) propose creation of financial products targeted at SMEs to address the challenges of access to capital, such as modification of collateral requirements. Mumba (2017) suggests more incentives in form of tax relief; access to infrastructure; training and management assistance while Lose (2020) suggests management support through formally organized business incubation services. While the suggested measures might address some challenges faced by SMEs in Zambia, it was felt that focus could also be made on promoting the growth of a large cadre of entrepreneurs with higher chances of success. Promoting *hybrid entrepreneurship* could achieve significant results in this direction. Zambia had promoted entrepreneurship among people who were not employed as an alternative to employment. The concept of hybrid entrepreneurship had not been considered to promote enterprise development.

According to Folta, Delmar and Wennberg (2010), *hybrid entrepreneurship* is when a person holding a full-time job also engages in entrepreneurship activities. Kritskaya et al (2017) adds that hybrid entrepreneurs are more resilient to challenges in the early years of setting up an enterprise and can survive longer than fulltime entrepreneurs. Solesvik (2017) also indicates that hybrid entrepreneurs are more educated; do not have difficulties finding capital; and that they find it easier to test their business ideas while holding on to

secured paid jobs thus limiting risks. Hybrid entrepreneurship offers a great relief from many challenges in the early years of setup such as limited access to capital and other management issues.

Considering the above, it was believed that hybrid entrepreneurs in Zambia could be prepositioned to succeed better than fulltime entrepreneurs. Thus, hybrid entrepreneurship might provide a viable way of establishing stronger and more resilient enterprises in the light of high rates of business discontinuance in Zambia. According to the Central Statistics Office (2019, p. 30), Zambia had approximately 931,000 people in formal employment as at 2018. This formed a base from which potential hybrid entrepreneurs could be drawn.

Previous studies on entrepreneurship conducted in Zambia concentrated on entrepreneurship in general and did not focus on hybrid entrepreneurship. This researcher wondered whether there were many people in paid jobs taking up enterprise development in the country. If yes, what was the nature of their operations and was the business environment in Zambia allowing them realize the known benefits of hybrid entrepreneurship? Was their survival long enough for them to get established? Thus, this study sought to determine the evidence on practices of hybrid entrepreneurship in Ndola city and further examined why hybrid entrepreneurship should be considered as a viable route for the establishing strong and more resilient enterprises noting the known benefits of hybrid entrepreneurship. The study also sought to find out whether the motives of hybrid entrepreneurs in Ndola for entering into business were driven by opportunity or necessity. This characterization of motives assisted to determine the growth potential of their

businesses. The study also tested whether enterprises of hybrid entrepreneurs survived longer compared to the general SMEs in Zambia. Therefore, the main purpose was to determine whether hybrid entrepreneurship could be used as a viable route for establishing stronger local enterprises in Ndola. The results of the study would be useful in drawing attention of policy makers to promotion of hybrid entrepreneurship and its benefits to enterprise development.

The study was conducted in Ndola, ranked third largest city in Zambia. The city experienced closure of industries during privatization of state owned enterprises between 1991 and 2000 resulting in high unemployment levels. As a result, the city experienced a rise in the informal sector. Ndola accommodated various private sector industrial and commercial enterprises, Government ministries and departments. Therefore, it provided a typical business environment of a Zambian city, thereby offering an appropriate site where the research could be conducted.

### **Statement of the Problem**

Noting the high rate of business discontinuance in Zambia, there was need to identify a cadre of entrepreneurs who could set up more resilient enterprises with higher chances of success and determine what kind of support they needed to grow their enterprises. Hybrid entrepreneurs were probable candidates for that purpose due to the benefits enjoyed in setup and sustaining an enterprise compared to fulltime entrepreneurs (Solesvik, 2017). Therefore, the overall research problem addressed was to establish why hybrid entrepreneurship should be considered as a viable way to establish and own more resilient enterprises in Zambia and Ndola in particular. The study examined the nature of businesses owned by hybrid entrepreneurs in Ndola. One question that was addressed in the study

was to determine what the motives for entering into business by most hybrid entrepreneurs in Ndola were. The study sought to characterize the motives as necessity-driven or opportunity-driven in order to determine the enterprises' potential for growth. Another question addressed was whether the benefits enjoyed by hybrid entrepreneurs in Ndola translated into longer periods of survival for the enterprises compared to what was found for the general SMEs in previous studies. According to Herrington and Kelley (2012, p.28), the GEM Zambia Report indicates that only four percent of enterprises formed in Zambia survive beyond three and half years. The author wondered whether the survival rate for hybrid entrepreneurs in Ndola was different.

Mumba (2017) attributes the failures of entrepreneurs to many challenges significant ones being motives for entering into entrepreneurship; lack of innovativeness; lack of capital; lack of important business management skills such as financial management; and extended family responsibilities. Hybrid entrepreneurship offers some advantages that might resolve some of these challenges. The author wondered whether the hybrid entrepreneurs in Ndola enjoyed these benefits.

There seemed to be little or no studies to find out how hybrid entrepreneurs were faring in Ndola. Therefore, it was important that this study be done. Hybrid entrepreneurship was considered a safer and more likely-to-succeed way of launching and owning startup enterprises in Ndola. The study highlighted the circumstances surrounding hybrid entrepreneurs in the city and determined whether their enterprises were more resilient than the general SME. The results would provide empirical evidence for policy makers and draw attention to hybrid entrepreneurship as a viable route to development of stronger enterprises

in Ndola. If this study was not done, there would be no information about hybrid entrepreneurship in Ndola and an opportunity to promote stronger enterprises would be missed.

### **Purpose of the Study**

The study was a descriptive survey aimed at examining the plight of hybrid entrepreneurs in Ndola. The major purpose of the study was to solicit concern for hybrid entrepreneurship as an alternative for promoting enterprise development in Ndola. Noting the benefits of the concept, it was believed that, if well promoted, hybrid entrepreneurship would result in prevalent of more resilient enterprises in the city. The participants' motives for entering into business, benefits being realized from the practice and the average duration of survival and many more were examined. The results would aid policy makers to capitalize on the concept in the promotion of enterprise development in Zambia. The survey was conducted among people in fulltime employment in Ndola using a standardized questionnaire.

### **Objectives of the Study**

#### **General Objective**

The general objective of the study was to examine the prevalence, nature and practices of hybrid entrepreneurship in Ndola in order to determine why hybrid entrepreneurship could be considered a way of promoting stronger and more resilient enterprises in Ndola with a view to suggesting what could be done to assist in its growth and sustainability.

#### **Specific Objectives**

In pursuing the above objective, the study considered the following specific objectives:

1. To determine the level of involvement in hybrid entrepreneurship among people in fulltime employment in Ndola.

2. To examine why hybrid entrepreneurship should be considered as a viable way of launching more resilient enterprise in Ndola.
3. To suggest what could be done to promote hybrid entrepreneurship in Ndola as a way of enhancing enterprise development.

### **Research Questions**

Based on the above objectives, the research sought to answer the following research questions:

1. What was the level of involvement in hybrid entrepreneurship amongst people in fulltime employment in Ndola?
2. What was the nature of enterprises run by hybrid entrepreneurs in Ndola?
3. Why should hybrid entrepreneurship be considered as a viable way of developing more resilient enterprises in Ndola?
4. What could be done to promote hybrid entrepreneurship in Ndola?

### **Hypothesis Formation**

In order to subject some major findings to statistical estimation and tests, the following hypotheses were tested:

- $H_01$ : There is no significant difference between the proportion of necessity-driven hybrid entrepreneurs in Ndola and the opportunity driven proportion.
- $H_02$ : Hybrid entrepreneurs in Ndola survived for periods of at least three and half years on average.

### **Significance of the Study**

The study would generate information about the level of involvement in hybrid entrepreneurship amongst fulltime employees in Ndola. It would reveal possible hindrances potential entrepreneurs face in taking up the activity as hybrid entrepreneurs. This information would help policy makers make decisions on how they could assist hybrid entrepreneurs and those employees interested to venture into enterprise development.

It was assumed that promoting hybrid entrepreneurship could aid creation of more resilient and sustainable enterprises as well as foster welfare and wealth creation amongst workers in the city of Ndola. Further, it could broaden the base for the source of entrepreneurial activities in the city by making people in formal employment think about adopting entrepreneurship while they continue holding on to their jobs. The more people took up hybrid entrepreneurship, the more the city would see sustainable enterprises developed.

### **Working definitions**

In the study, the following were adopted as working definitions:

1. **Entrepreneur:** The person who starts a business or develop an existing one by staking resources with the aim of earning a living or generating wealth.
2. **Entrepreneurship:** The art of starting or developing a business through innovation, creativity and staking productive resources in order to earn a living or create wealth.
3. **Fulltime employment:** a paid job on permanent basis or contract in an institution owned by another person(s) with standard work week of 35-40hours of work.
4. **Fulltime entrepreneur:** a person who owns and runs a business on fulltime basis to earn a living and generate wealth by producing and selling a product(s).

5. **Global Entrepreneurship Monitor (GEM) Zambia Report:** An annual assessment of the national level of entrepreneurial activity in Zambia. GEM is an assessment of entrepreneurial activity that is conducted in multiple, diverse countries. GEM is based in London, England.
6. **Hybrid entrepreneur:** A person who runs a privately owned business while holding a fulltime paid job.
7. **Hybrid entrepreneurship:** This is when a person holding a full-time job also engages in entrepreneurship activities at the same time.
8. **Enterprise maturity:** Refers to the period of survival of an enterprise of 3½ years or more as defined by GEM.
9. **Ndola:** The headquarters of the Copperbelt Province of Zambia and third largest city after Lusaka and Kitwe in terms of population.
10. **Necessity-driven entrepreneurs:** Entrepreneurs who are compelled to go into business in order to meet basic family needs and survive.
11. **Opportunity-driven entrepreneurs:** Entrepreneurs who are attracted to go into business because they identified an opportunity for business or have a desire for growth or to use their creativity through running an enterprise.

### **Study Area**

Ndola was the headquarters and third largest city of the Copperbelt Province. According to the Central Statistics Office (2013a), the city had 455,194 inhabitants in 2010 accounting the 23.2 percent of the population in the Copperbelt Province. The population of Ndola in 2020 was estimated at 585,974 according to the Zambia Statistics Agency (ZSA) Census Projections for 2011-2035 (Central Statistics Office, 2013b).

The city hosted all ministries, government departments and Government agencies as well as a wide range of industries in all sectors of the economy. The city experienced widespread closure of companies between 1992 and 2002 with 549 companies ceasing operations during the restructuring of the Zambian economy (Nel, Smart & Binns, 2017, p.205). Much of the economic activity in the city was centred on agriculture, commerce and trade at the time of the study.

According to the Central Statistics Office (2013a), the approximated number of persons formally employed in Ndola was 59,692 as at 2010. The city had high cost residential areas, medium cost, low cost and peri-urban centres. The city provided a typical business environment of a Zambian city and was a viable site where this study could be conducted.

### **Limitations of the Study**

This study was not short of limitations. There seemed to be absence of information about the updated total number of people in fulltime employment in Ndola City. The ZSA formerly Central Statistics Office (CSO) could only provide data generated in the 2010 National Census. Therefore, the researcher had to make projections of levels of employment at the time of the study in the city basing on the 2010 statistics (See Appendix B).

## CHAPTER II

### LITERATURE REVIEW

#### Conceptual Framework

Zambia had pursued enterprise development since independence through various programmes and institutions which included the Zambia Development Agency (ZDA) and its preceding institutions as well as Private Sector Development Reform Programme (PSDRP) ending in 2021 (Makuyana & Odhiambo, 2014; Nuwagaba, 2015; Ministry of National Development Planning, 2017). Despite these efforts, enterprises still continued facing major challenges with many of them folding.

In the 1990's, the Government of Zambia had embraced the concept of entrepreneurship where private sector participation in the economy was central (Makuyana & Odhiambo, 2014). Zambia, like any other African country, could take advantage of entrepreneurship as an opportunity for enterprise development. However, the country continued to face high levels of business discontinuance among entrepreneurs (Herrington & Kelley, 2012).

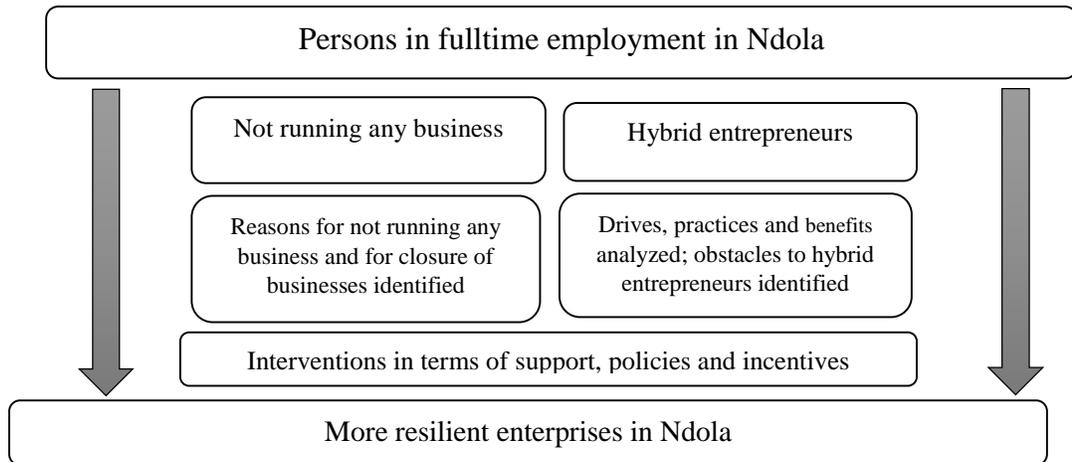
The author believed that in addition to all solutions to reduce failures of entrepreneurs, hybrid entrepreneurship should be in setting up and owning stronger and more resilient enterprises. This was because of the benefits the practice offered to enterprise development. According to Folta, Delmar and Wennberg (2010) *hybrid entrepreneurship* is when a person holding a full-time job also engages in entrepreneurship activities.

Kritskaya et al (2017) observes that hybrid entrepreneurs re more resilient to challenges in the early years of setting up an enterprise, sustaining a small business and can survive longer than fulltime entrepreneurs. Additionally, Solesvik (2017) writes that hybrid entrepreneurs tend to be more educated than fulltime entrepreneurs and are expected to manage their enterprises better and earn more profits. Hybrid entrepreneurs had access to startup capital as a result of the jobs they held. Further, persons in fulltime jobs had access to the employers' business networks where they were not been legally restricted by employment contracts. The above and other benefits prepositioned hybrid entrepreneurs for better success in business than fulltime entrepreneurs. In conceptualizing, the researcher saw a positive connection between the promotion of hybrid entrepreneurship and an increased number of successful entrepreneurs and more resilient enterprises in Ndola.

The study was aimed at finding out the nature and practice of hybrid entrepreneurship in Ndola. The characteristics of participants and their motives for entering into business were examined. Further, the benefits and duration of survival of hybrid entrepreneurs were also investigated in order to justify why hybrid entrepreneurship should be considered in the development of more resilient local enterprises in Ndola.

The researcher believed that promoting hybrid entrepreneurship could be more effective way of developing stronger enterprises in the city. Policy makers could focus on helping those people who were already in hybrid entrepreneurship as well as entice those fulltime employees with potential to succeed as entrepreneurs to start businesses. The conceptual framework for this study is illustrated in Figure 2 below.

*Figure 2: Showing the conceptual framework*



*Source: Author*

### **Relevant Literature**

Literature was reviewed at two different stages. Firstly, theoretical literature review was conducted to explore entrepreneurship and hybrid entrepreneurship as the central concepts on which this study was based. Secondly, empirical literature review was conducted to find out the global, regional and local practices of hybrid entrepreneurship.

### **Theoretical Literature Review**

The study was based on the theories of entrepreneurship and particularly hybrid entrepreneurship. Zambia embraced entrepreneurship as a way of promoting enterprise development and employment creation in the early 1990's after the introduction of free market economy. The study focused on analyzing the practice hybrid entrepreneurship in Ndola in order to determine how the concept could aid enterprise development. The sections that follow below review the concepts of entrepreneurship and hybrid entrepreneurship.

### Definition of Entrepreneurship

There seem to be no common definition of entrepreneurship. However, most writers agree that entrepreneurship involves identifying an opportunity; setting up a new business or developing an existing one using innovation, creativity and other entrepreneurial skills. A simplified view of the concept is given by Diandra and Azmy (2020, p.236) who indicate that entrepreneurship is defined as a “practice that begin[s] with action and creation of a new organization.” Therefore, enterprise creation is at the centre of the concept of entrepreneurship for some scholars. However, according to Carvalho and Madeira, (2021, p. 1) the term entrepreneurship was first used by Richard Cantillon in 1755 who defined an entrepreneur an “individual who buys raw materials, processes them, and sells them to another individual for an uncertain price because he identifies a business opportunity and takes a risk.” Cantillon was among the first writers to associate risk taking to entrepreneurship. Risk taking was seen as a prominent factor in entrepreneurship practice even at the time of this research.

As the concept evolved, other characteristics such as innovation became eminent. According to Nasereddin (2019, p. 93), Schumpeter described an entrepreneur as “a person who is willing and able to convert a new idea or invention into a successful innovation.” Schumpeter was the first writer to link entrepreneurship and innovation in 1934 (Carvalho & Madeira, 2021, p. 1). He proposed the idea of creative destruction where entrepreneurs destroyed existing business structures to create new and improved ones (Gunther, 2018). Carvalho and Madeira (2021) indicate that to Schumpeter innovation was a new combination of existing resources. Thus key to the concept of entrepreneurship is

organizational change with better processes, new techniques and new products. Omoruyi et al (2017, p.1) describe entrepreneurship “as the ability of an individual or a group of individuals to create or discover an opportunity and utilize it to the benefit of the society, which, in turn, will bring success to the innovators and their organization.” Thus, as the individuals or groups exploit business opportunities, they earn a living and create wealth for themselves. At the same time, community benefit from the new products that result from exploitation of opportunities enhancing social welfare.

Recently, some authors emphasized mindset and entrepreneurial skills application in their view of the concept. Adrianda and Azmy (2020, p. 236) describe “art entrepreneurship [as a] relatively new topic of research and the focus area[s] are exploring the management process of entrepreneurship such as creativity and autonomy, capacity for adaptability, and create artistic as well as economic and social value.” The entrepreneurs adopted the right mindset and skills with the aim of creating value in form of new solutions to society’s problems. The term “entrepreneurs” is used to describe people who take financial risk in running a business and people who find more productive use of factors of production.

### The Role of Entrepreneurship

Apart from facilitating the creation new enterprises and improvement of existing one, entrepreneurship promoted efficiency and thus sustainability as well as survival of enterprises. According to Butler (2020, p.6) the key roles of entrepreneurs were those of being “innovators or in spotting opportunities or taking risks in the world of future uncertainty.” Innovation was strongly linked to human progress and economic development (Diandra & Azmy, 2017; Mumba, 2017; Omoruyi et al, 2017) as it made

human activity even more productive. Entrepreneurs were constantly facing pressure to innovate in order to make their products cheaper, more advanced as well as appealing to the ever changing tastes of consumers while bearing the risk of investment. Thus, innovation resulted into better lives of people in the society. Butler (2020) regards entrepreneurship as the unseen factor of production which ensured capital, labour and land were put to effective use to create value. Thus entrepreneurship promoted efficiency and created a strong interdependence between the enterprise and its customers which had an effect on the sustainability and survival of enterprises.

### The Entrepreneurial process

The entrepreneurial process describes the stages that entrepreneurs go through in the establishment of their enterprises. According to Matzembacher et al (2019) the entrepreneurial process consists of *four* stages as follows:

1. *Idea generation* – This is the first stage and starts when one decides to take up entrepreneurship. The stage involves analyzing the need or problem in the community and identifying the product to satisfy the need. The mode of delivery of the product is also carefully decided upon.
2. *Opportunity recognition* – Under this stage, entrepreneur analyses the market for imperfections and identifies the actual location of problems to be addressed in the environment. The entrepreneurs identifies the target market and estimates the level of demand.
3. *Opportunity development stage* involves establishing the business concept. The entrepreneur takes into account the available resources; decides how to approach the

- market and determines the marketing mix. The entrepreneur draws up a business plan as a guide to developing the enterprise. Time and skill are important at this stage.
4. *Venture launch and business exploitation stage* involves mobilization of human, capital and physical resources. The enterprise is established at this stage. Legal requirements such as name registration and incorporation are met. The product is introduced to the target market and managed throughout its life cycle.

In the process of promoting strong enterprises, it was important to understand at which stage an enterprise was in order to determine the opportunities and challenges being faced. To facilitate the transition of an entrepreneur through the stages required personalized attention which addressed firm specific issues. Such attention to challenges faced by firms could well be achieved through a well-organized permanent institution such as a business incubator.

#### Motives for entering into Entrepreneurs

Studies had shown that the success of an enterprise had a connection to the motives of its formation. According to Hyndman-Rizk and De Klerk (2015), entrepreneurs can be categorized as “pulled” or “pushed” entrepreneurs. On one hand, a pulled entrepreneur is one who identifies an opportunity and voluntarily invest resources to exploit that opportunity in order to earn a profit. According to Dawson and Henley (2012), pulled entrepreneurs are referred to as *opportunity-driven* entrepreneurs. They volunteer to startup enterprises and normally are well prepared for it. They tend to go into businesses they have a passion for and are more likely to succeed. Fairlie and Fossen (2018) indicate that opportunity-driven entrepreneurs are associated with growth potential. Such were

entrepreneurs that Government should harness and promote in order to come up with strong local enterprises.

On the other hand, pushed entrepreneurs were those who started businesses in order to survive. Dawson and Henley (2012) describe this type of entrepreneurs as *necessity-driven entrepreneurs* or *refugee entrepreneurs*. They are forced to start a business by the need to survive and are usually ill-prepared for it with less likelihood of succeeding. According to Fairlie and Fossen (2018), necessity-driven entrepreneurs do not show significant zeal to grow their enterprises. The absence of growth often led to stagnation, low profitability and business failure. This group was also important to enterprise development, even though they needed special Government intervention and assistance to ensure success. The advantage of working with this group was that they had already shown interest in enterprise development, but were only lacking in certain aspects such motive and skills in the chosen area of business. Thus, Government assistance was required to reorient their motives and assist them in areas of weakness in initiating and running their enterprises.

#### Enterprise Size Classifications

The level of growth of an enterprise determined its vulnerability to shocks in the environment. The smaller the enterprise, the fewer the resources and the more likely it was to succumb to hostile events in the environment. According to Beyani (2016, p. 20) and Ministry of Commerce Trade and Industry (2008), the sizes of enterprises in Zambia are classified as follows:

- i. Micro-enterprises employed from 1 to 10 employees and annual turnover of up to K150, 000.

- ii. Small scale enterprises employed from 11 to 49 employees or annual turnover between K151, 000 and K300, 000.
- iii. Medium scale enterprise employed from 50 to 100 employees or annual turnover between K300, 000 and K800, 000.

Any enterprise with more than 100 employees was classified as large.

### Causes of Failure of Entrepreneurship

Enterprises faced a wide range of challenges, some of which might lead to their closure. Early years of existence were especially difficult for most enterprises and most do not survive beyond the first five years (Wani, 2018). According to Mumba (2017) causes of failure among SMEs relate to motive of entry into entrepreneurship; managerial incompetence; unbalanced experience and training; lack of experience in the business; neglect, fraud, disaster; insufficient fund control; lack of capital; poor record keeping; lack of understanding financial management; and inefficient decision making. Similarly, Mubita et al (2017) adds that other challenges that hampered the growth of SMEs in Zambia were lack of access to market; too much competition from imports; limited access to capital; inadequate business infrastructure; unstable income; poor access to land and trading premises; lack of security resulting in crime and thefts and problems of transportation. Support to entrepreneurs should be targeted at addressing the specific issues being faced by an enterprise. Thus, understanding the firm specific issues might assist in implementing an effective support program that might lead to establishment of strong local enterprises.

### Creation of an Enabling Environment

In promoting entrepreneurship, a blanket solution might result into less relevant assistance reaching some entrepreneurs. Butler (2020) indicates that Government would be wasting taxpayer's money to support many businesses that were not entrepreneurial at all. He sees entrepreneurship process as evolutionary in which firms that innovated succeeded or went under. He indicates that most new businesses fail within the first five years of existence. He also doubts the fact that there is a way of predicting which enterprise would flourish or fail. Thus, authorities should put into place a support system that was sensitive to the stage of development at which an entrepreneur was and to associated challenges in order to ensure effective enterprise development. Subsidizing and offering aid to all new enterprises might only result in only helping a few enterprises that would survive.

Many studies made suggestions on how the various challenges faced by entrepreneurs could be addressed. Butler (2020, p. 10) and Mulenga (2020) suggest that a way that would help would be to “create right conditions under which entrepreneurship might rise and thrive.” This environment would encourage many people to experiment at entrepreneurship. Many would fail, but there would be a higher number of surviving enterprises. Wani (2018) prescribes two key strategies for enterprises to survive beyond the first five years existence. The first strategy is harnessing and improving entrepreneurial management skills. The vision held by entrepreneurs for their businesses, coupled with appropriate management skills provided a good combination of ingredients for success of the enterprise. Assessment of viable enterprises and support to entrepreneurs should take these factors into consideration. Focus should be on maximizing attainment of high levels

of entrepreneurial skills among Zambian entrepreneurs. The second strategy recommended by Wani (2018) is Government support. Support could be a direct response to firm specific challenges or creation of a supportive business environment where resource acquisition was easier and protection was afforded for weaker but promising value adding enterprises. Other areas of support could be in production, marketing and human resources management.

While it was important to focus on such areas, access to finance by SMEs was by far the biggest challenge for the sector in many countries, especially those in early years of existence. Zambia could learn from countries like Rwanda on promoting access to financing through commercial banks which resulted in establishment and expansion of small enterprises thereby contributing to robust economic growth. Rwanda had recorded one of the highest economic growth rates in Africa (World Bank, 2020). According to Nuwagaba (2015) and Kaili et al (2019), SMEs formed over 90 percent of most economies and their contribution in terms of employment creation and to the gross domestic product (GDP) was immense and justified the need for them to receive proper support. Investment in the SME sector means support to a major part of the economy.

### Business Incubation

Business incubation is a powerful tool in promoting entrepreneurship. According to Lose (2021), the concept of business incubation had been widely adopted in India, Brazil, South Africa, Kenya and Egypt. Hamauswa et al (2017) indicate that business incubators assisted startup businesses in various ways which include management support, marketing, office space, training, production techniques, access to finances, branding and packaging, networking and many more. At the time of this study, there seemed to be absence of

business incubators funded by the government in Zambia. Well-funded incubation programmes could significantly change the progress of many entrepreneurs in the country.

### Considering Hybrid Entrepreneurship

In order to realize tangible results from entrepreneurship promotion, there was need to identify a cadre of entrepreneurs who could easily be assisted to overcome the above challenges with direct or indirect support. These were people who already had a good source of constant income; had some decent education with some level of skills and also had an interest in enterprise development. Such entrepreneurs would have time to fully prepare themselves with necessary financial resources and management skills which were lacking in the majority of Zambian enterprises. People in fulltime employment mostly qualified to this group. This argument formed the basis of this study that people in fulltime employment could offer advantages at enterprise development over those who were unemployed. Thus promoting entrepreneurship among employees could be beneficial to enterprise development.

According to Folta et al (2010) people who combine fulltime employment and personal entrepreneurial activities are termed as hybrid entrepreneurs. Studies had shown that hybrid entrepreneurship could offer some benefits that promoted SMEs development. According to Folta et al (2010), Solesvik (2017) and Kritskaya et al (2017), when in fulltime employment, entrepreneurs had:

- i. Access to resources such as loan options supported by the job;
- ii. Access to already developed social networks of the firms where they worked;

- iii. Attained higher levels of education which equipped them with conceptual skills required in business;
- iv. Some level of skill in management and financial matters which were critical to success of a business enterprise.
- v. A chance to test business ideas thus limiting risk of failure.

These factors predisposed hybrid entrepreneurs more towards success at entrepreneurship than fulltime entrepreneurs. Further, apart from enjoying the above benefits, Solesvik (2017) adds that hybrid entrepreneurs tended to get involved in knowledge intensive and high technology industries and these enterprises were likely to earn more profits. Such enterprises were more likely to survive the challenges in the early years of formation.

Hybrid entrepreneurs could use social networks of their current jobs to run their private businesses. According to Turkina (2018, p.1) “social networks stimulate business growth by reducing transaction costs, creating business opportunities, and generating knowledge spillovers.” The networks offered a ready market and potential sources of industrial supplies for the entrepreneurs. They were also a potential source of vital information on current trends in the business enabling hybrid entrepreneurs make effective business decisions. Thus, the availability of developed business networks gave hybrid entrepreneurs an advantage over fulltime entrepreneurs.

The above features were inherently unique to hybrid entrepreneurs, but had been mentioned in previous studies as lacking in most SMEs (Hamauswa et al, 2017; Mumba, 2017; Atsan, 2016), which led to their failures. Thus enterprises set up by hybrid entrepreneurs were

more likely to withstand challenges related to these factors and remain sustainable for longer periods. The above reasons predisposed hybrid entrepreneurs towards greater chance of success at entrepreneurship than those in fulltime entrepreneurship. It was justified for policy makers in Government to focus on hybrid entrepreneurship as a formidable way to launch and manage stronger enterprises. Some researchers had indicated that over 50% of businesses in most countries were run in this way (Folta et al, 2010). Hence, promoting hybrid entrepreneurship would supporting a major proportion of entrepreneurs the economy.

Hybrid entrepreneurship also presented some unique challenges to the owner. One implication of hybrid entrepreneurship was that time had to be split to attend to the business and the job. Solesvik (2017) writes that how an individual handled risks determined how much time the person allocated between the job and the private enterprise. His study among hybrid entrepreneurs showed that risk averse individuals allocated less time to the private enterprise than to their jobs, while the opposite was true for the high risk takers. The time allocation had obvious implications for management of businesses. Entrepreneurial activities required supervision. Thus, the success of the business run by hybrid entrepreneurs might depend heavily on the skill and reliability of the employees. Whether the level of success of the business was proportionate to time allocated was subject to determination by future research.

Even with the above challenges, advantages positioned hybrid entrepreneurship at a better chance of succeeding than other types of SMEs (Kritskaya et al, 2017). However, the

researcher wondered whether enterprises formed by hybrid entrepreneurs in Ndola had potential for growth and were more resilient than the general SMEs.

### **Empirical Literature Review**

Empirical literature was reviewed at three levels namely global, regional and local to establish the basis for the study as highlighted hereunder. The aim of the review was to determine the practice of hybrid entrepreneurship at all the levels in order to form the basis for this study.

#### **Global Level**

Published materials of hybrid entrepreneurship were reviewed examining the global view of the concept. One prominent study on hybrid entrepreneurship was conducted by Folta et al (2010). The study was done among hybrid entrepreneurs in Sweden among other things to explain entry into hybrid entrepreneurship and self-employment; and explaining the effect of hybrid entrepreneurship on self-employment entry. The findings were that the learning acquired from the practice of hybrid entrepreneurship led to enhanced self-efficacy which also led to transitioning to fulltime entrepreneurship. Further, it was found that entry into hybrid entrepreneurship was influenced by individual switching costs, uncertainty around entrepreneurial context and quality of the individual's human capital. People with highly paid jobs opted to establish businesses as hybrids. The study concluded that there was little evidence that financially constrained individuals chose to establish businesses as hybrid entrepreneurship to supplement income.

Kritskaya et al (2017) conducted a study in Norway covering the period from 2003 to 2015 in which they compared businesses started by hybrid entrepreneurs with businesses started by individuals who were fulltime self-employed. The study was aimed at examining differences in individual, business gestation process, firm performance and business survival. They found out that hybrid entrepreneurs were younger; had higher education levels but lower entrepreneurial human capital in terms of startup experience and experience from similar work. They also found out that firms of hybrid entrepreneurs were less likely to be team startups or corporations, but more likely to start from the scratch with lower capital than the fulltime self-employed counterparts. Further, hybrid entrepreneurs had lower growth expectations. However, it was found that hybrid entrepreneurs had a higher chance of survival than fulltime entrepreneurs.

In a longitudinal case study conducted in Norway by Solesvik (2017), experiences of two hybrid entrepreneurs were compared. The special cases were that of a hybrid entrepreneur who intended to transform into fulltime self-employed and one who wanted to remain as hybrid entrepreneur. Both cases of entrepreneurs were highly successful and the enterprises experienced significant growth. The study concluded that hybrid entrepreneurs should not be treated as a homogeneous group because there were some who wanted to keep their jobs and those who wanted to become fulltime self-employed.

Drescher (2018) highlighted key points of the Amway Global Entrepreneurship Report 2018(AGER) with regard to how hybrid entrepreneurship could be fostered. AGER comprised data from 44 countries drawn from Europe, Asia, Africa and North and South America. The paper was aimed at reporting on the public opinions on entrepreneurship based on the results of the AGER. It was observed that hybrid entrepreneurs enjoyed the

security of a regular income from their jobs and gained experience in self-employment at the same time. This gave them a better foundation to decide to go into fulltime self-employment or go back to fulltime employment or retain their hybrid status. The entrepreneurial experience gained helped to build self-efficacy which could result in better chances of success at entrepreneurship for those involved. Thus, it was observed that supporting hybrid entrepreneurship provided a promising way to foster entrepreneurship in general. It was recommended that hybrid entrepreneurs required more attention and recognition. Little was known about hybrid entrepreneurs in Zambia. Thus, it was important that this study be conducted to highlight their situation.

Schulz et al (2018) studied the role of hybrid entrepreneurship in explaining multiple job holders' earnings structure based on the British Household Panel Survey (1991-2008). The analysis showed that engaging in self-employment as a second job significantly increased the chances of having higher average earnings in the second job as compared to holding two paid jobs. Hybrid entrepreneurship provided a second source of income for the entrepreneurs. In developed economies, the practice was highly rewarding based on these findings. However, studies were needed to be done to compare what was happening in less developed economies like that of Zambia.

In a study conducted in Quebec, Canada, Luc et al (2018, p. 89) focused on determinants of hybrid entrepreneurship. They examined the influence of "socio-demographic variables; employees' perceptions on accessibility to resources and of work and quality of the paid job on their hybridization process." Each factor was examined to show what influence it had on hybrid entrepreneurs' choices. They found that employees' progress towards becoming fully fledged entrepreneur was stimulated by easy access to business advice and

also by work autonomy in the employee's wage job. These findings had implications for policy makers in their quest to promote hybrid entrepreneurship. Business incubation could be an important factor to support the entrepreneurs. Further, policy makers could work with employers to establish some autonomy in jobs such as working from home or flexible hours where possible.

In a case study of J.M. Reid Bamboo Rods, an enterprise dealing in fishing rods in Ontario, Canada, Ferreira et al (2019) discussed entrepreneurial marketing issues facing small businesses. The study followed the journey of Mr. James Reid who left his job to transition into fulltime entrepreneurship. Ferreira et al (2019, p. 867) found that when presented with opportunities for business growth, Mr. Reid evaluated the impact of growth on his "business model, brand image and his passion." The case demonstrated the importance of maintaining brand values and a clear strategic approach which were also seen as limiting the growth potential for the enterprise. The entrepreneur deliberately slowed down growth of the enterprise and examined the implications that growth brought in on management of the enterprise. This finding probably partially explained why businesses held by hybrid entrepreneurs in Ndola seemed to experience slow growth. A more detailed study in the growth strategies of the hybrid entrepreneurs was recommended.

Jayathilaka and Sachitra (2020) examined factors that affected drivers to engage in hybrid entrepreneurship in Sri Lanka. The study used age, income, education, passion (motivation and skills acquired) and resource acceptance (family support, employment support and the possibility to obtain a loan) as influencing factors to engage in hybrid entrepreneurship. They found out that sufficient skills acquired and family support significantly influenced decision to engage in hybrid entrepreneurship. People with higher skills and who received

sufficient family support were more likely to transition to fulltime self-employment. Family played a critical role in most startup businesses, especially those starting from the scratch. Family support was evident even in most Asian-owned enterprises in Ndola.

Ferreira (2020) reviewed existing academic literature related to hybrid entrepreneurship with a view to establishing factors influencing the likelihood of transitioning from hybrid to full-time entrepreneurship. A model for predicting transition to full time entrepreneurship was established containing four factors namely fear of failure, perceived risk, entrepreneurial competency development and self-efficacy as predicting factors for transitioning. The findings of this study had practical implications for policy makers on what to focus on in supporting the hybrid entrepreneurs through the journey of transitioning from hybrid to fulltime entrepreneurship. Incubators and other support systems could address the fear of failure and provide necessary platforms for entrepreneurial skills development for the candidates necessary for success of the enterprises.

### Regional Level

The literature for the African region with regard to hybrid entrepreneurship was also reviewed. Dzomonda and Fatoki (2018) carried out a study among working individuals in South Africa. The study was aimed at demystifying the motivations towards hybrid entrepreneurship. It was found that participants regarded entrepreneurship highly and had high intentions to venture into hybrid entrepreneurship. The participants indicated that their desire was to supplement income and obtain non-financial benefits. The study also showed less supportive employers' policies towards hybrid entrepreneurship. If hybrid entrepreneurship was this popular among people in fulltime employment, it would be easy to promote with right conditions in place.

A study conducted in Nigeria by Aladejebi (2020) was aimed at finding out why people combined fulltime employment and entrepreneurship. It was found out that most of the hybrid entrepreneurs were employees in the public sector with majority between the ages of 31 to 50years. It was also established that the major motives for going into hybrid entrepreneurship were autonomy and extra income.

A study conducted by Quartey et al (2017) whose main objective was “to provide some understanding about SMEs’ access to finance within the West African sub-region.” The study was focused on establishing whether there were similarities and/or differences in the determinants of SMEs access to finance. It was found that access to finance was significantly influenced by factors such as firm size, ownership, strength of legal rights, and depth of credit information, firm’s export orientation and the experience of the top manager. The study exposed important differences in the correlates of firms’ access to finance at the country level. The findings therefore had significant implications for national policies. This finding demonstrated that the profile of the enterprise had great implications for access to finance. It was important then to understand what the experience of hybrid entrepreneurs in Ndola was with regard to access especially to commercial bank financing.

### Zambian Level

There seemed to be absence of literature on hybrid entrepreneurship for Zambia. The researcher therefore reviewed literature related to promotion of entrepreneurship in Zambia in general. The aim of the review was to show how the country promoted entrepreneurship and determine how hybrid entrepreneurship could change the outcomes of the efforts.

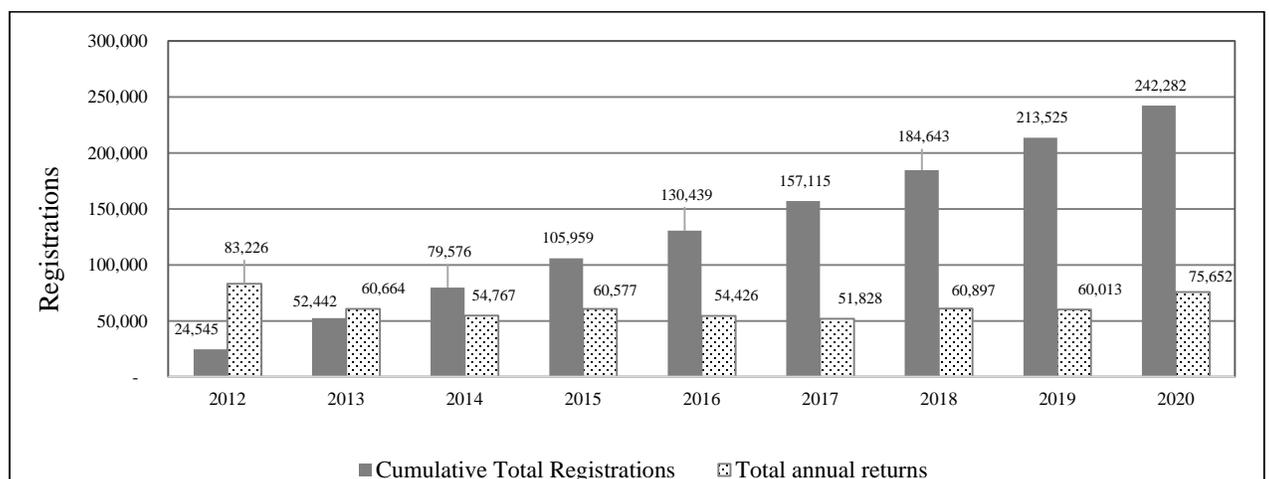
The early efforts of Zambia at enterprise development since independence led to formation of parastatal organizations in all sectors of the economy. In the 1970's and 80's, some institutional establishments were put in place to spearhead enterprise development in various sectors. Karim and Mulimbika (2018) indicate that Government setup ZIMCO and its preceding organizations to oversee the development of the industrial and mining sectors and SIDO and its successor organizations to promote the SME sector among others. No special consideration was made for hybrid entrepreneurs in these efforts. The Zambian industrial sector continued to be dominated by copper mines; and the economy was heavily dependent on importation of most consumer goods (Chikalipah, 2018; Lusaya, 2019; Sikamo, Mwanza & Mweemba, 2016). This signified less success at the industrialization of the local economy. The heavy imports provided heavy competition to local products and made development of the manufacturing sector difficult.

At the time of the research, the Government was implementing the 7<sup>th</sup> National Development Plan (SNDP) ending in 2021. According to Ministry of National Development Planning (2017), the Government of the Republic of Zambia aimed at enhancing decent jobs in the economy. Among the strategies put in place were to promote industrialization and job creation; facilitate micro, small and medium enterprise development; and promote entrepreneurship skills training and development. Entrepreneurship was promoted as an alternative to fulltime employment. No special mention of hybrid entrepreneurship was available in the policy. Some planned strategies to achieve objectives of the SNDP were private sector development and competitiveness implementation; access to finance promotion; credit guarantee support schemes; industrial yard and cluster development; skills development fund establishment; vocational and

entrepreneurship development promotion; traditional apprenticeship support; and entrepreneurship zeal mentorship and talent cream skimming support. The Skill Development Fund and development of some industrial yards had been implemented at the time of the study, but were still in their infancy stages. Research was recommended to determine the economic impact of these programmes.

Despite these efforts, positive trends for enterprise development were yet to emerge. Statistics obtained from Patent and Companies Registration Agency (PACRA) annual reports about enterprise formalization showed downward trends. Annual Reports from PACRA for the period 2012 to 2020 (Patent and Company Registration Agency, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019 & 2020) revealed high numbers of all forms of enterprise registrations, but declining trends in enterprise activity. Between 2012 and 2020, PACRA approved 242,282 cumulative totals of name and company registrations. However, during the same period annual returns filed per year declined from 83,226 to 75,652 enterprises. (See Figure 3).

**Figure 3: Showing trends in the registrations of business names and local companies, annual returns submissions and deregistrations from 2012-2020**



**Source: PACRA Annual Reports for 2012 to 2020**

The statistics gave an indication that most businesses that were registered in Zambia failed to take off or were inactive or closed down. These trends to some extent indicated a high rate of discontinuance of business experienced in Zambia during this period. Additionally, earlier studies conducted in 2012 by the Global Entrepreneurship Monitor (GEM) in Zambia also indicated high rates of enterprise failure in the country. Highlighting key points from the GEM Zambia report, Chigunta and Mwanza (2017, p.52) revealed that Zambia recorded increased dynamic entrepreneurial activities with 41% of its citizens aged between 18-64 years old involving themselves in entrepreneurial activities, one of the highest rates in the World. Ideally, high involvement in entrepreneurship ought to have resulted in more thriving enterprises in Zambia. On the contrary, according to Herrington and Kelley (2012, pp. 27-28) it was observed that Zambia experienced one of the highest business discontinuance rate in the world at 20%. Most enterprises never survived beyond three and a half years meaning that they never graduated into what would be termed as established enterprises. Only four percent of new enterprises in Zambia survived beyond three and a half years.

In the study entitled “Causes of failure of entrepreneurship in Zambia,” Mumba (2017) reported that most new businesses setup in Zambia were as a result of necessity and survival rather than identification and exploitation of business opportunities. He felt that the high level of entrepreneurial activity among Zambians indicated absence of secured and prestigious employment opportunities. The majority of people running small businesses were seen as pushed into entrepreneurship by the need to survive. This observation painted a gloomy picture for enterprise development in Zambia because according to Fairlie and

Fossen (2018), necessity-driven entrepreneurs did not show significant zeal to grow their enterprises. Necessity-driven entrepreneurs usually paid little attention to innovation and growth and ended up folding before they could establish themselves. This could partially explained the high rate of discontinuance of businesses in Zambia. There was need to confirm whether enterprises setup by hybrid entrepreneurs in Ndola were as well necessity-driven or not in order to determine their growth potential.

Mumba (2017) also found out that there was lack of entrepreneurial mindset in the impoverished communities of Lusaka. Most businesses in the city were not entrepreneurial ventures as they did not focus on innovation; constant quest for growth and setting strategic objectives. This finding indicated lack of entrepreneurial skills among the entrepreneurs. Enterprises run with low skills experienced low profitability and often did not succeed. According to Mubita et al (2017), other challenges that hampered the growth of SMEs in Zambia were lack of access to market; too much competition from imports; limited access to capital; inadequate business infrastructure; unstable income; poor access to land and trading premises; lack of security resulting in crime and thefts and problems of transportation.

Hybrid entrepreneurship promoted access to some level of resources which could assist resolve some of these challenges. For example, the paid job provided a regular income that could be used both at home and in the business; hybrid entrepreneurs could obtain salary backed loans to buy land for the business; and hybrid had access to employers' networks that could provide ready market for their products.

According to Beyani (2016), SMEs were important in the economic development of Zambia, but their development was also significantly constrained by access to finance. In order to improve financing for these organizations, Beyani (2016) recommends:

- a) Capacity building of commercial banks in analyzing and understanding SMEs and their financing challenges. This could lead to commercial banks embracing SMEs and designing financing services that fitted the small enterprises.
- b) That relevant authorities should address management challenges that made SME's less attractive to commercial banks.
- c) Diversifying the collateral arrangements to enable SME's eligible for credit from commercial banks.

Beyani (2016) observes that diversifying collateral arrangements to suit small enterprises was already in progress in at the Bank of Zambia. The determination of the impact of this effort was recommended for future research.

There seemed to be absence of literature on Government institutions involved in business incubation for SMEs in Zambia. The Government should consider supporting the small enterprises in this manner. According to Lose (2021) institutionalizing business incubation could be of great importance for the growth of entrepreneurship in a nation or region. Many entrepreneurs required management support from an organized institution dedicated for these duties. The mandates and reach of institutions such as the Citizen Economic Empowerment Commission (CEEC) and Zambia Development Agency (ZDA) needed to be extended to more entrepreneurs in order for their impacts to be seen in the economy.

## **Gaps in the Literature**

Folta et al (2010) concluded that there was little evidence that financially constrained individuals chose to go into hybrid entrepreneurship to supplement income. People with highly paid jobs opted to establish businesses as hybrids due to high switching costs. However, later studies concluded that people engaged in hybrid entrepreneurs were motivated by extra income and non-financial benefits (Dzomonda & Fatoki, 2018; Aladejebi, 2020). None of the above studies investigated whether hybrid entrepreneurs were pushed into business by the need to survive. Thus, it was important to characterize the motives of hybrid entrepreneurs in Ndola as either pushed or pulled in order to determine their potential for growth.

Further, Kritskaya et al (2017) found out that hybrid entrepreneurs had higher chances of survival. It was important then to check if hybrid entrepreneurs in Ndola reached and/or exceeded maturity of three and half years which most enterprises in Zambia failed to do so as indicated by Herrington & Kelley (2012). The period of 3 ½ years was considered long enough for a new enterprise to establish itself. This study investigated the duration of survival of hybrid entrepreneurs in Ndola to find out whether on average it was at least 3½ years.

Drescher (2018) reported that hybrid entrepreneurs enjoyed security of income and gained experience from self-employment which improved their self-efficacy and in turn could result in better chances of success at entrepreneurship for those involved. There was need to find out how the job assisted the hybrid entrepreneurs in Ndola to manage their

businesses. This study sought opinions of hybrid entrepreneurs in Ndola to find out how experience from the jobs assisted them in managing their private enterprises.

Additionally, Ferreira (2020) found out that fear of failure, perceived risk and entrepreneurial competency development influenced transitioning to fulltime entrepreneurship. Business incubators and other support systems could address the fear of failure and provide necessary platforms and access to resources for entrepreneurial development for the candidates. There was need to determine what kind of support hybrid entrepreneurs in Ndola were looking for. This study sought to find out what assistance could be offered by Government to promote hybrid entrepreneurship.

Reviewing literature showed that there seemed to be little or no literature on hybrid entrepreneurship for Zambia. It was important to conduct the study and find out how hybrid entrepreneurs were faring in Ndola.

Luc et al (2018) reported that transitioning to fulltime entrepreneurship was stimulated by easy access to advice and autonomy in the paid job. Future research was recommended to examine the role of incubator services on the growth of hybrid entrepreneurship in Zambia. Further, Ferreira et al (2019) found out that hybrid entrepreneurs examined any opportunity for growth, checking the implication for management and deliberately limiting growth. Future research was recommended to find out whether hybrid entrepreneurs in Ndola deliberately limited growth.

Solesvik (2017) reported that hybrid entrepreneurs who maintain their status and those who transition could experience significant growth. This seemed not to be the case with hybrid entrepreneurs in Ndola. Longitudinal studies were recommended for future studies to track their growth. Schulz et al (2018) found out that hybrid entrepreneurs in UK enjoyed higher average earnings than holding a second job. Comparative studies were recommended for future studies among hybrid entrepreneurs in Zambia to see if hybrid entrepreneurs increased average income better than holding a second job.

## **CHAPTER III**

### **RESEARCH METHODOLOGY**

#### **Introduction**

The chapter describes the methodology employed in this study. It addresses the research design that was used, the research instrument, data collection procedures and data analysis.

#### **Research Design**

The research design used in this study was descriptive survey. This design was chosen because the data that would be collected would bring out the picture of hybrid entrepreneurship in Ndola among paid employees. According to Kombo and Tromp (2006) descriptive survey is used to collect organizational practices of the targeted population. The survey design was chosen because it allowed collection of data from a large sample. The study focused on collecting the views of respondents with regard to how hybrid entrepreneurs operated in a door-to-door survey. The design required considerable investment of time and other resources. Primary data was collected using a self-administered questionnaires and secondary data from the internet, journals and books.

#### **Study Population**

The target population of the study was all adults formally employed in the city of Ndola receiving a pay from their jobs. The unit of study was person in fulltime employment in a government institution or any private enterprise in Ndola.

According to the Central Statistics Office (2013a), Ndola had 59,692 persons with fulltime paid jobs formally employed persons of which 43,663 were male while 16,029 were female as per 2010 Census of Population and Housing. The researcher could not find recent figures as the Government was yet to conduct another National Census to establish such figures. Thus projecting the 2010 fully paid-jobs gave an estimated figure of 78,842 paid jobs in 2020. (See Appendix B for target population estimation).

### **Sample Size and Sampling Method**

The sample size included in the study was determined using the Yamane Formula. The study unit was an employee working in the City of Ndola. Based on the estimated population of 78,842 formally employed persons as at 2020, the sample size included in the study was 398 respondents at 95% confidence level and sampling error of 5% (See Appendix B).

The sampling method used was typical case, a form of purposive sampling. According to Kombo and Tromp (2006) typical case purposive sampling allowed the researcher to use personal judgment in selecting information rich cases.

### **Research Instruments**

Primary data was collected using a self-administered structured questionnaire delivered to workstations while secondary data was collected by reviewing published materials on the subject. A structured questionnaire was the most suitable instrument for data collection in this study because it allowed data to be collected from a large number of respondents (Kombo & Tromp, 2006) and ensured consistency in responses (Saunders et al 2009). The

standardized nature of the questionnaire enabled the averaging of the responses to come up with general conclusions about views of respondents in the study.

The major drawbacks of using questionnaires was the low response rate associated with it. According to Saunders et al (2009) questionnaires delivered to the respondent door step had as low as 30% response rate. Further, questionnaires required a good amount of effort, time and resources to administer them to the selected sample. To mitigate these challenges, the researcher worked with five (5) research assistants who made deliveries and follow-ups on the questionnaires.

The questionnaire was tested with a smaller group of respondents and checked for validity and reliability. According to Saunders et al (2009) the validity of the questionnaire means its ability to measure what it is intended while reliability is the ability of the questionnaire to extract consistent answers from respondents.

### **Ethical Considerations**

The researcher adhered to high ethical conduct. The respondents were informed in advance that the study was to be used for academic purposes only and that their responses would be treated as strictly confidential. The respondents were not coerced into providing responses, but opted to provide responses according to their free will. Lastly, the researcher obtained approval to go ahead with the study.

### **Data Collection Procedures**

After determining the sample size, data was collected from the targeted sample as required by leaving questionnaires for respondents to answer and follow-ups made to collect them

after they had been completed. Personal follow-ups were used to improve the response rate.

### **Data Presentation and Analysis Procedures**

The data was summarized and presented in frequency tables showing the number of polls per alternative response and the percentage of the respondents who selected each alternative calculated. The data was then processed into graphs and charts using computer spreadsheets. Descriptive statistics and statistical estimations were used to analyze the data and inferences made from the results.

## CHAPTER IV

### PRESENTATION OF RESEARCH FINDINGS AND DISCUSSION

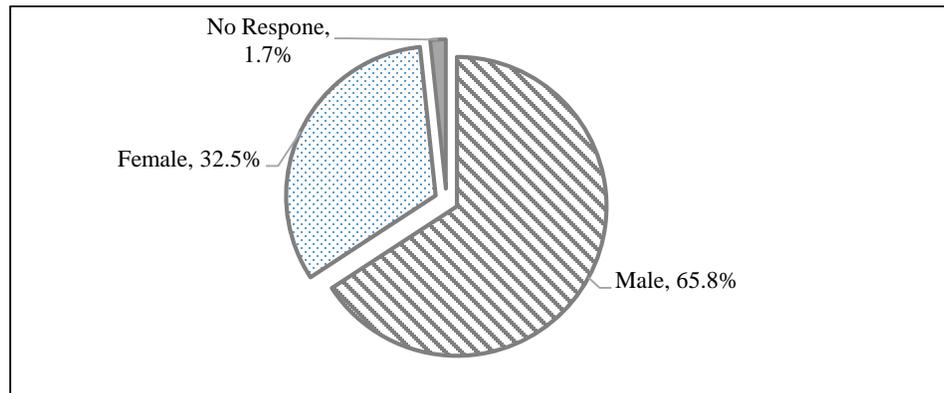
#### Introduction

This chapter presents and discusses the results of the survey conducted in Ndola with regard to existing practices of hybrid entrepreneurship in the city. A total of 418 respondents returned completed questionnaires and the data extracted from them is summarized in this chapter below while detailed results are given in Appendix A.

#### Background of the Respondents

A total of 418 respondents participated in the study where 275 (65.8%) were male and 136 (32.5%) were female, while 7 (1.7%) did not respond to the question (See Figure 4). The average age of the respondents was about 37 years, symbolizing a youthful audience.

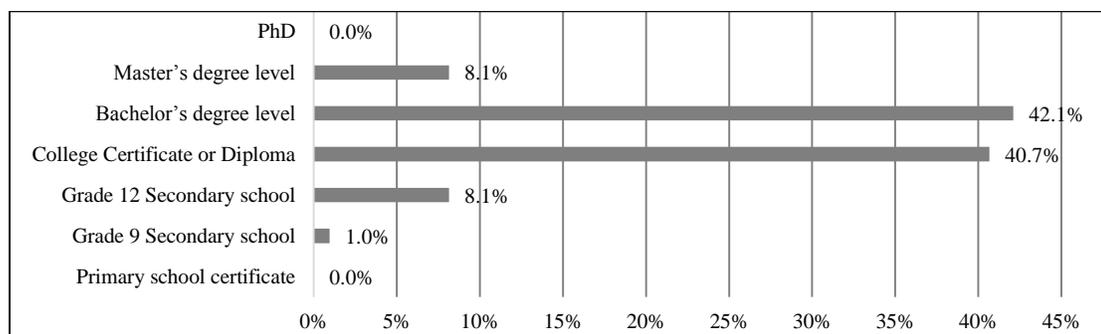
*Figure 4: Genders of respondents*



*Source: Field study*

The average length of service in employment of the respondents in their jobs was 4years 9months. About 73% served more than 4years in the current jobs (See Appendix A). This meant that their jobs had been relatively stable enough to allow them start an enterprise. The minimum qualification of the respondents was Grade 9 and maximum was master’s degree. About 99% of the respondents had a minimum of Grade 12 education (See Figure 5).

**Figure 5: Educational Levels of the respondents**



*Source: Field survey*

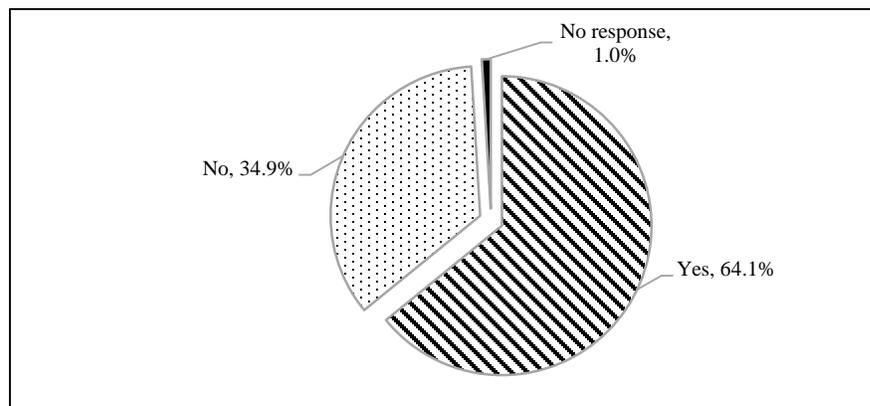
About 90.9% of the respondents had attained tertiary education. Therefore, they were anticipated to have some level of knowledge with regard to financial and management skills. There was no doubt that the respondents were able to understand and articulate the business concepts being investigated in the study.

**Objective 1: Prevalence and Nature of Enterprises**

**Proportion of respondents who owned enterprises**

The respondents were asked to state whether they owned any private business besides their current jobs. About 64.1% of them said “Yes” while 34.9% indicated they did not (See Figure 6).

**Figure 6: Respondents who said owned a business**



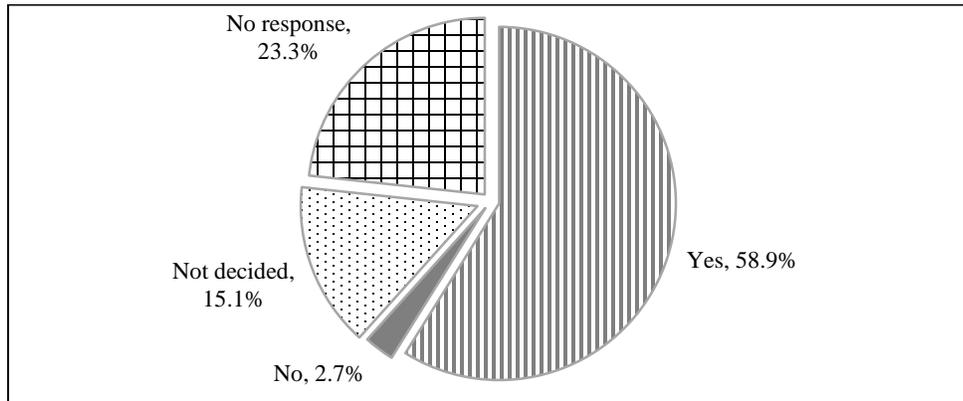
*Source: Field survey*

The findings showed that hybrid entrepreneurship was highly practiced among people in fulltime employment in Ndola. Its popularity confirmed the findings by Folta et al, (2010) who indicated that over 50% of enterprises were owned and run by hybrid entrepreneurs. The popularity of the concept indicated that hybrid entrepreneurship was a widely accepted concept among respondents. The implications for policy were that it would be easy to find employees interested in taking up the activity and promoting the concept among them would receive significant support.

#### Intention to start a Business for those not practicing Hybrid Entrepreneurship

The study also sought to find out the intentions of the employees who were not running businesses with regard to starting up private businesses. They were asked to state whether they had intentions of starting businesses within the next 2years. About 58.9% indicated that they intended to start a business; 15.1% were not decided; while 23.3% offered no response. Only 2.7% said they did not intend to start any business. (See Figure 7).

*Figure 7: Intentions to start enterprises in the next 2 years*



*Source: Field survey*

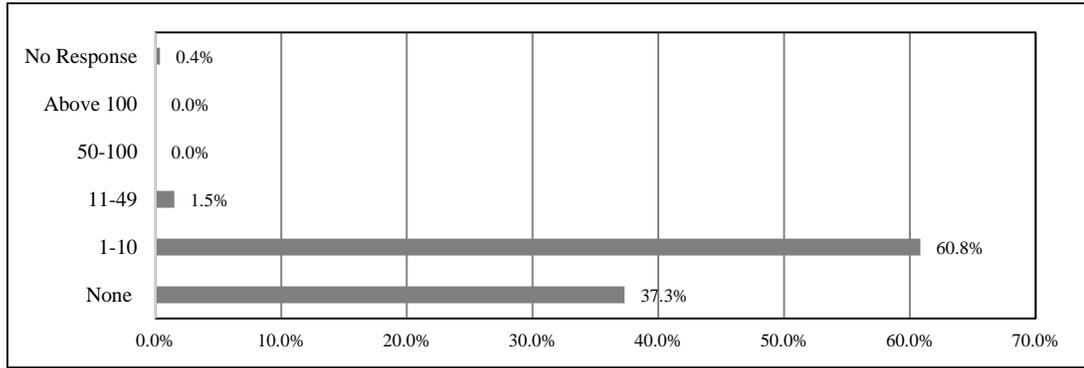
It could be seen that hybrid entrepreneurship was still popular even among the employees who were not running any private businesses. More than half of the employees aspired to it. This indicated that there was further room for growth in the SME sector in Ndola through hybrid entrepreneurship. Many more employees could be recruited into enterprise development where support and incentives were right.

### Number of Employees

The study sought to find out the sizes of the enterprises the respondents operated. The respondents were asked to indicate the number of employees they had in order to determine the sizes of their operations. Of the 268 respondents that owned private enterprises, about 60.8% of them employed up to 10 employees (See Figure 8). According to Beyani (2016), enterprises with 1 to 10 employees were classified as micro enterprises. About 37.3% operated as soloist with no employees. Only about 1.5% of respondents reported that they operated with between 11 and 49 employees (small scale enterprise level). Therefore, about 98.1% of the respondents operated as soloists or micro enterprises. According to Asgary

et al (2020) and Morgan et al (2020) small enterprises tended to be vulnerable to external shocks due to limited resources and lack of expertise.

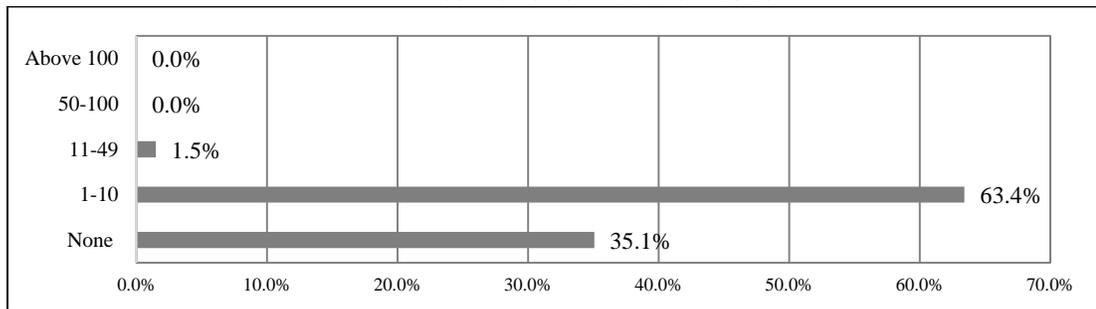
**Figure 8: Sizes of enterprises based on number of employees after COVID-19 restrictions were lifted in June 2020**



Source: Field Survey

The study also revealed that some enterprises had reduced the size of their operations due to effects of the corona virus pandemic (COVID-19). The respondents were also asked to state the number of employees before the restrictions to combat the virus were announced in Zambia around March 2020. The smallest enterprises were affected more than others as they had less ability to withstand external shocks. (Compare Figure 8 and 9).

**Figure 9: Sizes of enterprises based on number of employees before COVID-19 restrictions in March 2020**



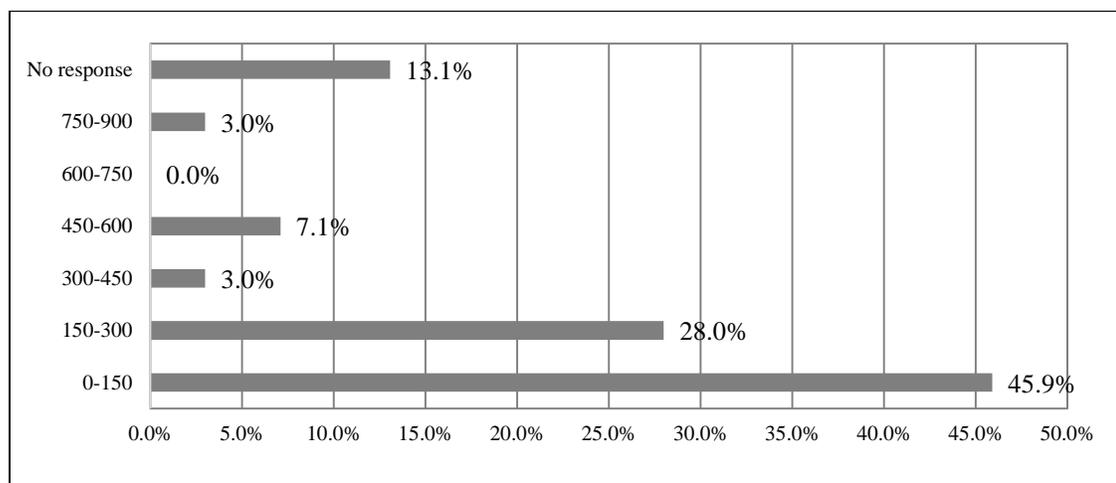
Source: Field Survey

The proportion of micro enterprises reduced from 63.4% to 60.8% of the respondents due to COVID-19 while the proportion of soloists with no employees increased from 35.1% to 37.3%.

### Estimated Revenues of the Enterprises

The study sought to find out the estimated revenues of the enterprises in order to establish their level of operations. Respondents were asked to estimate their annual sales revenues. About 45.9% of the respondents estimated their annual revenues at up to K150, 000.00. (See Figure 10)

**Figure 10: Showing proportion of Enterprises against Annual Sales Revenues Ranges (Thousands of Kwacha)**



*Source: Field survey*

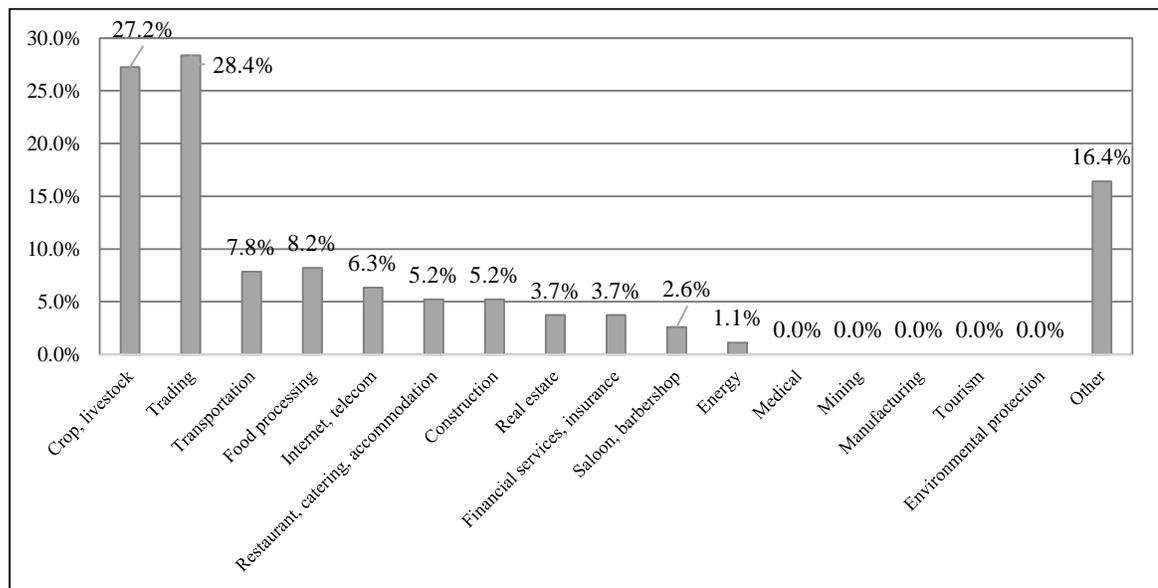
About 28.0% estimated their revenues between K150, 000.00-K300, 000.00. Only three percent of the enterprises had sales revenues above K750, 000.00 per year. The estimated average annual sales revenue for the enterprises owned by respondents was approximately K170, 428.46 at current prices. These findings indicated that respondents operated as small enterprises on the average. These results to some extent were consistent with the

observations by Fairlie and Fossen (2018) who indicated that hybrid entrepreneurs limited the growth of their enterprises. However, that assertion was contradicted by Solesvik (2017) who found out that with the right skills and business environment, hybrid entrepreneurs could grow significantly in size. Apart from the various challenges faced by entrepreneurs in Zambia, the case of Ndola hybrid entrepreneurs required a further study to fully explore why they were did not show significant growth. The growth potential for hybrid entrepreneurs in Ndola should not be completely written off until the reasons for limited growth were investigated.

### Types of Enterprise

The study sought to find out the sectors in which the respondents operated. They were asked to choose the sector(s) in which they operated. It was found that 28.4% of the respondents operated in trading sector (See Figure 11).

**Figure 11: Types of enterprises owned by respondents**



*Source: Field Survey*

Most shops in Ndola traded in household goods such as groceries and food stuffs. About 27.2% operated in agriculture and livestock mainly rain fed crop farming and poultry. Other prominent sectors were food processing (8.2%); transportation (7.8%), restaurant, telecommunications and internet (6.3%); catering and accommodation (5.2%); and construction (5.2%). It could be seen that some respondents operated in more than one sector. Some enterprise types like manufacturing, medical, tourism, environmental protection and mining were absent on the list of sectors the respondents operated in and received 0% polls respectively. The reasons for absence of operations in these types of businesses were not investigated. However, it could be assumed that limited capital and lack of appropriate skills could be major hindrances. Government should focus on investment promotions in these sectors among people in fulltime employment and offer additional incentives.

**Objective 2: Why hybrid entrepreneurship should be considered to establish more resilient enterprises**

Hybrid entrepreneurship offered benefits to enterprise development. Therefore the study sought to find out whether these benefits accumulated to the respondents and their enterprises and could justify why the practice could be considered in establishing stronger local enterprises. The study examined among other factors the motives for entering into hybrid entrepreneurship; ease of access to financing; ease of establishment of business networks; as well as access to beneficial management and work experience. Finally, the study compared the survival rate of respondents' enterprises to the general SMEs as published in previous researches.

### Examining the motives of the respondents

People in fulltime employment were known to have access to resources that could assist enterprise development. It could be assumed that when they entered into entrepreneurship, they made a choice to exploit an opportunity that arose or were attracted to it due to their interest or skill in the type of business. They planned well how to build their enterprise and tested various options to limit the risks (Solesvik, 2017). They were not pushed into it as they had the salary to cater for family needs. The study sought to find out whether these assumptions were correct for the respondents. A list of motives for going into business by Dawson and Henley (2012, p.705) was adapted to suit hybrid entrepreneurs. The statements were categorized into two groups of opportunity-driven and necessity-driven motives as shown in Table 1.

*Table 1: Showing Categorization of motives into “Necessity-driven” and “Opportunity-driven”*

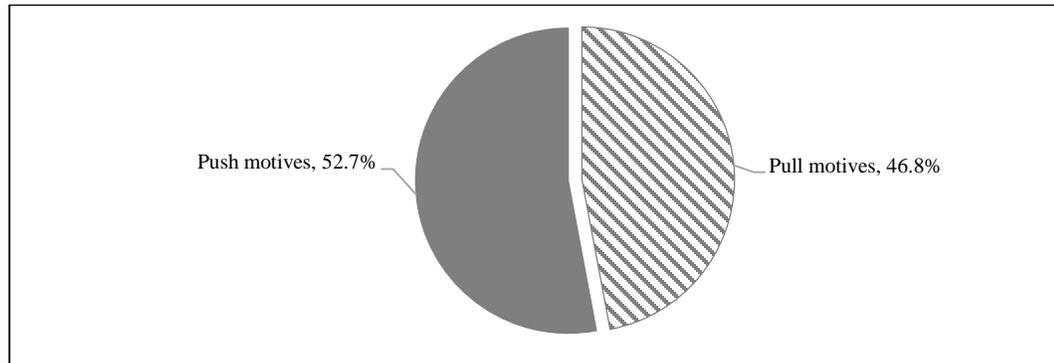
<b>Basis</b>	<b>Factors</b>
<b>Push or Necessity-driven motives</b>	a) I wanted more money for use at home
	b) For income protection in case of future unemployment
	c) I joined/inherited the family business
	d) Pressing family responsibilities
	e) Poor salaries
<b>Pull or Opportunity-driven motives</b>	a) To utilize my creativity
	b) An opportunity arose
	c) I saw demand for the product on the market
	d) It aligns well with the nature of my current job
	e) I love doing business
	f) I have the skill to do this business

*Source: Adapted from Dawson and Henley (2012)*

The respondents running private businesses were asked to *choose at least three priorities* from the list of motives as to why they opted to go into business. It was found that the motives falling under “necessity-driven” or “push” motives category received about 52.7%

of the polls while “opportunity-driven” or “pulled” motives category received 46.8% (See Figure 12).

**Figure 12: Showing characterization of motives by respondents for entering into Hybrid Entrepreneurship**



*Source: Field survey*

Hypothesis testing was conducted with the null hypothesis that “There is no significant difference between the proportion of necessity-driven hybrid entrepreneurs in Ndola and the opportunity driven proportion” [ $H_0: P_1 = P_2$ ], where  $P_1 = 52.7\%$  and  $P_2 = 46.8\%$  at 95% confidence level for a total number of polls  $n=693$ . A two-tailed test with the rejection region  $|Z_{cal}| > 1.96$  was utilized. The calculated Z-score of -3.13 fell in the rejection region. (See Appendix C). Hence the decision was to reject the null hypothesis. Therefore, it was concluded that the proportion of 52.7% attributed to necessity-driven motives was significantly different from 46.8% attributed to opportunity-driven motives at 95% confidence level. We deduced that the enterprises of the respondents were more inclined towards “necessity-driven” motives contrary to the belief held by the researcher. Therefore, inasmuch as hybrid entrepreneurship was popular among employees in Ndola, it was attracting people who needed to stay in business to survive.

These findings indicated that even though the respondents as hybrid entrepreneurs had advantages over other types of entrepreneurs, their motives for entering into entrepreneurship were not different from the general SME owners in Zambia. In a study conducted among entrepreneurs in Lusaka, Mumba (2017) discovered that most of entrepreneurs were pushed into business because of lack of job opportunities. Pushed entrepreneurs lacked zeal for growth (Fairlie & Fossen, 2018). Thus, the findings partly explained why hybrid entrepreneurs in Ndola experienced slow growth and could not be distinguished from other types of entrepreneurs even with benefits inherent in hybrid entrepreneurship.

Notwithstanding the findings of this study, Solesvik (2017) found that hybrid entrepreneurs could grow significantly when the motives, entrepreneurial skills and the business environment were right. Thus policy interventions by Government to promote hybrid entrepreneurship in Ndola should be crafted in such a way as to entice more opportunity seekers to start businesses and focus on growing them. This approach would ensure establishment of stronger and more resilient enterprises in Ndola.

#### Examining ease of access to financing by respondents

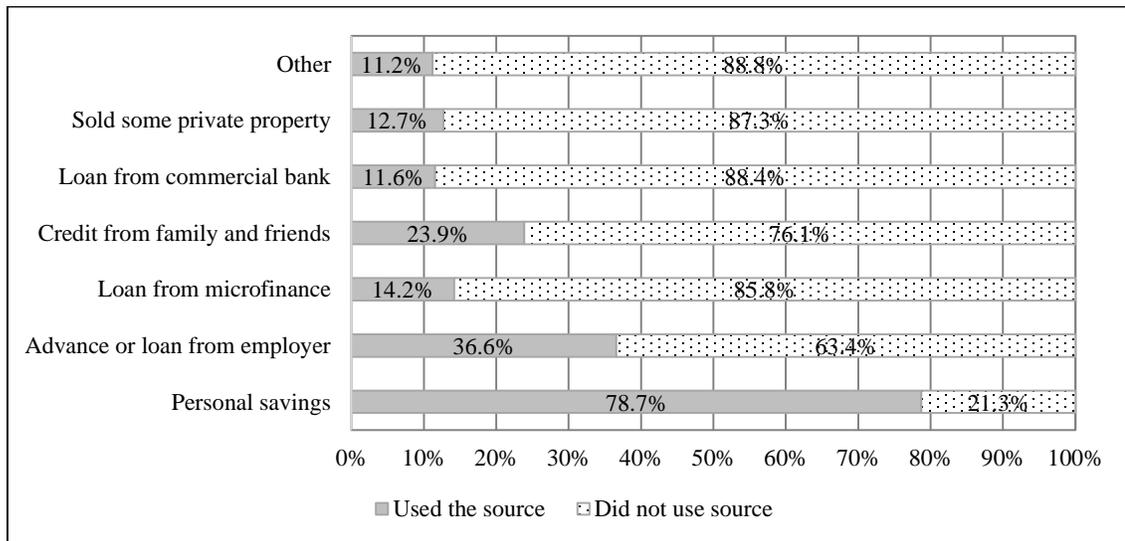
According to Folta et al (2010), Solesvik (2017) and Kritskaya et al (2017), hybrid entrepreneurs had easy access to resources such as finance. Therefore the study sought to find out how the respondents financed the both initial and capital for operations.

#### *Financing initial capital*

The respondents were asked to *prioritize three sources of their initial capital*. About 78.7% indicated that they used personal savings. (See Figure 13) About 36.6% indicated that they used salary advances or loans from employers; while about 23.9% obtained “credit from

family and friends” as initial capital. The pay from current jobs played a major role in acquisition of initial capital as it could be associated with the top sources of initial capital given by the respondents. Further, support from family and friends was also prominent.

**Figure 13: Source of Initial Capital**



*Source: Field study*

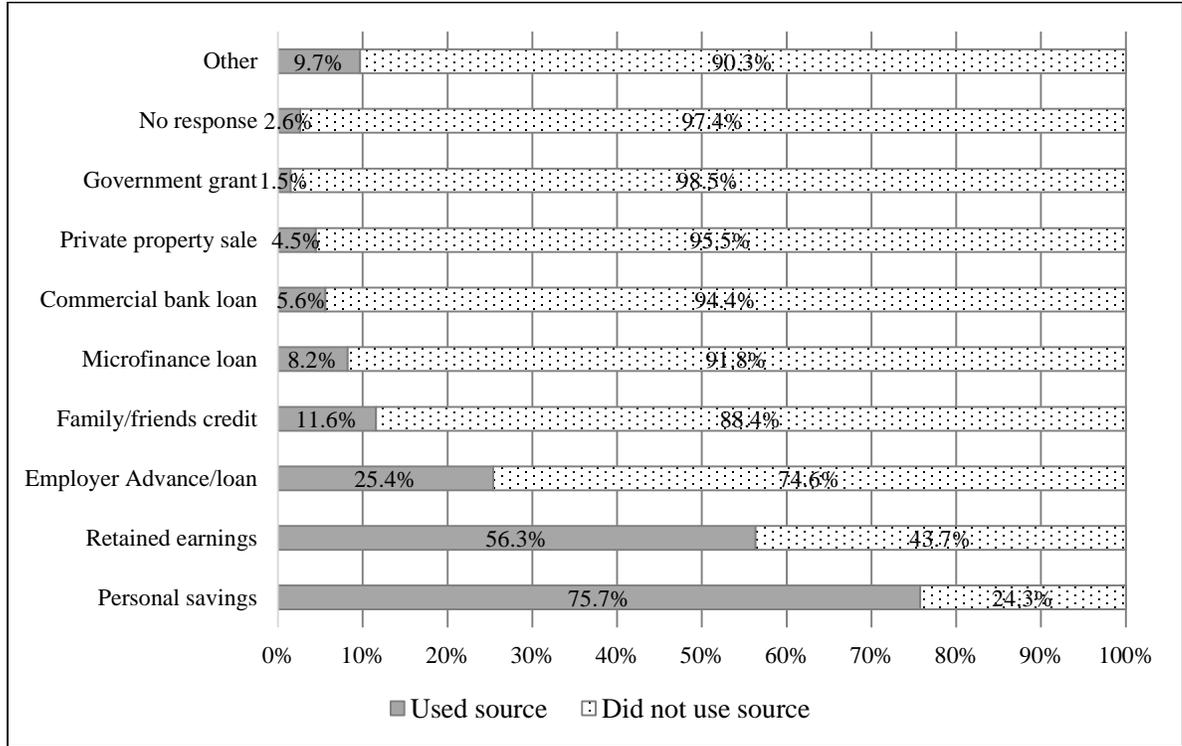
Additionally, the innovative micro financing through institutions such as Bayport, Finca, Entrepreneurial Finance Corporation (EFC) and Express Credit had played a significant role in initial capital financing. Micro financing had less stringent terms and allowed payroll back and movable collateral as security for the loans. However, traditional sources of finance such as commercial banks remained inaccessible to many of the respondents in raising their initial capital.

*Financing of Operations*

The study also sought to find out how the hybrid entrepreneurs in Ndola financed business operations. The respondents were asked to choose up to *three major sources* of financing for business operations. It was found that personal savings still played a major role in financing operations with 75.7% of respondents selecting it as a major source of finance

for operations (See Figure 14). “Savings from profits” was the second most important source of finance for the respondents with 56.3% of them choosing it.

*Figure 14: Sources of Finance for Operations*



*Source: Field survey*

Compared to sources initial capital, the introduction of retained earnings at operations stage made some sources of finance such as salary advances, microfinance institutions and commercial banks became less important. However, where enterprises were performing well financially, retained earnings were expected to be the major source of finances for business activities. The findings indicate that the respondents still had to go outside the enterprise to finance operations, a situation which was not economically sustainable.

“Salary advance or loan from employers” was third in ranking with 25.4%. Microfinance accounted for 8.2% while commercial banks were chosen by only 5.6% of the respondents.

It could be observed the major sources of finances for operations (with an exception of

retained earnings) could also be associated with the job. Thus like in the case of initial capital, the job made it easier for the respondents to access financing for operations as well.

The amounts raised from these major sources seemed inadequate to enable respondents fund start up and expansions their businesses into large scale operations. Traditional sources like commercial banks did not play a major role in financing the enterprises activities of the respondents. Commercial banks usually demanded for a good business profile coupled with stringent terms and conditions which included immovable collateral to finance large loans. The profiles required and capability to provide appropriate collateral seemed not easy for firms run by respondents to manage. In addition, the poor loan repayment reputation among small enterprises in Zambia (Mubita et al, 2017) also made the respondents less favourable candidates for such levels of financing. The limited access to funding also partly explained the sluggish growth among enterprises owned by respondents.

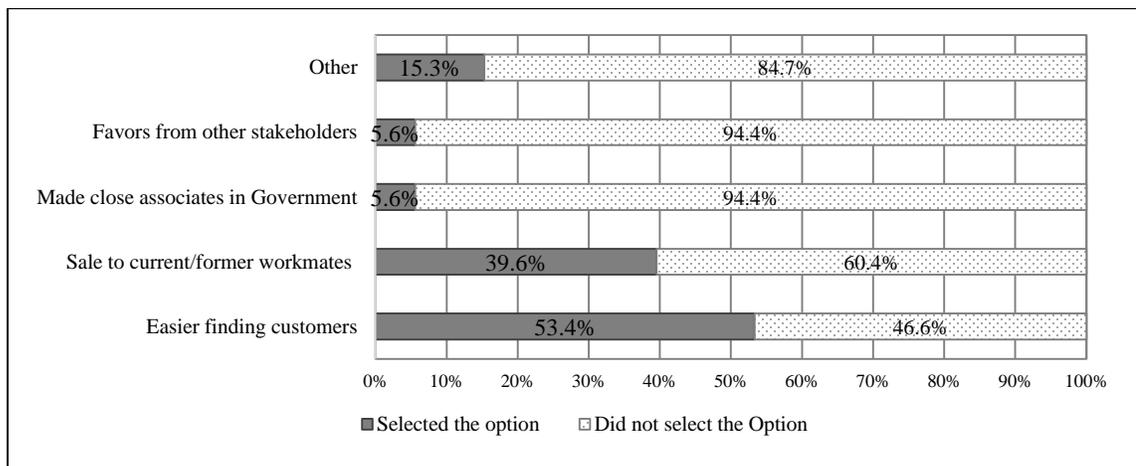
Hybrid entrepreneurs had better chances of establishing stronger and more resilient enterprises than other types of entrepreneurs due to financing advantages offered by their current jobs. However, the amounts raised were limited by the levels of salaries. It was important that policies be crafted in such a way as to promote financing at terms that hybrid entrepreneurs could manage. Such policies would result in even stronger enterprises being established in Ndola.

#### Examining establishment of business networks

People in fulltime employment had access to business networks of work colleagues; former workmates, customers and suppliers of the employers who could support their privately

owned businesses as long as that was not against the signed employment contract agreements. Hybrid entrepreneurs would therefore find it easier to establish strong business links based on these networks and reduce operation costs better than other types of entrepreneurs (Turkina, 2018). To investigate the ease of establishing business networks, the respondents were asked to select *three priorities* of how they benefited from their employers' networks. About 53.4% of the respondents indicated that the employers' networks made it easier for them to find customers for their businesses (See Figure 15). About 39.6% of the respondents confirmed that they sold products to current and former workmates. Only 5.6% of the respondents indicated that their jobs assisted them develop relations with Government officials and other stakeholders respectively

**Figure 15: Showing respondents' polls on how their current jobs helped them establish networks for their businesses**



Source: Field survey

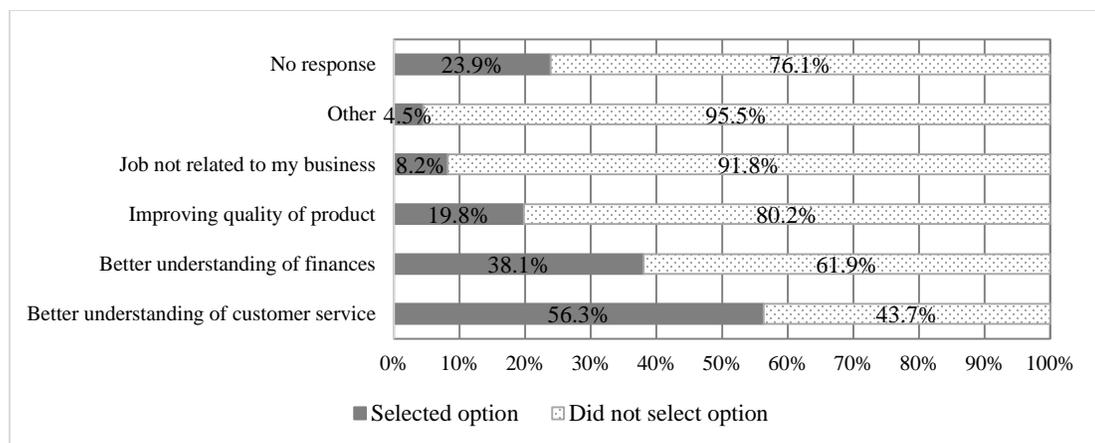
The jobs played a key role in getting access to customers for the private enterprises of the respondents. Easier access to customer and other business stakeholders lowered the need to scan the environment to identify those who would support the business. Research and advertising costs were lower. Thus, this finding confirmed assertions by Turkina (2018)

that easy access to established social networks reduced operations costs and made enterprises sustainable. More than half of the respondents reached their customers through their contacts at the job. Such access could translate into significant cost reduction and lead to better profits for enterprises owned by of hybrid entrepreneurs. It could be concluded that access to business networks could enable hybrid entrepreneurs establish strong and more resilient enterprises in Ndola.

Examining work experience of respondents

Self-efficacy was critical to the success of any entrepreneur. Practicing hybrid entrepreneurship offered an opportunity for people in fulltime employment to gain experience both at work and in entrepreneurship at the same time (Folta, 2010, Drescher, 2018 & Ferreira, 2020). Such experience impacted positively on the self-efficacy of the entrepreneurs critical to success of business. Therefore, the study sought to find out how the job assisted the respondents in management of their businesses. The respondents were asked to *select and prioritize up to three ways* in which the job assisted them in the management of their enterprises. The findings are given in Figure 16.

**Figure 16: Showing how the jobs helps hybrid entrepreneurs run their businesses**



Source: Field survey

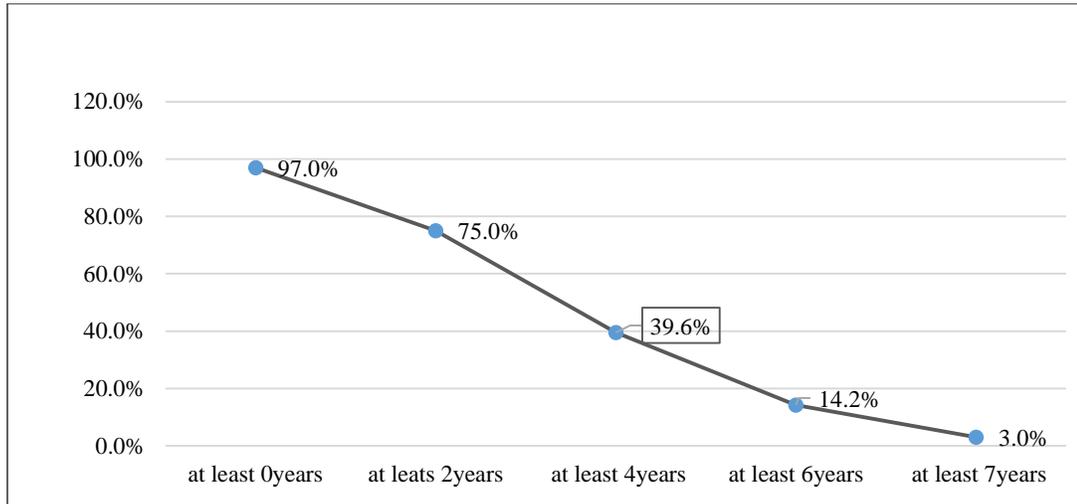
. About 56.3% said their jobs helped them understand customer service better; while 38.1% said their jobs assisted them understand finances better; with 19.8% indicating that their jobs enabled them improve the quality of their products. Only 8.2% of the respondents indicated that their businesses were not related to their jobs. The job offered the respondents the work experience which could positively impact understanding of customers and finances better. These factors coupled with better quality of products were critical to the success of enterprises.

The findings aligned with observations by Folta et al (2010), Drescher (2018) and Ferreira (2020) that hybrid entrepreneurs benefited from the experience in the job which improved their self-efficacy as well as from the experience in entrepreneurship. Both types of experiences prepositioned hybrid entrepreneurs to establishing stronger and more resilient enterprises better than other types of entrepreneurs.

#### Examining the rate of survival of enterprises of respondents

Hybrid entrepreneurs survived longer in business than other types of entrepreneurs (Kritskaya et al, 2017). A simple explanation was that the benefits the practice offered to enterprise development made the enterprises stronger and made entrepreneurs survive longer than other types of entrepreneurs. The study sought to find out whether the enterprises owned by respondents reached and/or exceeded maturity of 3½ years duration on average. The respondents were asked to state how long they had been operating the enterprises. About 39.6% operated for 4 years and above (See Figure 17). This finding was as opposed to that of the GEM Zambia Report which indicated that only 4% of Zambian entrepreneurs survived beyond 3½ years (Herrington & Kelley, 2012, pp. 27-28).

**Figure 17: Showing the decummulative percentage of durations of survival of enterprises owned by respondents**



*Source: Field survey*

The GEM report for Zambia indicated that only 4% of entrepreneurs in Zambia reached 3½ years (Herrington & Kelley, 2012). The calculated mean duration of survival for all the respondents was approximately 3.23 years. A test was conducted for the null hypothesis “Hybrid entrepreneurs in Ndola survived for periods of at least three and half years on average” [ $H_0: \mu \geq 3.5 \text{ years}$ ] to determine with some degree of confidence that on average hybrid entrepreneurs survived at least 3½ years. A one-tailed test gave the rejection region of  $Z < -1.65$  at confidence level of 95% for  $n=260$  respondents. The calculated was such that  $Z\text{-score} = -0.0095$  fell outside the rejection region. The decision was to not to reject the null hypothesis. It was concluded that at 95% confidence level, there was not enough evidence to reject the null hypothesis that enterprise operated by respondents survived at least 3½ years (See Appendix D).

This meant that on average, enterprises operated by hybrid entrepreneurs in Ndola could be surviving to and/or even exceeded maturity of 3½ years. This finding was consistent

with Kritskaya et al, (2017) that hybrid entrepreneurs survived longer than other types of entrepreneurs. Hence, despite the various challenges in limited time to attend to the business; inadequate finances to expand the businesses and “pushed” motives, hybrid entrepreneurs on average survived longer in business than the general SME in Zambia. The finding showed that enterprises owned by respondents were more resilient than the general SME in Zambia. Therefore it could be deduced that promoting hybrid entrepreneurship could significantly lead to the development of stronger and more resilient local enterprises in Ndola.

### **Objective 3: Promoting hybrid entrepreneurship in Ndola**

Wani (2018) suggested two major strategies for enabling small enterprises survive beyond the first five years of existence, namely development of entrepreneurial skills and Government support. Before investigating the kind of assistance hybrid entrepreneurs wanted to get from Government, it was important to understand what the respondents thought were causes of failures of hybrid entrepreneurs and factors that hindered people in fulltime employment to enter into hybrid entrepreneurship.

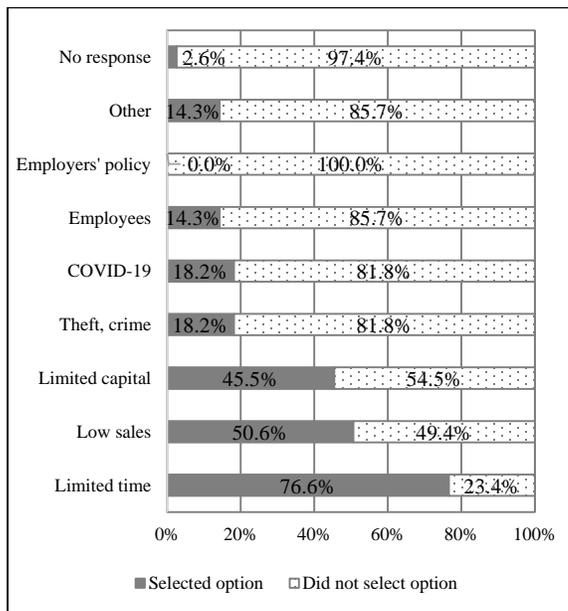
### **Causes of failure and hindrances to entry into hybrid entrepreneurship**

The study sought to found out how many of the employees not running any business had attempted to run private businesses in the past five years and the reasons for closing down their businesses. The findings showed that 52.7% of the 146 respondents that were not running businesses had been involved in hybrid entrepreneurship in the past five years, while 40.4% said they had not attempted to run any business in that period (See Appendix A).

The groups that were not running businesses were subjected to similar factors. The group that attempted to run businesses were asked to *choose and prioritize up to three from the factors* as major reasons why they discontinued business, while that group that never ran any businesses were asked to *choose and prioritize up to three of the factors* as hindrances to entry into hybrid entrepreneurship. The results from the groups are given in Figures 18 and 19 respectively.

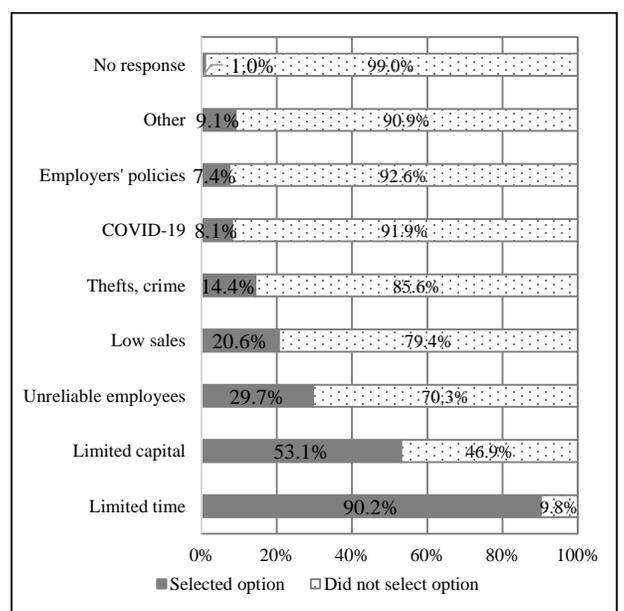
The group that discontinued enterprises selected “Limited time” (76.6%), “Low sales” (50.6%) and Limited capital” (45.5%) as their top three reasons for quitting business, while the group that had never run any businesses chose “Limited time” (90.1%), Limited capital” (53.1%) and “Unreliable employees” (29.7%) as the top three reasons why they thought people in fulltime employment did not engage in entrepreneurship. (See Figures 18 & 19).

**Figure 18: Showing the respondent’s top three reasons for closing their enterprises**



Source: Field survey

**Figure 19: Showing why respondents think people in employment do not setup private Businesses**



Source: Field survey

Those who ran businesses before were aware how hard it was to get enough products sold in Ndola. So they placed “Low sales” higher on the priority list. The study did not investigate the cause of low sales. However, to some extent, low sales were an indication of challenges that might relate to marketing skills, high levels of competition or poor quality of products. Both groups agreed that “Limited time” and “Limited capital” were in the top three reasons for business failure as well as hindrances of entry into hybrid entrepreneurs. “Unreliable employees” was also highly rated. Lack funds affected the growth of the enterprises which might have led to their closures. Limited finances also affected the ability of the enterprises to pay salaries that could attract professional and skilled employees. This compounded that problem of limited time to attend to the business. “Crime, thefts and robberies”(18.2%) as well as “COVID-19”(18.2%) were much more a reality for those who discontinued businesses as they placed these factors higher in the priority list than those who did not attempt entrepreneurship (compare with 14.4% and 8.1% respectively). Technologies to track transactions and monitor operations could assist resolve crime and theft. While those who did not run attempt entrepreneurship acknowledged that “crime, thefts and robberies” and “COVID-19” were the next set of important factors hindering them to go into business, they placed more emphasis on “Unreliable employees” (29.7%) than these factors. From these comparisons, it was clear that one had to experience crimes, thefts, robberies and COVID-19 to appreciate their devastating effects on businesses.

Finally, “Employers’ policies”(7.4%) as hindrances to hybrid entrepreneurship were much more of perceptions of those who had not attempted entrepreneurship, as they were not even on the priority list of reasons for failure of businesses advanced by the group that

discontinued businesses (compare with 0.0%). None of the respondents who discontinued business reported conflict with employers' work policies as the reason for closure of his/her business. This was an indication that employers' policies might not have hindered the respondents' private businesses.

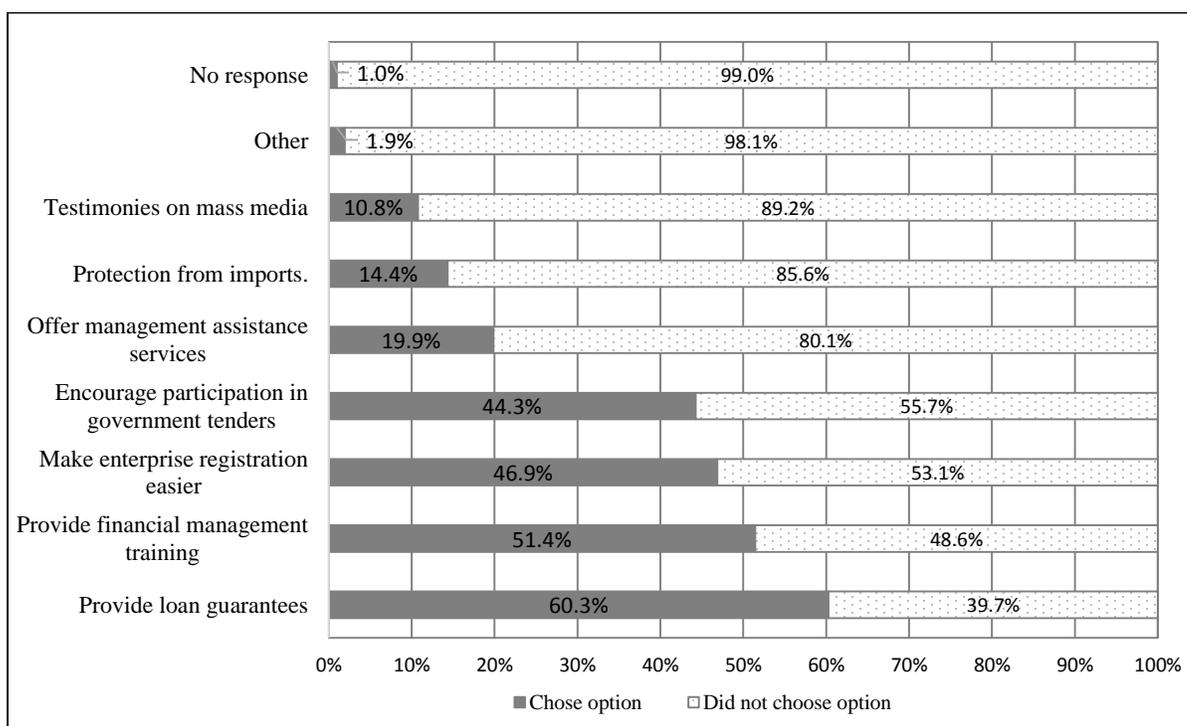
### Promoting Hybrid Entrepreneurship in Ndola

Considering the advantages of hybrid entrepreneurship discussed above, the researcher believed promoting the concept could result in stronger and more resilient local enterprises. According to Kritskaya et al (2017), hybrid entrepreneurs were more likely to succeed than any other type of entrepreneur considering the experience from the jobs and other benefits of the practice. Further, Folta et al (2010) observed that hybrid entrepreneurship was endogenous to self-employment and that hybrids were more likely to transition to fulltime entrepreneurship than remain in that status. These findings justified the need to promote hybrid entrepreneurship in an effort to achieve enterprise development.

Thus, the study sought to find out the views of the respondents with regard to what should be done to promote hybrid entrepreneurship in Ndola. The respondents were asked to *choose up to three priority* actions which they thought Government should take to assist enterprise development among people in fulltime employment to address challenges discussed above. About 60.3% of the respondents chose "provision of loan guarantees" as the most important support Government should provide to hybrid entrepreneurs (See Figure 20). According to Mutamuliza and Giramata (2021) and Mubita et al (2017) access to capital was a challenge for SMEs in most economies. Thus loan guarantees could assist in addressing this challenge. Hybrid entrepreneurs in Ndola would be able to access bigger loans and expand their operations. Further, this would inspire others who were aspiring to

join the practice to do so. Additionally, Beyani (2016) proposed reviewing collateral arrangements and to make them manageable by small enterprises. The proposal could be accepted by financial institutions if measures to limit the risks of nonpayment by small enterprises were factored into the solution. One way of reducing the risk of nonpayment is through loan guarantees to hybrid entrepreneurs.

**Figure 20: Opinions of respondents on what Government should do to assist enterprise development among people in fulltime employment**



Source: Field Survey

The second most important intervention required was to “provide training in financial management” with 51.4% of the respondents choosing this factor. This finding indicated the acknowledgement among respondents that financial management was a major challenge in running of enterprises among the respondents. Such training could be organized as semi-formal workshops held over the weekends to allow for more

participation. The training would assist the participants understand finances better and improve their financial decisions which were paramount to enterprise success.

The third action the respondents required Government to take was to make enterprise registration easier with 46.9% of respondents placing it among the top three priorities. Even though the study did not investigate the specifics of this requirement, it was appropriate to here to mention that Government should continue on the trajectory of reducing the number of licenses required to conduct business. It became difficult for most small enterprises to obtain three or four licenses to operate one small shop for example. Authorities should consider introducing a single license targeted at small enterprises which allowed them to operate in various sectors of the economy. Other strategies to further simplify formalization and regulation of SMEs should be considered for future studies.

About 44.3% of respondents felt that Government should “encourage employee-run businesses to participate in Government tenders” as a way of promoting the development of hybrid entrepreneurship. The respondents felt access to Government tendering processes could assist their enterprises. The profiles of respondents with regards to education, work experience and fixed abode made dealing with them less risky compared to other individuals. Therefore, preferential access to Government contracts was justified and could change the financial performance of most hybrid entrepreneurs in Ndola.

Further, about 19.9% of respondents felt the need to “establish Government institutions” to assist manage small enterprises. The respondents’ expression indicated need for management support to their enterprises. Business incubation services were meant to assist small enterprises to survive their early years of formation and grow into strong established enterprises. According to Lose (2021) the strategy was extensively used in some African,

Asia and European countries. Authorities could adopt this strategy to support hybrid entrepreneurs in Ndola. This could further prolong the survival of the enterprises and ensure significant growth among them as well.

Offering “protection from imports” was selected by 14.4% of respondents. The borders of Zambia were open to almost any kinds of imports. According to Chikalipah (2018) and Lusaya (2019), Zambia was highly dependent on import for most of its household and industrial supplies. As a result, local enterprises faced stiff competition from the imports. A balance between local industrial development and imports should be considered. Government policy ought to make local enterprise development easier. “Showcasing successful enterprises” was lowly rated at 10.8%. Once successful enterprises were developed, further interest could be generated by publicizing the success stories on popular media.

## CHAPTER V

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

#### **Introduction**

This chapter presents the summary of the study; conclusions made from both secondary and primary data; and recommendations.

#### **Summary**

The study investigated the practice of hybrid entrepreneurs in Ndola noting high enterprise failures in the country. The main aim of the study was to justify why hybrid entrepreneurship could be considered as a viable route for establishment of more resilient enterprises looking at its advantages over fulltime entrepreneurship. A total of 418 individuals in fulltime employment were included in the study drawn from Ndola city. The sampling technique was typical case sampling and the research design used for the study was descriptive survey.

The study was not short of challenges. The updated information on the number of people in fulltime employment in Ndola was not readily available. Thus, the researcher had to make projections from 2010 National Census of Population and Housing (Central Statistics Office, 2012) figures. Despite that challenge, the research produced informative results and observations which are given in summary below.

About 64% of the total respondents owned private enterprises besides holding on to their formal jobs. The practice of hybrid entrepreneurship was found to be popular among the people in fulltime employment in Ndola. Of the 146 who did not own enterprises, 53% of them intended to setup enterprises within the next two years. Thus the majority of these respondents aspired to the concept. There was significant potential to utilize the concept of as a viable route to expanding entrepreneurial activities in the city.

Most of the respondents(98.1%) operated without employees or had between 1 to 10 employees (micro enterprises) with average annual sales revenues of about K170, 000.00 prominently in trading as well as agriculture and livestock sectors. Some sectors such as manufacturing, mining, tourism, medical and environmental protection were missing from the list of sectors in which the respondents operated.

The study sought to justify why hybrid entrepreneurship could be considered as a route to establishing more resilient enterprises. Therefore, the benefits of hybrid entrepreneurship were examined to determine their influence on business success. The benefits examined among the respondents were as follows:

- a) The motive for entry into entrepreneurship: – This was done in order to determine the respondents’ potential for growth. It was found that generally, the respondents (52.7%) had “pushed” or “necessity-driven motives” which was associated with low growth and high rates of failure. It was suggested to offer incentives in order to attract more opportunity oriented entrepreneurs to the practice.

- b) Ease of access to financing: - The most significant challenge was limited access to capital. The respondents had access to financing as far as their level of salaries could support. Even though this was an advantage over fulltime entrepreneurs, the funds raised seemed inadequate to finance both initial capital and operations. With appropriate policy which improved access to capital, hybrid entrepreneurship had the capability to grow significantly with or without the intention to transit to fulltime entrepreneurship.
- c) Access to already established business networks: - The jobs played a key role in getting access to customers for the private enterprises of the respondents. Easier access to customer and other business stakeholders had the capability to lower the need to scan the environment to identify those who would support the business. That normally resulted in reduced research and advertising costs.
- d) Acquired work and business experience: - The respondents acquired both work and business experience which assisted in better understanding of customers and finances as well as better quality of products provided.
- e) Survival rates: - it was found that the respondents' businesses survived longer than the general SME in Zambia. About 39.6% respondents survived at least 4years in business compared to 4% reported in the GEM Zambia report for the general SMEs. Some benefits observed such as the higher levels of education, better access to finance, access to already established networks and improved business experience from the jobs could partly be attributed to the prolonged survival of the enterprises.

Basing on the above, it could be deduced that hybrid entrepreneurship could offer a chance at establishing more resilient enterprises Ndola, provided the Government offered appropriate policy and institutional support to the entrepreneurs.

The study also sought to find out what form of support the respondents required from Government in order to promote hybrid entrepreneurship. The most sought after support by respondents was “provision of loan guarantees” (60.3%) which would enable better access to financing from institutions such as commercial banks and investment bankers. This would alleviate the challenge of limited capital and allow the respondents to expand their operations.

“Financial management training” (51.4%) was also prominently mentioned by the respondents. Financial management was seen as critical to the survival of the enterprises. Such training would assist entrepreneurs in making sound investment and cost management decisions. Other types of support mentioned by the respondents were access to Government tendering processes (44.3%), business management support (19.9%), protection from imports (14.4%) and showcasing of successful hybrid entrepreneurs on popular media platforms (10.8%).

Government should offer a supportive environment for the enterprises, especially in the early years of the businesses. In such an environment, hybrid entrepreneurs in Ndola were expected to remain even stronger and more resilient than other types of entrepreneurs. Reviewing literature also revealed that with the right mindset and skills, hybrid entrepreneur-owned businesses can grow significantly regardless the motive to transition

to fulltime entrepreneurship or not (Solesvik, 2017) thus justifying Government interventions in the practice.

Thus, the study provided enough evidence that hybrid entrepreneurship could offer greater opportunities to develop stronger and more resilient enterprises in Ndola. The objectives of the study were fairly achieved.

### **Conclusion**

After consideration of the findings of the study, it can be concluded that the respondents of the study were youthful with relatively stable jobs. The majority had attained tertiary education. Most employees in Ndola were engaged in hybrid entrepreneurship. Further, the majority of those not running any enterprises also indicated that they were planning to start businesses within the next two years. Hence, hybrid entrepreneurship was a popular concept among employees in Ndola.

The respondents who had attempted to run businesses but failed gave reasons for discontinuing businesses that mainly to do with management of time and other resources. This was an indication that the respondents were not so confident about their management skills. Therefore, it is important that some form of training in management skills be given to them. Flexible training methodologies such as workshops could be utilized. Business incubation services could also be considered.

Most hybrid entrepreneurs in Ndola operated in trading, agriculture and livestock sectors either with or without employees (most micro enterprises) with an average of about K170,000.00 sales revenues per annum. The level of operations on average were low and

the researcher doubted whether the enterprises made significant impact on the owners' economic livelihood. High economic impact activities such as mining, tourism and medical services were absent from the list of sectors in which the respondents operated. Lack of skills and resources could probably explain the absence of enterprises in these sectors.

The respondents were characterized as necessity-driven basing on the motives for their entering into business. For the fact that such type of entrepreneurs were usually ill-prepared for business and showed less zeal for growth (Fairlie & Fossen, 2018) partly explained why most respondents operated at small scale. However, studies elsewhere had shown that hybrid entrepreneurs could experience significant growth (Solesvik, 2017). Thus with a change in mindset and skills as well as the right support, significant change could be achieved in the success of these enterprises.

Hybrid entrepreneurs in Ndola benefited from employment based sources of financing for their businesses. However, these sources were salary based and thus not adequate in financing business startups and expansion of operations. The hybrid entrepreneurs were unable to access large financing from traditional sources such as commercial banks due to stringent terms and conditions such as immovable collateral (Beyani, 2016).

Despite the above challenges, the respondents utilized the already established networks connected to their jobs to access customers. Established networks could lower costs of operations (Turkina, 2018) and could improve the profitability of enterprises. In addition, the experience in their jobs assisted the respondents to understand customers and serve

them with improved quality products. The experience obtained also assisted them understand enterprise finances better. This was important to the success of the businesses. As a result of these advantages, the businesses operated by respondents survived longer on average than the general SMEs in Zambia. The resilience of the enterprises could even be made better with the support from relevant stakeholders such as Government and the right business environment.

The fact that hybrid entrepreneurship was highly prevalent among employees in Ndola and offered advantages to entrepreneurship development, justified that the concept be supported and promoted in the city. Focus for promotion should be directed at alleviating the challenges faced such as limited access to capital; improving management skills; protection from imports; and aligning business demands with those of the jobs of the hybrid entrepreneurs.

### **Recommendations**

After considering the above findings and conclusions, it was recommended that Government should:

1. In collaboration with employers review the quality of jobs of workers in Ndola to allow for some autonomy which would afford the entrepreneurs flexibility in allocation of time between the job and entrepreneurial activities.
2. Assist change of mindset of hybrid entrepreneurs in Ndola towards innovation and growth of their enterprises through training and institutional support.

3. Provide incentives to attract more opportunity-driven entrepreneurs into hybrid entrepreneurship.
4. Establish policy that would support creation of financial instruments targeted at hybrid entrepreneurs in accessing better and larger financing.
5. Facilitate the review of collateral arrangements by the Bank of Zambia to make it easier for hybrid entrepreneurs in Ndola to access larger business loans from financial institutions.
6. Provide or facilitate loan guarantees to hybrid entrepreneurs in Ndola to enable them access larger financing options.
7. Organize training in financial and management skills for hybrid entrepreneurs in Ndola through some semi-formal training.
8. Promote and support people in fulltime employment to venture into high economic impact activities such as manufacturing, mining, tourism, environmental protection and medical services that were absent from sectors in which most hybrid entrepreneurs operated be.
9. Revise the licensing systems for small enterprises in Ndola to introduce a single license that allows operations in all sectors of the economy.
10. Establish Government funded business incubation centres to support hybrid entrepreneurs in the management of their businesses.
11. Give preferential access to Government tenders to hybrid entrepreneurs as they possess necessary skills and experience.
12. Review policies governing imports and local industrialization to strike a balance between imports and enterprise development by nurturing and protecting those

enterprises of hybrid entrepreneurs involved in value adding such as manufacturing, food processing as well as mineral processing.

### **Recommendations for Future Research**

The study also recommended various areas for future research. Luc et al (2018) indicated that transitioning to fulltime entrepreneurship was stimulated by easy access to advice and autonomy in the paid job. Future research was recommended to examine the role of incubator services on the growth of hybrid entrepreneurship in Zambia. Ferreira et al (2019) demonstrated that hybrid entrepreneurs examined any opportunity for growth, checking the implication for management and deliberately limiting growth. Future research was recommended to find out whether hybrid entrepreneurs in Ndola deliberately limited growth.

Solesvik (2017) indicated that hybrid entrepreneurs who maintain their status and those who transition experienced significant growth. This seemed not to be the case with hybrid entrepreneurs in Ndola. Longitudinal studies were recommended to track their growth. Schulz et al (2018) found out that hybrid entrepreneurs in UK enjoyed higher average earnings than holding a second job. Comparative studies were recommended for future studies among hybrid entrepreneurs in Ndola to see if hybrid entrepreneurs increased average income better than holding a second job.

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## APPENDICES

### APPENDIX A: Summary of responses from the survey questionnaire

#### SECTION A: BACKGROUND OF RESPONDENTS

Response rate for the questionnaire		
Questionnaires	Frequency	Percentage
Returned	418	45.8%
Not returned	495	54.2%
<b>Total</b>	<b>913</b>	<b>100%</b>

State your gender		
Gender of Respondents	Frequency	Percentage
Male	275	65.8%
Female	136	32.5%
No response	7	1.7%
<b>Total</b>	<b>418</b>	<b>100%</b>

How long have you been in your current employment?		
State your length of service	Percentage	Frequency
Less than 1 year	45	10.8%
2-3 years	68	16.3%
4-5 years	105	25.1%
Above 5 years	200	47.8%
<b>Total</b>	<b>418</b>	<b>100%</b>

State your age range		
Age ranges of respondents	Frequency	Percentage
15-24 years old	12	2.9%
25-34 years old	150	35.9%
35-44 years old	181	43.3%
45-55 years old	67	16.0%
56-65 years old	3	0.7%
Above 65	3	0.7%
No response	2	0.5%
<b>Total</b>	<b>418</b>	<b>100.0%</b>

What is the level of your education?		
Level of Education	Frequency	Percentage
Primary school certificate	0	0.0%
Grade 9 Secondary school	4	1.0%
Grade 12 Secondary school	34	8.1%
College Certificate or Diploma	170	40.7%
Bachelor's degree level	176	42.1%
Master's degree level	34	8.1%
PhD	0	0.0%
<b>Total</b>	<b>418</b>	<b>100.0%</b>

Respondents who owned businesses		
Do you own a business?	Frequency	Percentage
Yes	268	64.1%
No	146	34.9%
No response	4	1.0%
<b>Total</b>	<b>418</b>	<b>100%</b>

#### SECTION B: FOR PEOPLE WHO OWNED BUSINESSES.

How long have you been running the business?		
Duration of survival of business	Frequency	Percentage
Less than 1 year	59	22.0%
2-3 years	95	35.4%
4-5 years	68	25.4%
6-7 years	30	11.2%
Above 7 years	8	3.0%
No response	8	3.0%
<b>Total</b>	<b>268</b>	<b>100.0%</b>

Why did you go into business?					
Category of motive	Motive	Polls	Percentage of polls	Total polls per category	Percentage of polls per category
Pull motives	To utilize my creativity	95	13.6%	326	46.8%
	Opportunity arose – capital, space, equipment available	44	6.3%		
	I saw the demand/market	55	7.9%		
	It aligns well with the nature of the occupation	15	2.2%		
	I have skill to do this business	40	5.7%		
	I love doing private businesses.	77	11.1%		
Push motives	I wanted more money for home use	105	15.1%	367	52.7%
	Income protection in case of future unemployment	153	22.0%		
	I joined/inherited the family business	7	1.0%		
	Pressing family responsibilities	55	7.9%		
	Poor salaries	47	6.8%		
Other motives	Other reasons	3	0.4%	3	0.4%
	<b>Total</b>	<b>696</b>	<b>100.0%</b>	<b>696</b>	<b>100.0%</b>

What business sector are you operating in? [choose more than one if applicable]		
Business sector	Number of Respondents	Percentage of respondents
Crops and livestock	73	27.2%
Trading	76	28.4%
Transportation	21	7.8%
Food processing	22	8.2%
Internet and telecom	17	6.3%
Restaurant, catering, accommodation	14	5.2%
Construction	14	5.2%
Real estate	10	3.7%
Financial services, insurance	10	3.7%
Saloon, barbershop	7	2.6%
Energy	3	1.1%
Medical	0	0.0%
Mining	0	0.0%
Manufacturing	0	0.0%
Tourism	0	0.0%
Environmental protection	0	0.0%
Other	44	16.4%

How many employees did you have before COVID-19 restrictions were imposed in March 2020?		
Number of employees	Number of respondents	Percentage of respondents
None	94	35.1%
1-10	170	63.4%
11-49	4	1.5%
50-100	0	0.0%
Above 100	0	0.0%
<b>Total</b>	<b>268</b>	<b>100.0%</b>

How many employees do you have now?		
Number of employees	Number of respondents	Percentage of respondents
None	100	37.3%
1-10	163	60.8%
11-49	4	1.5%
50-100	0	0.0%
Above 100	0	0.0%
No response	1	0.4%
<b>Total</b>	<b>268</b>	<b>100.0%</b>

State your weekly sales revenue (was converted to annual sales revenues)		
Annual sales revenues ranges(K)	Number of respondents	Percentage of respondents
0-150	123	45.9%
150-300	75	28.0%
300-450	8	3.0%
450-600	19	7.1%
600-750	0	0.0%
750-900	8	3.0%
No response	35	13.1%
<b>Total</b>	<b>268</b>	<b>100.0%</b>

How did you raise your initial capital? [choose up to three priorities]			
Source of initial capital	Number of polls	Percentage of Respondents who used the source	Percentage of Respondents who did not use the source
Personal savings	211	78.8%	21.1%
Salary advance or loan from employer	98	36.6%	63.4%
Loan from microfinance such as Bayport, Finca	38	14.2%	85.8%
Credit from family and friends	64	23.9%	76.1%
Loan from commercial bank	31	11.6%	88.4%
Sold some private property	34	12.7%	87.3%
Other	30	11.2%	88.8%

How have You been raising money for operations? [choose up to three priorities]			
Sources of funds for operations	Number of polls	Percentage of Respondents who used the source	Percentage of Respondents who did not use the source
Personal savings from salary	203	75.7%	24.3%
Salary advance or loan from employer	68	56.3%	43.7%
Loan from microfinance such as Bayport	22	25.4%	74.6%
Credit from family and friends	31	11.6%	88.4%
Loan from commercial bank	15	8.2%	91.8%
Grant or Loan from Government agent	4	5.6%	94.4%
Sold some private property	12	4.5%	95.5%
Savings from profits from business	151	1.5%	98.5%
Other	26	2.6%	97.4%
No response	7	9.7%	90.3%

How does your job helped in creating contacts for your business? [choose up to three priorities]			
How job has helped create contacts	Number of polls	Percentage of respondents who selected the option	Percentage of respondents who did not select the option
Easier finding customers	143	53.4%	46.6%
Sale to current/former workmates	106	39.6%	60.4%
Made close associates in Government	15	5.6%	94.4%
Favors from other stakeholders	15	5.6%	94.4%
Other	41	15.3%	84.7%

How the jobs has helped manage the business? [choose up to three priorities]			
How jobs helped respondents in management skills	Number of polls	Percentage of respondents who selected the option	Percentage of respondents who did not selected the option
Better understanding of customer service	151	56.3%	43.7%
Better understanding of finances	102	38.1%	61.9%
Improving quality of product	53	19.8%	80.2%
Job not related to my business	22	8.2%	91.8%
Other	12	4.5%	95.5%
No response	64	23.9%	76.1%

**SECTION C: FOR ALL RESPONDENTS**

Why did you think people in fulltime employment do not run private businesses? [choose up to three priorities]			
Reasons people did not run private businesses	Number of polls	Percentage of respondents (418) who selected the option	Percentage of respondents (418) who did not selected the option
Limited time	377	90.2%	9.8%
Limited capital	222	53.1%	46.9%
Unreliable employees	124	29.7%	70.3%
Low sales	86	20.6%	79.4%
Thefts, crime, robberies	60	14.4%	85.6%
COVID-19	34	8.1%	91.9%
Against employers policy	31	7.4%	92.6%
Other	38	9.1%	90.9%
No response	4	1.0%	99.0%

<b>How do you think Government should assist people in fulltime employment to run their own private businesses? [choose up to three priorities]</b>			
<b>Government support</b>	<b>Number of polls</b>	<b>Percentage of respondents who selected the option</b>	<b>Percentage of respondents who did not selected the option</b>
Provide loan guarantees	240	60.5%	39.5%
Provide financial management training	204	51.4%	48.6%
Make enterprise registration easier	186	46.9%	53.1%
Encourage participation in government tenders	175	44.1%	55.9%
Offer management assistance services	77	19.4%	80.6%
Protection from imports.	57	14.4%	85.6%
Testimonies on mass media	43	10.8%	89.2%
Other	7	1.8%	98.2%
No response	4	1.0%	99.0%

**SECTION D: FOR RESPONDENTS WHO WERE NOT RUNNING ANY BUSINESS**

<b>Have you run any private business in the past five years?</b>		
<b>Response</b>	<b>Number of respondents</b>	<b>Percentage of respondents</b>
Yes	77	52.7%
No	59	40.4%
No response	10	6.8%
<b>Total</b>	<b>146</b>	<b>100%</b>

<b>Why did you discontinue your business? [choose up to three priorities]</b>			
<b>Reasons for discontinuing business</b>	<b>Number of respondents</b>	<b>Percentage of respondents who selected the option</b>	<b>Percentage of respondents who did not selected the option</b>
Limited time	59	76.6%	
Low sales	39	50.6%	
Limited capital	35	45.5%	
Theft, crime and robberies	14	18.2%	
COVID-19	14	18.2%	
Unreliable employees	11	14.3%	
Against employers' policy	0	0.0%	
Other	11	14.3%	
No response	2	2.6%	

<b>Do you intend to Start a business within the next two years?</b>		
<b>Response</b>	<b>Number of respondents</b>	<b>Percentage of respondents</b>
Yes	86	58.9%
No	4	2.7%
Not decided	22	15.1%
No response	34	23.3%
<b>Total</b>	<b>146</b>	<b>100.0%</b>

## **APPENDIX B: Target population and PACRA Registrations**

### **I. Estimation of target population and determination of sample size**

#### Target population Determination

The Yamane Formula for sample calculation is given by:

$$n = \frac{N}{1 + N(e)^2}$$

Where:

n= minimum returned sample size

N = the population size

e = the degree of accuracy expressed as a proportion

<b>Item</b>	<b>Number of People</b>	<b>Approximate sample size at 2020 using the Yamane Formula at 95% confidence interval and 5% significant level</b>
Population at 2010	455,194	398
Projected population at 2020	585,974	
Paid Jobs at 2010	59,692	
Projected paid jobs at 2020	78,842	

#### Determining the Number of Questionnaires

The expected response rate 40%. Thus the number of questionnaires calculated by sample size divided by expected response rate = (398/40)100 = 995 questionnaires.

There was need to distribute a minimum of 995 questionnaires

### **II. Table showing registrations of business names and companies 2012-2020**

<b>Year</b>	<b>Registrations</b>				<b>Annual returns</b>			<b>Deregistration</b>		
	<b>Business name</b>	<b>Local Companies</b>	<b>Total Registrations</b>	<b>Cumulative Total Registrations</b>	<b>Business names</b>	<b>Local Companies</b>	<b>Total annual returns</b>	<b>Business names</b>	<b>Local Companies</b>	<b>Total De-registrations</b>
2012	14,867	9,678	24,545	24,545	37,546	45,680	83,226	1,033	201	1,234
2013	17,754	10,143	27,897	52,442	29,944	30,720	60,664	1,274	148	1,422
2014	16,935	10,199	27,134	79,576	26,427	28,340	54,767	1,213	177	1,390
2015	16,640	9,743	26,383	105,959	28,729	31,848	60,577	1,201	1,067	2,268
2016	14,947	9,533	24,480	130,439	26,715	27,711	54,426	1,387	182	1,569
2017	16,598	10,078	26,676	157,115	25,018	26,810	51,828	1,742	353	2,095
2018	16,641	10,887	27,528	184,643	28,978	31,919	60,897	1,844	372	2,216
2019	18,729	10,153	28,882	213,525	27,006	33,007	60,013	1,473	24,785	26,258
2020	71,480	11,277	28,757	242,282	35,944	39,708	75,652	-	-	-

**Source: PACRA Annual Reports for 2012-2020**

## **APPENDIX C: Hypothesis testing for categorization of motives of respondents**

The study revealed that most businesses in Ndola were necessity-driven which was contrary to the notion held by the researcher. The question still was whether 52.7% was significant different from 46.8% for a sample of 696 polls.

$$\mathbf{H_0: P_1 = P_2}$$

That is “The proportion of polls for necessity-driven motives is not different from that of opportunity-driven motives.”

$$\mathbf{H_1: P_1 \neq P_2}$$

Which is “The proportion of polls for necessity-driven motives is different from that of opportunity-driven motives.”

### **Testing Statistic**

Two tailed test Z-score at 5% significant level =  $\pm 1.960$

### **Rejection Region.**

Reject  $H_0$  if  $|Z_{cal}| > 1.96$

$$Z_{cal} = \frac{P-Q}{\sqrt{\frac{PQ}{n}}}$$

Where:

$$P=P_1=0.468 \text{ and } Q=P_2=0.527$$

$$= \frac{0.468 - 0.527}{\sqrt{\frac{0.527 \times 0.468}{693}}}$$

$$= \frac{-0.059}{\sqrt{\frac{0.246656}{693}}}$$

$$= \frac{-0.059}{\sqrt{0.0003558961039}}$$

$$= \frac{-0.059}{0.018865973}$$

$$= \underline{\underline{-3.127323462}}$$

$$\underline{\underline{|Z_{cal}| = 3.13}}$$

$|Z_{cal}|$  is greater than 1.96. This means that the Z score falls within the rejection region. Therefor we had enough evidence to reject  $H_0$  at 5% significant level. **We conclude that there is significance difference between the proportion 52.7% and 46.8% at 95% level of confidence.**

**APPENDIX D: Hypothesis testing for longevity of enterprises**

Hypothesis

**H<sub>0</sub>2: μ ≥ 3.5yrs,**

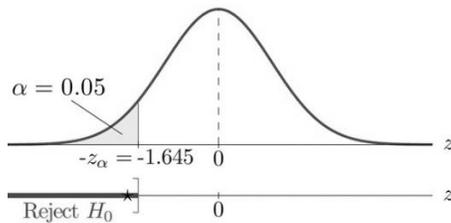
That is, “The average longevity of hybrid entrepreneur owned enterprises was at least three and half years”

**H<sub>1</sub>2: μ < 3.5yrs,**

Which is “The average longevity of hybrid owned enterprises was less than three and half years”

Rejection Region:

At 95% Confidence level, the rejection region is Z < -1.65



Sample standard deviation

$$s^2 = \frac{1}{n - 1} (\sum fx^2 - \frac{(\sum fx)^2}{n})$$

$$= \frac{1}{260 - 1} (3501.75 - \frac{(838.5)^2}{260})$$

Decision:

Since the calculated Z-score falls outside the rejection region, we cannot reject H<sub>0</sub>2. There is no enough evidence to reject H<sub>0</sub>2. Therefore, we accept that the enterprises of the hybrid entrepreneurs in Ndola is equal or exceeds 3.5years.

$$= \frac{1}{259} (3,501.75 - 2704.1625)$$

$$= \frac{797.5875}{259}$$

$$= \frac{797.5875}{259}$$

$$s^2=3.079488417$$

$$S=1.7548$$

Calculate the Z-Score

$$\text{Calculated Z Score} = \frac{\bar{x} - \mu}{s/\sqrt{n}}$$

$$= \frac{3.23 - 3.5}{1.7548(\sqrt{260})}$$

$$= \frac{-0.27}{1.7548(16.1245)}$$

$$= \frac{-0.27}{28.2953}$$

$$= \frac{-0.27}{28.2953}$$

$$= -0.00954222$$

$$\underline{\underline{\text{Calculated Z-Score} = -0.0095}}$$