Research Article

Necessity Entrepreneurs’ and Stakeholders’ Strategies: Bridging Business Survival in the Hairdressing Salon Industry

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Abstract

Entrepreneurs specialize in increasing productivity and thus, contribute to the country’s development and economic growth. The focus of the study is to investigate the extent to which necessity entrepreneurs’ and stakeholders’ strategies can enable the survival of small services and businesses such as hair salons. The argument is that hair salons that are created out of necessity may not be able to survive turbulent economic times. The paper argues that survival strategies may assist entrepreneurs to survive and grow in business. A positivist approach was employed and a sample of 144 was randomly recruited from hair salon business owners. The structured questionnaire was analyzed, yielding descriptive and inferential analyses with means, percentages, variances, correlation coefficients, regression analysis, and the Normal Q-Q plot used to analyze and explain the variables. The findings show a significant relationship between necessity entrepreneurship and business survival. This largely explains that they work assiduously for the growth of their enterprise. Necessity entrepreneurs influence economic development, and entrepreneurs create new businesses by helping in intensifying competition which assists in the growth of the business. Stakeholders influence the rate of necessity entrepreneurs’ survival. It is, therefore, concluded that hair salons build active participation with their stakeholders (customers, employers, community, and environment). Stakeholders are more willing to work with a business when they believe it is acting in ways consistent with its values.

Keywords: Business, Business Survival, Necessity Entrepreneurs, Entrepreneurship, Stakeholders Strategies

1. Introduction

The rising trend of unemployment indisputably remains one of South Africa’s challenges (Ferreira & Rossouw, 2016). Given the high unemployment rate, South Africans are resorting to other means to survive. Gashi and Ramadani (2013) posit that unemployment may positively influence entrepreneurship as the only option for the unemployed. As a result, some small businesses may not start because of the opportunity in the market but out of necessity to survive (Henrekson &
Sanandaji, 2017). Sarreal (2019) defines a necessity entrepreneur as an individual who starts a business because there is no other opportunity for employment. Over half of all workers in the developing world are self-employed (Margolis, 2014). Entrepreneurs choose self-employment with well-defined projects and ambitions since they have no better alternatives (Henrekson & Sanandaji, 2017). Most individuals opt for venturing into entrepreneurship and start their businesses, especially hair salons (Valdez & Richardson, 2013). The hairdressing sector is unfolding to become one of South Africa’s rising sectors (Cele, 2020). On the contrary, in terms of status, the sector is not often perceived as possessing much significance since the large constituents of operators are without formalization and operate without legal compliance (Valdez & Richardson, 2013).

Over time, small businesses have served as an opportunity for the underprivileged in terms of financial sustainability, human capital development, and local economic development and growth (Nzewi et al., 2017). Entrepreneurial businesses need to be proactive to succeed in a competitive business environment (Gashi & Ramadani, 2013). Necessity entrepreneurs may have a chance of survival as they have a substantial impact on the economy and are crucial for the economic development of a country. Business activities such as buying and selling help enhance economic activity and generate employment opportunities in the country (Bouchard & Basso, 2011). Entrepreneurship helps create new enterprises, seek opportunities, and use human resources. Thus, Necessity entrepreneurship no doubt represents a significant contributing factor to the development and expansion of any nation, especially developing nations (Bouchard & Basso, 2011). This strand of entrepreneurship cements the concept of human development and corresponds with the development of humans, and it has continued to steer the rise and expansion of small enterprises (Cele, 2020).

Freudenreich, Lüdeke-Freund and Schaltegger (2020), describe stakeholders as those groups and individuals who can affect or be affected by the actions connected to value creation and trade. Business stakeholders especially for small businesses usually include employers, employees, communities, and the environment, to mention a few. Furthermore, it is essential to note that the stakeholder theory does not define the company itself but defines the relationships between a business and its stakeholders. Thus, this study intends to assess if stakeholders can enable the survival of necessity entrepreneurship. Research evidence has shown that necessity entrepreneurs such as hair salons are often struggling with survival and most of them end up out of business (Hui, Toyama & Dillahunt, 2017). The contention pursued in this paper, therefore, is to interrogate the significance of stakeholder strategies on the survival of these businesses.

There are several studies on the business survival of hairdressing salon entrepreneurs in South Africa and other climes. For the case of South Africa, the literature search shows the economics of hairdressing and its implication for gender power in Durban, South Africa (Ojong, 2017); entrepreneurship success of informal hairdressing businesses in Richard Bay, South Africa (Cele, 2020); digitization of the professional hairdressing salon and the impact on value chain sustainability in South Africa (Kokong & Naidoo, 2022); and efficiency analysis of female hairdressers in Empangeni of South Africa (Nokuthula & Tavonga, 2019). Two similar studies from other climes include Aichas’s Sounith hair salon; friendship, profit, and resistance in Dakar and the business of black beauty; social entrepreneurs, or social justice (Phipps & Prieto, 2018). From this collection of studies, hardly any study interrogates the collected themes of necessity entrepreneurs and stakeholders’ strategies as enablers of business survival with a focus on the hairdressing salon industry in South Africa. This research gap establishes the originality of this study. Thus, the paper hopes to convey more recent debates for understanding the significance of stakeholders’ strategies for the survival of necessity entrepreneurs. The relevance of this paper can be uncovered from the importance of necessity entrepreneurs as drivers of small business and how the campaign for business survival among Small and Medium Enterprises SMMEs can be further championed through appropriate stakeholder strategies. Examining these themes is likely to engender a more distinct understanding of necessity entrepreneurs about how stakeholders’ strategies can aid in their survival. The paper, after a brief conceptualization of necessity entrepreneurs and hair salon businesses, the paper turned to explain
the nexus between stakeholders’ strategies and business survival. In what follows, the paper examines business survival strategies in Small and Medium Enterprises (SMMEs). The methodological approaches were thereafter explained.

2. Literature Review

2.1 Necessity entrepreneurs and hair salon business

The concept of necessity entrepreneurship (NE) is construed as entrepreneurs’ engagement in entrepreneurial activity because of the scarcity of survival and is essential to developing nations (Huggins, Prokop & Thompson, 2017). Kokong and Naidoo (2022) showed how entrepreneurship engenders more welfare-centered economies and assists in the promotion of a friendlier market economy. The authors further argued that the culture and survival traits of motivation towards entrepreneurship often engender positive outcomes in any country’s socio-economic indices, in addition to those who fail to indulge in entrepreneurial activities (Kokong & Naidoo, 2022). In addition, entrepreneurs who liquidate in their journey to creating a successful enterprise out of necessity, often end up becoming more successful and experienced with more commitment and attention to entrepreneurship rules. The impacts of necessity entrepreneurship on high growth aspirations influence growth. Furthermore, there is an argument that an entrepreneur’s willpower to expand his business is the most critical factor in business survival and growth (Autio & Acs, 2010).

Necessity entrepreneurs are characterized by low development ambitions, suggesting that entrepreneurship is tilted more toward a self-sustainability venture rather than a self-employment enterprise that will expand and consolidate (Van der Zwan, Thurik & Grilo, 2010). According to Amorós and Mandakovic (2017, p. 200), necessity entrepreneurs can be conceived as possessing some conundrums to the government with evidence of their merger contribution to the advancement of the economy and productivity. In other words, the entrepreneurial venture. They sustain economic development merely as a fragment of a promising wider business environment. It is believed that necessity entrepreneurs are usually informal; small medium and micro enterprises (SMMEs) managed by one person such as hair salons, but when they put in more effort and have ambitions, there are high chances of survival. Necessity entrepreneurs believe that small businesses such as hair salons can easily bring in profit which they can use to sustain themselves (Hui et al., 2018). Augis (2014), argued that since hair salons are not so demanding, they can easily improve their profitability, ensure that their employees work as a team, and maintain and sustain their businesses.

2.2 Stakeholders’ strategies and business survival

The stakeholders in business research have customarily acknowledged the significance of managing dealings between a business and its stakeholders (Parmar et al., 2010). The idea of stakeholders signifies persons or groups of persons who can influence or can be influenced by the business to pursue its purposes, which includes (but is not restricted to) clientele, dealers, proprietors, creditors, coalition associates, and local groups (Freeman, 1999). With the interconnection between a business and its stakeholders, persistence, growth, survival, and accomplishment for both actors, are often on many occasions, mutually established (Bundy, Vogel & Zachary, 2018). Hence, successful businesses often can effectively incorporate stakeholders and have interdependent actions that benefit either parties or their relationships (Bosse & Coughlan, 2016). Stakeholder theory has its foundation in strategic management literature; also, it is suggested that stakeholders are significant for a firm’s success story as much as stakeholders, influence the firm’s long-term strategic aim (Aarseth, Rolstadås & Andersen, 2011). In a way, directly and incorporating stakeholders’ relevance into a firm’s strategic outcomes is critical for its accomplishment (Theodoulidis et al., 2017). Developing a new way of thinking about the relationship between business and stakeholders, recognizing that positive relationships require a degree of fit or compatibility (Bridoux & Stoelhorst, 2016).
Some of the stakeholders' characteristics include trust, relational predictability, attraction/exchange, and communication, which help to build positive relationships with businesses (Bridoux & Stoelhorst, 2016). For instance, managers aspiring to introduce positive relationships with stakeholders are mandated to focus on aligning their values and priorities, instead of only focusing on one or the other (Harrison & Wicks, 2013). The survival of a business is determined by the involvement of its stakeholders (Spence, 2016). Stakeholders (customers, community, environment, and employers) are key factors for any business that is operating mainly out of necessity to survive and grow.

2.3 Business survival strategies in small medium enterprises (SMMEs)

Small and medium-scale enterprises (SMMEs) remain significant and are no doubt considered the focal and mainstay of any economy and go a long way to determining the outlook and size of a company, depending on the vision of its owners (Alam et al., 2016). However, it should be known that there is no accepted description of SMEs, but several economic scholars have tailored definitions for this depending on their economic society (Ward, 2020). Therefore, the distinction between small business and entrepreneurship lies in innovation, growth potential, and broad vision (Ndofirepi, 2016). SMMEs are like large businesses seeking profit and having independent ownership (Lappalainen & Niskanen, 2012). Therefore, the subtle differences between large businesses and SMMEs lie in their size, and capacity to exploit market opportunities and engage in innovation fully (Saguy & Sirotinskaya, 2014). The development of poverty-reduction-oriented SMMEs depends on the ability of SMMEs to transition their survivalist orientation through their optimal exploitation of market gaps and the production of products/services on a massive scale. Thus, some of the strategies guiding SMMEs to survive and grow include innovation, productivity, profitability, sustainability, and teamwork. Below are discussions on these strategies:

2.3.1 Innovations

The concept of innovation can be described as something novel that is newly established and productively implemented in the market (resulting in value creation), whether in an external or internal market (Johnsson, 2017). The creation of innovation entails the amalgamation of all efforts for the implementation and development of innovative ideas in the market (Tidd & Bessant, 2020), and efforts that are in this context are defined as innovative work. Innovation is said to be the implementation of a new or significantly improved product or a new organizational method in business practices, workplace organization, or external relations (Johnsson, 2017). Innovation could be described as introducing new processes, products, or services and improvement in technologies. In addition, it expands a business’ benefits, packages, solutions, and work procedures (Shaw et al., 2005). Entrepreneurship innovation is a significant component of the business life cycle and comprises the aspects of inventiveness (Johnsson, 2017).

Innovation plays a vital role in small businesses, business' competitive advantage, and the country’s economic development (Serdyukov, 2017). Innovative entrepreneurs gain a first-motivator advantage by engendering new business ideas, practices, products, or services or improving the effectiveness of a product or service, hence strengthening productivity (Franco & Mario, 2017). SMMEs are increasingly being considered as the significant source of new product development and new expertise through innovation (Franco & Mario, 2017). Innovation emerges as a business growth driver and specifically as a positive predictor of survival and an above-average post-entry performance in terms of profitability, export performance, and job creation (Colombelli, Krafit & Quatraro, 2014). Innovation will assist hair salons to survive by bringing in new ideas, new styles, new technology, and new ways of handling customers.
2.3.2 Productivity

The concept of productivity is often explained as a proportion existing between the level of output capacity and the size of inputs (Baptist & Hepburn, 2013). It assesses effectively how production responses, including labor and capital are being employed in an economy to generate a given level of output (Baptist & Hepburn, 2013). Employee productivity also known as workforce productivity is an assessment of the efficiency of a worker or group of workers and can be defined as the amount of work (output) produced by an employee in a specific period (Obiageli et al., 2015). Efficiency is a critical factor in the production performance of businesses and nations, and in addition, it also yields an increase in national productivity which can promote the standard of living since more actual income progresses people’s capability to procure goods and services, relish leisure, progress housing, and education, and contribute to social and environmental programs and productivity growth can also help business to be more profitable (Jasra et al, 2011).

According to Margaretha and Supartika (2016, p.139), there are positive and significant influences between business productivity and profitability, which means that the productivity in terms of the company’s labour productivity would affect the business’ level of profitability. SMMEs generally, are more productive than large businesses since the SMMEs have a smaller scope of the business; as such, it is easier to set up and manage (Santos, 2011). Business productivity is the strongest factor affecting profitability because the higher the level of productivity, the more profitable the business is (Margaretha & Supartika, 2016). Productivity ensures that the business runs smoothly and ensures growth, it pushes employees to perform and acquire more knowledge about the business. Moreover, for a business to be more productive, it needs to train its employees to acquire more knowledge and learn about what is happening around them and their competitiveness. (Tidd & Bessant, 2020). Productivity is a crucial source of growth in living standards, which means that more value has been added, and this means more income is available to be distributed and the survival of the business is ensured (Surya et al., 2021).

According to Porter and Kramer (2019), the benefits of productivity growth can be in several different ways such as to customers through lower prices and to the workforce through better wages and conditions. Productivity is important to the business because it means that it can meet its obligations to workers, shareholders, and government and remain competitive or even improve its competitiveness in the marketplace (Sabir, 2017). It is believed that productivity enables a hair salon business to know what exactly they are producing and what service they will be rendered to their customers so that they are more effective and grow the business.

2.3.3 Teamwork

Motivating employees for greater participate in any improvement effort requires teamwork. The concept of teamwork and its application in employment development and involvement programs is conceived as the most significant contributor to improving business performance (Bin & Shmailan, 2015). For this study, the concept of teamwork comprises effective actions induced into work ethics by all members such as communication, cooperation, trust, empathy, sharing common goals, and participation. Others understand the tasks, roles, and responsibilities of working together (Fapohunda, 2013). Teamwork also opens the opportunity to generate innovative solutions by bringing in diverse viewpoints and knowledge, high involvement, saving time and cost, and avoiding layers of hierarchy (Bennett, Pitt & Price, 2012). Teamwork is an important outcome and condition for continuous improvement in a business setup (Alam et al.,2016). It facilitates greater cooperation to continuously improve the functioning of the workgroup and businesses structured around teams, which allows teamwork among employees to become more productive (Prabawani, 2013). The growing awareness that teamwork is a critical component of business performance has resulted in more profitability (Margaretha & Supartika, 2016).

Teamwork improves the commitment of community leaders to work jointly, with higher rates of
commitment, resulting in improved team results, top team happiness, and high engagement (Tidd & Bessant, 2020). Developing high-performance teams that can fulfil their demanding and dynamic responsibilities is only possible with a high level of cooperation between team members (Margaretha & Supartika, 2016). Working as a team ensures that more work is being done at a faster pace, especially in a hair salon because the faster one gets served, the easier it is for them to come back and invite their friends and family (Alam et al., 2016).

2.3.4 Sustainability

The concept of sustainability can be explained as attaining personal or individual needs without compromising or altering the ability of others to attain their own goals (Muhindo, Mzuza & Zhou, 2014). Sustainability is important for many reasons including environmental quality. To have healthy communities, we need clean air, natural resources, and a non-toxic environment. Sustainability is when the business continues to exist despite all the challenges and threats it is confronted with, without damaging the environment and the community in which it operates and experiences less financial and reputation risk (Adewumi, 2022; Margaretha & Supartika, 2016). Sustainability analyses the environment and social impact of the products (Prabawani, 2013). Employing sustainability in business provides an efficient platform that provokes profits for its array of shareholders and seeks to protect the business environment by developing the lives of community members wherein the business is situated (McEwen, 2013).

Franco and Mario (2017) believe that to implement sustainability, businesses should have an appropriate business strategy and should adjust, not limited to their investments in operational cost alone, but also in the form of policy and even in vision and mission changes because business operations need financial resources to survive. Small, medium, and micro enterprises (SMMEs) such as hair salons are key players in the informal sector, which contributes substantially to the development of the economy and performs an imperative role in promoting entrepreneurial survival and entrepreneurial sustainability in a demanding and competitive informal sector.

2.3.5 Profitability

The concept of profitability can be explained as the capacity to make profits from a business venture over a sustainable period (Kokonga & Naido, 2022). The idea of profit possesses different interpretations by businessmen and women, accountants, revenue authority officials, and economists, which may be described as income to the business (Muhindo, Mzuza & Zhou, 2014). For instance, for an individual, profits encapsulate all income flows to the business from sales and other forms of business activities. For a financial expert, the concept of profit can be explained by income more than profits realized out of cost, both production and other expenditures, especially operational expenses (Muhindo, Mzuza & Zhou, 2014). In a nutshell, the concept of profits from all arrays of purposes is income emanating from businesses (Alam et al., 2016). Profitability remains the only actual measure of return from capital endowed in the business and it is evaluated in terms of market stake gained over a given period (Kokonga & Naido, 2022). Profitability fractions like profit on sales or profit margins are employed in business enterprises to regulate profit magnitudes on income, and small-scale businesses neglect these profitability ratios because of the lack of technical know-how (Kokonga & Naido, 2022).

In a competitive marketplace, business owners must learn to achieve a satisfactory level of profitability, which is the ratio to determine the growth of the company and it is the leading aspect of a company’s financial reportage (Mupani et al, 2023; Owolabi & Obida, 2012). A business’s profitability shows its capability to produce income for a certain period at a rate of sales, assets, and certain capital stock. However, understanding the basis of viability is the key consideration that helps managers obtain an effective value strategy for their company (Yazdanfar, 2013). One of the significant conditions for long-term firm survival and growth is business profitability and attainment,
and other monetary goals of the company which are meaningly affected by the productivity basis of
the business (Margaretha & Supartika, 2016). Factors such as employment, invention, and
technological change are significant because they influence economic growth and the business’s
primary goal is to expand its profitability because a business cannot attract more outside its capital
without profitability, and the business will not survive in the long run (Kokonga & Naido, 2022).

3. Theoretical Arguments

3.1 Stakeholder theory

Freeman (1999) describes stakeholders as those groups and individuals who can affect or be affected
by the actions connected to value creation and trade. Business stakeholder includes employers,
employees, communities, and the environment. Furthermore, no stakeholder stands alone in the
process of value creation because the stakes of each stakeholder group are multi-faceted and
inherently connected (Andriof et al, 2017). It is essential to note that the unit of analysis for
stakeholder theory is not the company itself but the relationships between a business and its
stakeholders (Freeman, 1999). Almost every business is concerned with relationships among
employers, customers, suppliers, employees, and communities (Hopkins & Turner, 2012). These
groups are referred to as “primary” or “definitional.” Moreover, without their support, the business
would cease to be viable (Andriof & Waddock, 2017).

Almost every business is concerned with relationships among employers, customers, suppliers,
employees, and communities therefore incorporates the Stakeholder theory (Harrison & Leitch,
2014). However, as a business starts, one stakeholder (suppliers or customers) is more important than
another (Freeman, 1999). Stakeholders such as employees, employers, customers, suppliers, the
community, and the environment play a specific role in small businesses and their creation (Tantalo
& Priem, 2016). It is believed that stakeholders, such as customers, employees, competitors, and
shareholders, are essential to the business because they bring in money and challenge the business to
always be innovative, which ensures the survival and growth of the business.

4. Research Methodology

4.1 Design, population, and sample

The philosophical approach for this study was borrowed from the assumptions of the positivist
research philosophy. These assumptions were harnessed to examine and interpret the perception of
necessity entrepreneurs through quantitative research methods (Sekaran & Bougie, 2016). The
positivist research philosophy allows for the measurement and understanding of stakeholders’
strategies that are related to necessity entrepreneurs’ business survival. The intention is to observe
the measurement of selected variables for any statistical significance relationship (Shields &
Rangarajan, 2013). For this study, two main construct variables were measured, including stakeholder
strategies and business survival strategies. The simple random sampling approach was employed to
select necessary entrepreneurs in the Mangaung Metropolitan Area of South Africa. The study
population comprised necessity entrepreneurs in the hair salon industry. A total of 144 hair salon
owners were randomly selected. This is justified to allow for an equal chance of representation of all
members of the population. This selection follows special consideration as a case definition. For
instance, recruitment only considers the necessity of entrepreneurs in the hair salon industry.

The data collection process begins with a formal introduction of the aim of the study to selected
hair salon entrepreneurs who had shown interest in participating in the study. While an earlier
intention had been communicated to the salon owners, the researcher had to do a recap introduction
to all the participants for a deep understanding of the research goal. Different appointments were
agreed upon for the administration and retrieval of the questionnaire and a total of questionnaires
were distributed to test for the reliability of the instrument. It is important to establish that these categories of hair salons were excluded from the actual sample size of the study (see Cronbach’s alpha test). Thereafter, the actual administration of the questionnaire begins with the assistance of three research assistants. The data collection covers the entire Mangaung Metropolitan Area where hair operators can be identified and lasted for a period of three months.

4.2 Research instrument, reliability, and validity

A self-developed questionnaire with main constructs, including stakeholders’ strategies and business survival strategies for necessity entrepreneurs was further disseminated into different sub-constructs. Each part of these constructs was intended to measure necessity entrepreneurs’ responsiveness to the utility of stakeholders’ strategies for business survival. The online data collection approach was employed. This is justified in the interest of time and the need to reach a wide spectrum of necessity entrepreneurs in the hair salon industry. The reliability of the constructs was ascertained by Cronbach’s alpha test, with a reliability test ranging from 0.82 to 0.85 exceeding 0.70, suggesting good reliability of the constructs. Validity was ensured by expert opinion. This was ascertained to ensure that the constructs are reflective of the research problem being investigated.

4.3 Data analysis and ethical consideration

The data were captured on the Statistical Package for Social Science (SPSS). The mean and standard deviation were employed to analyze the descriptive components of the data. A correlation was further employed to understand the extent of the relationship between the different constructs. Regression analysis was utilized to test for the various impacts of the constructs on necessity entrepreneurs’ business survival strategies. The Regression Model was further conducted to test the extent to which necessity entrepreneurs support firm survival. A nominal Q-Q plot was used to examine the normality of the residual variables. It was aimed to ascertain if the two quantiles of necessity entrepreneurs and stakeholder’s strategies form an equal straight line against business survival or came from the same distribution. On ethics, all participants were appropriately briefed before the commencement of the study. For instance, consent was obtained from all respondents indicating their willingness to participate in the study. The anonymity and confidentiality of respondents’ information were strictly protected.

5. Results and Discussion

5.1 Demographics

As indicated in Table 1 below, most of the respondents in the study were females. There were (77.8%) females and (22.2%) males in the study. This indicates that females mostly dominate the small service businesses involving hair salons in the study area. Furthermore, almost half (49.3%) of the respondents were in the age category of 31-40, while 34% were in the 26-30 age category, 14.6% in the 41-50 age category and 2.1% of the respondents in the study were aged between 21-25 years. From this, it is evident that most of the respondents in the study are in the 31-40 age group, followed by the 26-30 age category. The table further illustrates that many of the respondents were South African citizens (63.90%), followed by non-South African citizens (27.10%) and then Permanent resident holders (9.00%). We believe that most hair salons are run by females because people think that hair salons are best handled by females, even though things have evolved, and mindsets have changed. The concept has stuck in many people’s minds; hence, the results still indicate that most respondents are females between the ages of 26 – 40, and the majority of South Africans are venturing into small businesses to survive, grow and establish themselves in the business world. Ojong (2017), thinks that males have now also increased in the hair salon business; males on the other hand have also been
venturing into the hair salon business, being more versatile, so that they can attract more customers.

Table 1: Demographic profiles

<table>
<thead>
<tr>
<th>VARIABLES</th>
<th>VALUES</th>
<th>FREQUENCY</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>112</td>
<td>77.80%</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>32</td>
<td>22.20%</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>144</td>
<td>100.00%</td>
</tr>
<tr>
<td>Respondents Age</td>
<td>21-25</td>
<td>3</td>
<td>2.10%</td>
</tr>
<tr>
<td></td>
<td>26-30</td>
<td>49</td>
<td>34%</td>
</tr>
<tr>
<td></td>
<td>31-40</td>
<td>71</td>
<td>49.30%</td>
</tr>
<tr>
<td></td>
<td>41-50</td>
<td>21</td>
<td>14.60%</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>144</td>
<td>100.00%</td>
</tr>
<tr>
<td>Nationality</td>
<td>SA Citizens</td>
<td>92</td>
<td>63.90%</td>
</tr>
<tr>
<td></td>
<td>Permanent resident holder</td>
<td>13</td>
<td>9.00%</td>
</tr>
<tr>
<td></td>
<td>Non-SA citizen</td>
<td>39</td>
<td>27.10%</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>144</td>
<td>100.00%</td>
</tr>
<tr>
<td>Language</td>
<td>Afrikaans</td>
<td>1</td>
<td>0.70%</td>
</tr>
<tr>
<td></td>
<td>English</td>
<td>101</td>
<td>70.10%</td>
</tr>
<tr>
<td></td>
<td>Setswana</td>
<td>11</td>
<td>7.6%</td>
</tr>
<tr>
<td></td>
<td>Sotho</td>
<td>16</td>
<td>11.10%</td>
</tr>
<tr>
<td></td>
<td>Xhosa</td>
<td>5</td>
<td>3.50%</td>
</tr>
<tr>
<td></td>
<td>Zulu</td>
<td>10</td>
<td>6.90%</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>144</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

5.2 Stakeholder strategies and business survival

Table 2 indicates majority (45.8%) of the respondents borrow money from financial institutions such as banks, to start their businesses, which is in line with Kokonga and Naido (2022), who indicate that it is not easy to start a business especially when you do not have money and the only way one can do something is to approach a bank for a loan as start-up capital. The study showed that Customers (58.3%) also play an important role in running the business, therefore being able to keep up with customers and their needs requires a good database to keep a record of all their dealings and demands so that it will enable the business to just retrieve information (Cele, 2020). Customers are an important stakeholder in any business, let alone hair salons. Hence, 50.7% of hair salon businesses try to attract new customers as the table indicates. This is supported by Margaretha and Supartika (2016) (2019), who state that business needs to find ways to be able to attract new customers so that they can get more profit increase their customers’ database and compete in the market. Marketing is one tool that businesses use to attract more customers. Therefore, salon owners need to ensure they have an active marketing tool that will draw in more customers regularly, (Cele, 2020). The results show that (55.6%) of hair salon businesses believe that promotion is part of growing the business and acquiring more customers using promotional tools, is of vital importance (Franco & Mario, 2017).

The mean scores of the variables suggest building active participation was the most important variable, because most businesses work with their stakeholders especially customers to get them involved in the business and build a clientele by getting their views on what they like and do not like, how they would prefer different styles which engage stakeholders and participation. Sarreal (2019) argues that the active participation of stakeholders in a business will enhance the business’s growth and increase its profit. Active participation is followed by ensuring that the business is in an environment that is easily accessible by customers and employers being able to market their business in the environment. The least important variable is borrowing finance from financial institutions. Entrepreneurs need to ensure that they actively get the customers involved in the business and identify what customers want to ensure that they can provide (Franco & Mario, 2017).
Table 2: Stakeholders’ strategies and business survival

<table>
<thead>
<tr>
<th></th>
<th>Not at all</th>
<th>Small extent</th>
<th>Moderate extent</th>
<th>Large extent</th>
<th>Mean</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building active participation from the community</td>
<td>0.7</td>
<td>6.9</td>
<td>52.1</td>
<td>40.3</td>
<td>3.32</td>
<td>1</td>
</tr>
<tr>
<td>Employers can market their business in the environment</td>
<td>0.9</td>
<td>6.9</td>
<td>55.6</td>
<td>37.5</td>
<td>3.31</td>
<td>2</td>
</tr>
<tr>
<td>Staying ahead of competitors with innovations</td>
<td>0.7</td>
<td>8.3</td>
<td>50.7</td>
<td>40.3</td>
<td>3.31</td>
<td>3</td>
</tr>
<tr>
<td>Ensuring that the business is in an environment that is easily accessible by customers</td>
<td>2.1</td>
<td>5.6</td>
<td>52.1</td>
<td>40.3</td>
<td>3.31</td>
<td>4</td>
</tr>
<tr>
<td>Building a trusting relationship with the community</td>
<td>1.3</td>
<td>6.3</td>
<td>59.7</td>
<td>34.0</td>
<td>3.28</td>
<td>5</td>
</tr>
<tr>
<td>Creating alliances with other employers</td>
<td>1.1</td>
<td>9.7</td>
<td>53.5</td>
<td>36.8</td>
<td>3.27</td>
<td>6</td>
</tr>
<tr>
<td>Maintaining good relations with suppliers</td>
<td>0.8</td>
<td>10.4</td>
<td>52.8</td>
<td>36.8</td>
<td>3.26</td>
<td>7</td>
</tr>
<tr>
<td>Buying products in bulk to take advantage of reduced prices and discounts</td>
<td>0.7</td>
<td>7.6</td>
<td>59.7</td>
<td>31.9</td>
<td>3.23</td>
<td>8</td>
</tr>
<tr>
<td>Offering excellent non-imitable services</td>
<td>2.1</td>
<td>5.6</td>
<td>60.4</td>
<td>31.9</td>
<td>3.22</td>
<td>9</td>
</tr>
<tr>
<td>Attracting new customers</td>
<td>0.7</td>
<td>12.5</td>
<td>50.7</td>
<td>36.1</td>
<td>3.22</td>
<td>10</td>
</tr>
<tr>
<td>Maintaining a good employer and employee relationship</td>
<td>1.4</td>
<td>8.3</td>
<td>59.0</td>
<td>31.3</td>
<td>3.20</td>
<td>11</td>
</tr>
<tr>
<td>Maintaining customer relations with an up-to-date customer database</td>
<td>1.6</td>
<td>15.3</td>
<td>58.3</td>
<td>26.4</td>
<td>3.11</td>
<td>12</td>
</tr>
<tr>
<td>Using promotional strategies to maintain customers’ loyalty</td>
<td>4.2</td>
<td>12.5</td>
<td>55.6</td>
<td>27.8</td>
<td>3.07</td>
<td>13</td>
</tr>
<tr>
<td>Borrowing finance from financial institutions</td>
<td>20.8</td>
<td>7.6</td>
<td>25.7</td>
<td>45.8</td>
<td>2.97</td>
<td>14</td>
</tr>
</tbody>
</table>

5.3 Business Survival

The results in Table 3 indicate that 61.1% of hair salons strive for customer satisfaction. This resonates with Margolis (2014) that customer satisfaction is one of the most important aspects of business survival, signifying that when customers are satisfied and happy, they always find a way to come back to the business, which will boost the image of the business and create an active clientele for the business. As most businesses struggle to build their competitive edge for survival, the table above indicates as well that 40.3% of hair salons identify the importance of competitive edge to ensure growth. Competition forces businesses out of their comfort zone and to be more creative, hence entrepreneurs need to be able to compete with other businesses with similar interests to survive (Tidd & Bessant, 2020).

The results further illustrate that 59.7% of hair salon businesses occasionally train their employees. This is important for this type of business as it will improve their service. This assertion is in line with Abomeh and Peace (2015) who think that training employees ensures that the business will always have skilled labor and that the business always puts the needs of its customers first. Loannis and Belias (2020), concur that training employees is good for the business and the business will easily grow and build customers’ trust, as they will have confidence in the employees and the work they deliver. The study by Sarreal (2019) correlates with the results that indicate that 47.9% of customers and their community make up the business, having their support makes the business successful, and that is what every business strives for, furthermore, every business needs to ensure that they get customers who are willing to support them. Improving the business by bringing new products builds the business and attracts more customers (53.5%) to the hair salon business, therefore, ensuring a growing customer base which guarantees survival and success for the business (Owolabi & Obida, 2012).
Table 3: Business Survival Strategies

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Never</th>
<th>Sometimes</th>
<th>Occasionally</th>
<th>Always</th>
<th>Mean</th>
<th>Ranks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer satisfaction</td>
<td>1.4</td>
<td>9.0</td>
<td>28.5</td>
<td>61.1</td>
<td>3.49</td>
<td>1</td>
</tr>
<tr>
<td>Ensuring a growing customer base.</td>
<td>0.9</td>
<td>13.2</td>
<td>45.8</td>
<td>41.0</td>
<td>3.28</td>
<td>2</td>
</tr>
<tr>
<td>Managing income and expenses in the business</td>
<td>0.8</td>
<td>16.0</td>
<td>43.7</td>
<td>40.3</td>
<td>3.24</td>
<td>3</td>
</tr>
<tr>
<td>Improving the business by bringing in new products.</td>
<td>0.7</td>
<td>14.6</td>
<td>53.5</td>
<td>31.2</td>
<td>3.15</td>
<td>4</td>
</tr>
<tr>
<td>Acquiring support from customers and its community.</td>
<td>5.6</td>
<td>16.7</td>
<td>47.9</td>
<td>29.9</td>
<td>3.02</td>
<td>5</td>
</tr>
<tr>
<td>Employees training</td>
<td>2.1</td>
<td>20.1</td>
<td>59.7</td>
<td>18.1</td>
<td>2.94</td>
<td>6</td>
</tr>
<tr>
<td>Building competitiveness in the business as survival gets harder.</td>
<td>2.8</td>
<td>29.9</td>
<td>40.3</td>
<td>27.1</td>
<td>2.92</td>
<td>7</td>
</tr>
</tbody>
</table>

Table 4 above displays the correlation among the constructs with 0 being the lowest amount and 1 the highest amount indicating the statistical significance. The table reveals that the correlation between business stakeholders and business survival with necessity entrepreneurship is (0.337). This means that there is a relationship between necessity entrepreneurship as well as business stakeholders and business survival. The table shows that there is a relationship between survival strategies and necessity entrepreneurship of (0.159) as well as business strategies and stakeholders with business survival of (0.276). The relationship between business stakeholders and business survival from the table above (1), indicates that there is a positive statistically significant relationship between the two variables which will enable a business to survive and grow to become successful.

The above statement indicates that there is a relationship between the variables (necessity entrepreneurship and business stakeholders) with business survival. Entrepreneurs strive to build their businesses through the need to create and start a business, which is mainly because of necessity and a need to survive (McMullen & Dimov, 2013). For any business to survive, it needs to have stakeholders (employees, customers, and their community), and statistics have shown that there is a relationship between stakeholders and business survival. An active stakeholder builds the business and helps maintain growth (Shantz, Kistruck & Zietsma, 2018). Table 4 shows that business that correlates with these variables (necessity entrepreneurship, business stakeholders as well as business survival) have a high chance of success.

Table 4. Correlation among the constructs

<table>
<thead>
<tr>
<th></th>
<th>Necessity entrepreneurship</th>
<th>Strategies and Business Survival</th>
<th>Business survival strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Necessity entrepreneurship</td>
<td>1</td>
<td>0.337*</td>
<td>1</td>
</tr>
<tr>
<td>Stakeholder strategies and business survival</td>
<td>0.337*</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Business survival strategies</td>
<td>0.159</td>
<td>0.276*</td>
<td>1</td>
</tr>
</tbody>
</table>

Table 5 below shows a synopsis of the coefficients for the predictor variable in the final model. The F-statistics shows 3.662 and a p-value of 0.02514. The adjusted R square is 1.83%, and this suggests that necessity entrepreneurship explains 1.83% of the changeability in firm survival. In addition, the Durbin-Watson statistics is 1.48 with a p-value of 0.002. The significant p-value indicates that there is autocorrelation. A significant p-value for the non-constance variance (p-value < 0.000) and the Breusch Pagan test (p-value< 0.000) explain heteroscedasticity. The above table indicates that there is a correlation between necessity entrepreneurship and business survival.
Table 5: Regression model for the use of necessity entrepreneurship to support firm survival

<table>
<thead>
<tr>
<th>Variable</th>
<th>Estimate</th>
<th>Std error</th>
<th>T value</th>
<th>P value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>2.60703</td>
<td>0.28549</td>
<td>9.132</td>
<td>6.17e-16</td>
</tr>
<tr>
<td>Necessity entrepreneurship</td>
<td>0.16161</td>
<td>0.08445</td>
<td>1.914</td>
<td>0.0577</td>
</tr>
</tbody>
</table>

Figure 1 explains the Normal Q-Q plot, and this indicates that the residual values are normally spread as points almost lie on the straight dashed line. The normal Q-Q plot examines the normality of the residuals. From the plot of the residuals and the fitted values, their error terms do not have a constant variance, as there is no distinct pattern observed. This satisfies the linear relationship assumption and suggests that there is a linear relationship between necessity entrepreneurship and firm survival. In addition, the points in the Scale-Location graph, which checks for homogeneity of variance of residuals, also suggest that the continuous alteration hypothesis has been met. The Residual versus Leverage plot indicates there are potential outliers based on Cook’s distance value.

Figure 1: Nominal Q-Q plot

6. Conclusion

The focus of this study has been to interrogate the importance of stakeholders’ strategies as enablers of business survival for necessity entrepreneurs in the hairdressing salon Industry. The study seeks to examine the theme of entrepreneurship beyond the popular narrative of job creation to a more nuanced analysis of how stakeholders’ strategies can be employed as enablers of survival, particularly for the necessity entrepreneurs. As shown from the results, more emphasis was placed on customers as critical stakeholders for business survival. This analysis presents a ground for further interrogation of other stakeholders including investors. The results also revealed that necessity entrepreneurs who integrate business stakeholders and survival strategies have a high chance of survival.

The study concludes that small business survival is not only predicated on the extent of capital contribution but also the performance of the business for survival. In addition, necessity entrepreneurs must be goal-driven in the pursuit of survival, with the right application of customer stakeholders’ strategies. This is fundamental as customer perception and evaluation of business can be employed to analyze the performance of necessity entrepreneurs. Most necessity entrepreneurs enter a business venture without expected assistance or guidance as they are unsure of the success of the business. The study further concludes that necessity entrepreneurs must intensify efforts in ensuring customer satisfaction as critical stakeholders for the survival of their enterprise. In conclusion, the study recommends robust integration of trust and communication as critical stakeholder strategies for the survival of necessity entrepreneurs. This is important, as it will aid in improving the customer-entrepreneurs relationship for business growth and survival. In addition, necessity entrepreneurs must commence engaging in innovation to overcome the business
competition and the growth of the enterprise. Lastly, actionable recommendations in terms of supporting the enterprise of hair salon entrepreneurs through government support and loans are crucial for continuity and survival. This recommendation can be harnessed and stretched by appropriate stakeholders who must champion and take the lead by forming alliances with appropriate government establishments for support. Future studies can investigate the effectiveness and implementation of government roles as stakeholders for the necessity of entrepreneurs’ survival.

References


