Use of online social networks in entrepreneurial activity

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ABSTRACT

Entrepreneurial activity is described as a process whereby an entrepreneur combines resources in a novel way to form a new venture. It is argued that rather than being an individualistic activity, entrepreneurship occurs through a process of social construction. In this way, it is understood that an entrepreneur's network is of central importance to all stages of the entrepreneurship process as it provides an entrepreneur with support, knowledge and access to financial and human resources. However, the entrepreneurship process has started to change due to the increase in use of digital technology and specifically online social networks. Online social networks have allowed for entrepreneurs to communicate, collaborate and access information. This research was conducted with the objective of exploring how entrepreneurs use online social networks in entrepreneurial activity and the perceived benefits and adverse impacts of that use. To establish this, qualitative research was conducted in which the entrepreneurial activity of a select group of participants was analysed through an activity theory framework. Key themes emerged from the data collection and the findings of the research supported the literature regarding the motivations of entrepreneurs to use an online social network. The findings also showed that while there were perceived benefits in using an online social network, there were also contradictions which emerged indicating that the use of online social networks in entrepreneurial activity requires further development.

KEYWORDS

Entrepreneurship, Online Social Networks, Activity theory, Networking, Entrepreneurial activity
DECLARATION

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

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Philippa Marques
12 March 2018
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CHAPTER 1: INTRODUCTION TO RESEARCH PROBLEM

1.1 Introduction to the research problem

The field of entrepreneurship is concerned with questions related to the process by which an entrepreneur recognises, evaluates and exploits opportunities (Pryor, C., Webb, J. W., Ireland, R. D., and Ketchen, D. J., 2016; Leyden, D.P., Link, A.N., Siegel, D.S., 2014). It is increasingly being acknowledged that the daily decisions of entrepreneurs are influenced by social structures (Greve, A., 2003). Research suggests that rather than being an individualistic activity, new business ventures are created through social construction (Wood, M. S., & McKinley, W., 2010). In this regard, it is clear that the entrepreneurship process requires an entrepreneur to access his or her social network to get support, knowledge and access to financial and human resources (Greve, A., 2003). In this way, the entrepreneurial process is seen as a collaborative one (Holt, R., 2008).

However, the entrepreneurship process has started to transform due to the increasing use of digital technology in the workplace (Nambisan, S., 2016). Online social networks are one form of digital technology that has increased in popularity for both personal and business use (Forsgren, E., Gritt, E., Karanasios, S., Allen, D., Byström, K., 2016; Fuentes-Fernández, R., Gómez-Sanz, J.J., Pavon, J., 2012). This research will use Kaplan and Haenlein’s (2010) definition of social media as “a group of Internet-based applications that build on the ideological and technical foundations of Web 2.0 and that allow the creation and exchange of user generated content.” These platforms have allowed entrepreneurs to communicate internally and externally, access information and collaborate with various stakeholders online (Aguenza, B., Al-Kassem, A., & Som, A., 2012; Forsgren, E., et al., 2016).
This research will use activity theory as a theoretical and methodological framework to analyse the use of online social networks as part of entrepreneurial activity. Activity theory is considered a suitable framework to analyse how entrepreneurs use online social networks in an open workplace environment, where the entrepreneur’s social network becomes part of an object-oriented and tool-mediated activity (Forsgren, E., et al., 2016).

1.2 Motivation for the Research Project

1.2.1 Business need

The Global Entrepreneurship Monitor (GEM) for South Africa (2017) highlights a number of political and economic issues which have plagued South Africa in the past year including, *inter alia*, a rating agency downgrade to junk status, GDP growth at only 0.3 percent and a number of cabinet reshuffles. These challenges are bound to have a significant effect on all South African citizens as they further contribute to South Africa’s high unemployment rate and high levels of poverty and inequality (Herrington, M., Kew, P., Mwanga, A., 2017)

Small businesses have been described as the main catalyst of economic development and the backbone of socio-economic progress (Neagu, C., 2016). The small business sector has been identified as one of the most important factors for a strong economy and is linked to national and regional development in many countries around the world (Keskin, H., 2010). Significantly for South Africa, research shows that small businesses are important for developing countries as they enhance innovation and competitiveness (Neagu, C., 2016; Keskin, H., 2010).

An entrepreneur is commonly defined as someone who owns, launches, manages and takes on the risk of new venture creation (Greve, A., 2003). Small businesses are usually established on the strength and courage of their founders (Neagu, C., 2016). In this way, the strengths and weaknesses of a small business closely resemble those of their founders and their ultimate success therefore depends on the ability of their founders to successfully identify and exploit opportunities (Pryor, C., et al., 2016).
South Africa, however, consistently demonstrates low levels of entrepreneurial activity relative to other countries (Herrinton, M., et al., 2017). Data from the GEM report for South Africa (2017) shows that South Africa’s established business rate has declined by 26 per cent since 2015 and is at its lowest level since 2011. This rate is five times lower than the average for the Africa region.

There are a number of issues impacting on the survival of small businesses in South Africa. South Africa has a low early-stage entrepreneurial start-up rate (Herrinton, M., et al., 2017). In addition, small businesses in South Africa are operating in under challenging economic and political conditions. Challenges facing small business owners include consistent problems accessing finance, lack of education and training and a lack of openness of the domestic market toward small businesses (Herrinton, M., et al., 2017). In addition, the failure rate of new businesses in 2016 was 67 percent as a result of financial constraints. These failures have a significant impact on South Africa and its ability to address unemployment and GDP growth.

Access to technology and the capacity to use it is one factor which allows small businesses to become competitive, develop relationships and access information (Herrinton, M., et al., 2017). Data from the GEM report (2017) shows that 55 per cent of early-stage entrepreneurs in South Africa use technology, while only a quarter use the latest technology. This means that 45 percent of entrepreneurs in South Africa are not using technology (Herrinton, M., et al., 2017). Given the need to address high levels of unemployment in South Africa, a study that assists entrepreneurs to understand how best to utilise technology could contribute towards the survival and growth of more small businesses in South Africa and therefore improve the overall well-being of all citizens.

1.2.2 Theoretical need

As a field of research, entrepreneurship is concerned with questions relating to how an individual recognises and exploits opportunities in order to create a new venture (Pryor, C., et
Literature on entrepreneurship is founded on the idea of an entrepreneur as an individual, whose function it was to carry out new venture creation (Wallin, A., Still, K., Henttonen, K., 2016). The field of entrepreneurship research has been vastly explored in order to analyse and understand the motivations and cognitive function of the entrepreneur as an individual actor. However, there has been an increasingly trend to look beyond the individual entrepreneur as it became apparent that the entrepreneurial process is a collaborative one. As such, there is a trend to researching the entrepreneur as part of a wider ecosystem.

An entrepreneur’s social network is part of this ecosystem. Having a social network has been described as of central importance for all stages of the entrepreneurial process and it can influence and contribute towards a new venture’s ultimate success (Leyden, D.P., et al., 2014). However, despite progress in this field, there is still a need to develop more understanding of the entrepreneurial activity and how social structures have the ability to influence an entrepreneur’s behaviour (Pryor, C., et al., 2016).

With advancements in technology and the rise in popularity of online social network platforms, entrepreneurial activity has started to change (Sussan & Acs, 2017; Nambisan, S., 2016). Digital technology has provided the tools and systems for communication and collaboration that can support the entrepreneurial process (Nambisan, S., 2016). As recently discussed by Sussan and Acs (2017), research on entrepreneurship has largely ignored the role of digital technology in shaping entrepreneurial activity. Prior research on entrepreneurship has focussed on the practice of entrepreneurship in a technology environment, rather than the role of specific technologies and how they shape entrepreneurial activities. As such, a gap exists in our understanding of entrepreneurship in a digital world (Sussan & Acs, 2017).

Digital technology has rapidly changed the way individuals and organisations operate and communicate (Aguenza, B., et al., 2012; Bolton, R., Parasuraman, A., Hoefnagels, A., Michels, N., Kabadayi, S., Gruber, T., Loureiro, Y.K., & Solnet, D., 2013). It is unquestionable that digital platforms, including social media, have radically transformed how people interact and has become deeply embedded into people’s everyday lives (Forsgren, E., et al., 2016).

According to Nambisan (2016), digital technology has not only changed the properties of entrepreneurship, but has the potential to impact on the entire entrepreneurship process. Digital
technology can affect entrepreneurial activity by enabling a less bounded and more flexible structure (Sussan and Acs, 2017; Nambisan, 2016). This in turn has led to new beliefs, behaviours and actions by entrepreneurs who are using digital technologies and thus questions the relevance of existing theories and concepts used to understand entrepreneurial activity. There is thus a growing need to explore the integration of new digital technologies with the existing theories and concepts in entrepreneurship (Nambisan, S., 2016).

Despite evidence on the potential for social media to impact entrepreneurship, it is surprising that there has been little research on the union of entrepreneurship and social media with most attention being directed to technology firms as opposed to how technologies may promote entrepreneurial processes (Ajjan, H., et al., 2015). For example, new technology has transformed the value creation process by changing the way individuals send and receive information and has allowed for the rise of new ways in which to access resources, this impacts business by creating new markets, access to finance and access to a wider audience (Ajjan, H., et al., 2015). As such, a study assisting in understanding the role that social media plays in the entrepreneurial process is important to supplement the existing entrepreneurship literature.

1.3 Purpose and Objectives of the Research Project

This research paper is intended to explore how and why entrepreneurs use online social networks in their daily activity. The study uses activity theory as both a theoretical and methodological framework by using online social networks as a mediating tool for entrepreneurial activity.

This research was selected because it provided an opportunity to establish the role that specific digital technologies, social media networks, play as part of entrepreneurial activity. Identifying how entrepreneurs use online social networks could assist in better understanding how new businesses are created, how entrepreneurs make decisions and why some entrepreneurs are successful while some are not. This would be critical for the future success of small and medium sized businesses in South Africa.
The main objectives of this research project were to explore:

- the types of online social networks which entrepreneurs are using and why they were used as part of entrepreneurial activity; and
- the perceived benefits and negative impact of using online social networks by entrepreneurs.

1.5 Overview of the Research Project

This paper is organised as follows:

- **Chapter 1**, gives an overview of the motivation for the research project and sets out the objectives of the research.
- **Chapter 2**, presents a review of the academic literature underlying the research project.
- **Chapter 3**, defines the research questions that the study aims to answer.
- **Chapter 4**, sets out the methodological framework used for the research project.
- **Chapter 5**, presents the results of the research.
- **Chapter 6**, discusses the research results in relation to the research questions and in light of the literature review.
- **Chapter 7**, concludes the research project by highlighting the main findings of the research, the implications for management and recommendations for future research.
CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

This literature review focuses on the theory related to entrepreneurship and the role that networking and digital technology play in entrepreneurial activity. In addressing these areas, literature was reviewed dealing with the importance of networking in entrepreneurship and how digital technologies and social media have started to change entrepreneurial processes. Finally, literature on activity theory was reviewed to provide theoretical support for understanding how social media could be considered as a mediating tool in entrepreneurial activity.

Entrepreneurship literature describes the activities of the entrepreneur as that of combining resources in a novel way to form a new venture in order to produce a new good, service, process or raw material to the commercial market and thereby create the potential for economic profit (Shah & Tripsas, 2007). The process of forming a new venture occurs in a number of stages as the entrepreneur discovers the opportunity and evaluates how to exploit the opportunity (Shah & Tripsas, 2007).

One way in which the entrepreneurship literature has tried to explain how entrepreneurs make decisions is by effectuation theory. Effectuation logic dictates that an entrepreneur first starts by assessing his or her capabilities and resources and will then embark on the entrepreneurial process by leveraging these capabilities and networks which may lead them to various different results (Nowinski & Rialp, 2016; Ajjan, H., et al., 2015; Sarasvathy, 2011). As such, differences in an individual’s knowledge and resources will influence his or her assessment of the opportunity and potential to take the idea to market (Shah & Tripsas, 2007). Similarly, it has been observed that the identification of a new opportunity is based on an entrepreneur’s subjective expectations (Leyden, D.P., et al., 2014). This subjective expectation is the result of an entrepreneur’s intuition and is based on his or her experience and knowledge. As such, as
part of entrepreneurial activity, the entrepreneur must search within and across multiple sources of knowledge available.

2.2 Networking as part of entrepreneurial activity

Literature on entrepreneurship is founded on the idea of an entrepreneur as an individual whose function it is to carry out new venture creation (Wallin, A., Still, K., Henttonen, K., 2016). The field of entrepreneurship research has been vastly explored in order to analyse and understand the motivations and cognitive function of the entrepreneur as an individual actor. However, there has been an increasingly trend to look beyond the individual entrepreneur as it became apparent that the entrepreneurial process was a collaborative one.

The entrepreneurship literature has acknowledged different phases shaping the entrepreneurial process: firstly, the motivation phase aimed at recognising and developing opportunities, secondly, the planning phase aimed at securing adequate resources for the venture; and thirdly, the establishment phase aimed at securing legitimacy for the new venture (Greve, A., 2003; Elfring, T. & Hulsink, W., 2003). Networking is regarded as a key element during all three phases.

A network is considered one of the most important and powerful factors that an entrepreneur can possess (Elfring, T. & Hulsink, W., 2003; Greve, A., 2003). Nowinski & Rialp (2016) describe how networking usually precedes new venture formation and how it will influence and contribute towards a new business venture’s ultimate success. As seen from an effectuation perspective, when an entrepreneur begins a new venture, his or her access to multiple sources of knowledge is determined by the size of an entrepreneur’s networks (Leyden, D.P., et al., 2014). A network allows an entrepreneur to access information, knowledge, capital and recognise opportunities (Ardichvili, A., et al., 2000; Elfring, T. & Hulsink, W., 2003; Greve, A., 2003; Hayton J.C. & Cholakova, M., 2012; Nowinski & Rialp, 2016).

Networks are dynamic and evolve over time (Nowinski & Rialp, 2016; Wang F. et al., 2016). This dynamism is important in order to ensure an entrepreneur has enough network ties and
that his or her network is diverse enough to sustain future growth (Wang F., et al., 2016). Different networks are beneficial at different stages of the entrepreneurial process. For example, strong network ties are required at the start of the process. These ties may offer emotional support and greatly influence an entrepreneur’s initial offering. Over time, the entrepreneur will start to engage with weaker network ties which allow him or her to access more diverse knowledge and opportunities (Nowinski & Rialp, 2016; Wang F., et al., 2016).

Social capital theory has evolved from the seminal work of sociologist Bourdieu (1986) and is rooted in the idea that real and virtual resources are embedded in a person’s social networks (Guan, T., et al., 2018). Klyver & Schenkel (2013) describe social capital as the potential value embedded within and obtained from individuals’ social structures, relationships, memberships and networks. The amount of social capital an individual possesses is dependent on the size of his or her network. Social capital can provide an individual with information, legitimacy, trust and emotional support. It has been found that stronger social capital results in better entrepreneurial performance (Klyver, K. & Schenkel, M., 2013).

2.2.1 Opportunity recognition

The first phase of the entrepreneurial process is aimed at the discovery of new opportunities (Elfring, T. & Hulsink, W., 2003). The identification and selection of opportunities is regarded as a critical component of being a successful entrepreneur (Ardichvili, A., et al., 2000; Baron, R.A., & Ensley, M.D., 2006; Wood, & McKinley, 2010; Hayton & Cholakova, 2012). Entrepreneurship literature has spent considerable time investigating the nature of opportunity recognition and how it has influenced the entrepreneurial process. The opportunity development process includes both the recognition and evaluation of opportunities (Ardichvili, A., et al., 2000). Research suggests that the process by which an entrepreneur recognises and exploits an opportunity has been influenced by a number of factors, including, entrepreneurial alertness; prior knowledge; social networks; personality traits; and the type of opportunity (Ardichvili, A., et al., 2000).
There are two competing views regarding how entrepreneurs recognise opportunities. Constructivist theory argues that opportunities are created through a process of social construction which cannot exist independently from the entrepreneur (Wood & McKinley, 2010). In contrast, an objectivist view sees opportunities being created independently of the entrepreneur. It is arguable that entrepreneurship literature has neglected the social nature of the entrepreneurial process (Aldrich, A., & Zimmer, C., 1896). Thus, an objectivist approach is too limited as it assumes the opportunities are themselves objective phenomena and does not acknowledge that there may be social influences. An alternative approach is to recognise how constructivism can benefit the theory of entrepreneurship (Wood & McKinley, 2010). This view suggests that human action is not simply a response to objective conditions, objects and events, but rather is a response to external stimuli which is impacted by subjective meanings and behaviours (Wood & McKinley, 2010). Following a constructivist logic, opportunities are recognised and enacted upon as a result of entrepreneur’s ideas about the world and developed through both individuals and a collective institutional belief system which comes to life through social construction. A key part of the constructivist view is the requirement of consensus and coalition building used to influence the current status quo and result in new opportunities (Wood & McKinley, 2010).

The opportunity recognition process involves a number of actions by the entrepreneur, including, analysing the idea itself, gathering information and adapting the idea in light of new information (Hayton & Cholakova, 2012). The entrepreneur must rely on his or her network for prior knowledge and for information about the market. It has been found that entrepreneurs will use their network to seek advice and feedback on new ideas. In line with social capital theory, Wood & McKinley (2010) found that preexisting social ties was a mechanism through which entrepreneurs were able to build consensus among stakeholders that allowed the new ventures to be enacted. These social ties are not just an entrepreneur’s immediate peer group (for example, family, friends and colleagues) but social ties to individuals outside the entrepreneur’s immediate peer group are important and function as a mechanism through which new ties are created (Wood & McKinley, 2010).

Role models are also considered to be important factors in the opportunity recognition process because of their impact on the cognitive function of the entrepreneur in providing the confidence to start a new business (Nowinski & Rialp, 2016). The literature shows that less experienced
entrepreneurs who do not have extended networks or role models are less likely to benefit from their network and are then also less likely to identify and exploit opportunities successfully (Ardichvili, A., et al., 2000; Nowinski & Rialp, 2016).

2.2.2 Access to resources

The second phase of the entrepreneurial process involves planning and concerns the ability of the entrepreneur to secure resources. It requires the entrepreneur to use his or her network to access and deploy resources in order to exploit the opportunity (Elfring, T. & Hulsink, W., 2003).

Networks are able to facilitate the search for financial and human capital in the early stages of venture creation. A social network has been found to be beneficial to entrepreneurs due to its size as it allows an entrepreneur to enlarge his or her immediate network (Greve, A., 2003). Financially, a network can provide entrepreneurs will investment partners either through family or friends, or through venture capital funding. With regard to human capital, a network can attract key employees and can provide access to tacit knowledge (Wood & McKinley, 2010; Hayton & Cholakova, 2012).

2.2.3 Legitimacy

The final stage of the entrepreneurial process requires an entrepreneur to use his or her network to secure the legitimacy of the new venture. In order to gain recognition and prevent early failure, it has been found to be imperative for entrepreneurs to build strong networks with customers and business partners (Elfring & Hulsink, 2003). In this way, a network has been found to have positive effect on an entrepreneur’s ability to create legitimacy as it can allow for outside actors to be included in the entrepreneurial process resulting in shared identities and greater commitment to the venture (Wood & McKinley, 2010).

For an entrepreneur, the recognition and exploitation of new ventures is an ongoing effort at finding and using business tools and relations (Holt, R., 2008). Entrepreneurial activity can be
seen as an ongoing, narrative process, that unfolds through continuous interactions between actors and artifacts (Garud & Kamoe, 2003). In line with a constructivist logic, it is therefore important to understand how information flows from the entrepreneur to stakeholders because over time this information can result in shared identities, shared commitment and the enactment of opportunities.

2.3 The role of digital technology as part of entrepreneurial activity

It has become increasingly apparent that new digital technologies have transformed the entrepreneurial process (Nambisan, S., 2016). Digital technologies include, digital artifacts, digital platforms and digital infrastructure (Nambisan, S., 2016). A Digital infrastructure can be described as a “socially embedded mechanical system that includes technological and human components, network systems and processes which generate feedback loops that are self-reinforcing” (Sussan & Acs, 2017). This includes social media, cloud computing, data analytics, and online communities etc.

Research suggests that digital technology has made the entrepreneurial process less bounded. In this regard, digital infrastructures, such as social media platforms, serve as an external enabler of the entrepreneurial process and have led to the increased democratisation of entrepreneurial activity by enabling engagement with more people in the entrepreneurial process and by infusing more unpredictability and fluidity into the process (Nambisan, S., 2016). In a similar argument, Sussan & Acs (2017) suggest that digital infrastructures have enabled individuals to participate freely and without boundaries in the entrepreneurial process. This has allowed for increased innovation due to higher flexibility and better feedback loops (Sussan & Acs, 2017).

Nambisan (2016) suggests that both the structural boundaries of the product and boundaries of the entrepreneurial process have shifted from an impermeable, stable boundary to an increasingly fluid one. This has resulted in less predictability and a more distributed entrepreneurial agency as more diverse and evolving actors have become involved in entrepreneurial activity.
2.3.2 Online social networks

Online social networks include a vast array of internet applications including: collaborative projects (eg. Wikipedia), blogs, content communities (eg. YouTube), virtual social worlds and social networking sites (eg. Facebook) (Kaplan & Haenlein, 2010). The use of social media platforms has grown exponentially in the last decade and is expected to reach 2.95 billion worldwide users by the year 2020 (Statista, 2017).

Social media, as it is known today, is not a new phenomenon. Indeed, it was in 1979 that the first online discussion group was created on the internet that allowed individuals to post public messages. However, it was only in the early 2000’s, with the reduced cost of personal computers and the availability of high speed internet, that social networking sites started to rise in popularity (Kaplan & Haenlein, 2010).

2.3.3 Characteristics of online social networks

Social networking sites have been called real-world networks adapted to the Web (Fuentes-Fernández, R., et al., 2012). They are made up of personal profiles created by members and containing shared information regarding members’ interests, recommendations, links, documents and contacts. In this way, an online social network allows members to make new contacts, find other members and discover new interests and trends (Fuentes-Fernandez, R., et al., 2012).

The growth of social media has been attributed to three main characteristics of social media platforms: firstly, as a communication tool it allows individuals to connect to each other. According to Hanna, Rohm and Crittenden (2011), people create billions of connections each day on social media which result in a vast social network. Secondly, social media is largely free and easy to use. Finally, social media has the ability to empower individuals to reach a wide audience (Aijan, H., et al., 2015). These qualities make social media a powerful tool in a
workplace context as they have provided new ways for employees and businesses to connect and communicate (Agarwal, V., 2015).

Another feature of social media platforms is that they enable collaboration in the joint and simultaneous creation of content and the sharing of content (Kaplan & Haenlein., 2010). Social media has the ability to support the creation and exchange of information (Ajjan, H., et al., 2015). In a recent study, Guan, Wang and Song (2018) highlighted that online social networks has greatly changed the ways in which individuals acquire knowledge. Before the Internet, knowledge was acquired only through traditional media channels like books, newspapers and magazines. However, the internet has allowed individuals themselves to become creators, consumers and disseminators of knowledge (Guan, T., et al., 2018). In terms of social capital theory, knowledge sharing and exchange is considered an essential part of social capital (Guan, T., et al., 2018).

However, Wang, Mack and Maciejewski (2016) highlight that there may also be a negative impact of using online social networks too intensely. Prior research by Leung & Lee (2005) showed that while the internet offers the ability to improve life quality, its overuse use has also been linked to a number of harmful consequences. For example, the excessive use of social media may create an environment for more stress and poorer psychological well-being as the addictive nature of social media can intrude on all aspects of an individual’s life (Hatchel, T., Negriff, S., Subrahmanym, K., 2018; Leung & Lee, 2005). According to Hatchel, Negriff and Subrahmanym (2018), young adults may perceive a dependence on digital tools when they are engaged in using multiple media, such a computers, cell phones and televisions. From a workplace perspective, the excessive use of social media has been found to decrease employee productivity and increase the misuse of company resources (Demek, K., et al., 2018).

2.3.4 Online social networks as part of entrepreneurial activity

Liang & Shen (2018) argued that while it is clear that the emergence of digital technologies have altered the pattern of human activity, the direction of change is not yet clear. In this regard, social media platforms have shifted our daily activity patterns and the change in patterns has
been linked to the social structures of human interaction (Liang & Shen, 2018). As such, it can be argued that the activity of entrepreneurs may have been similarly altered.

Online social networks have been linked to the process of recognising opportunities by entrepreneurs (Agarwal, V., 2015). In this regard, an online social network can be used to communicate with an entrepreneur’s social ties as well as develop new social ties. Recently, literature highlights how online social networks can improve an entrepreneur’s access to information, ability to find available resources, market the new business and build social capital (Wang F., et al., 2016). There is thus a connection between the use of a social networking website, such a Facebook, and an individual’s ability to form social capital. In addition, existing social connections can be strengthened and maintained through online social networking platforms (Agarwal, V., 2015).

2.4 Activity theory

2.4.1 The history of activity theory

Activity theory is rooted in Soviet psychological theory and was initially developed by Lev Vygotsky (1978) and Alexei Leont’ev (1978). The main principle of the theory is that the unit of analysis considers the whole activity system rather than just one individual actor. In this way, the individual cannot be separated from his or her cultural means, and objects are not just raw material, but are key to understanding human activity (Engestrom, Y., 2001).

Activity theory has evolved over time. In its first conception, Vygotsky formulated the well-known triangular model in which a direct connection between a subject and it’s object was mediated by a cultural artifact: signs, symbols and practical tool (Engestrom, Y., 2001). Cultural artefacts have a history and can be altered, shaped and transformed when used in activities. Vygotsky’s model is graphically represented in figure 1 below.
The inclusion of mediating artifacts into human action showed that the individual could no longer be understood without his or her cultural means. However, the first generation was limited in that the unit of analysis remained on an individual (Engestrom, Y., 2001). The second conception of activity theory expanded the original framework to take account of the collective and dynamic nature of activities. In this formulation, Leontiev illustrated in a hierarchical model how the individual actions of the subject are goal oriented while collective actions are object oriented. Leontief's model is represented in figure 2 below.

Figure 1: Vygotsky's model of mediated action (Engestrom, Y., 2001)

Figure 2: Leontiev activity theory
This three level model distinguishes between individual goal directed actions and collective object oriented actions. The model shows how individual actions occur against the backdrop of social activity. While this model went further than Vygotsky, it failed to show how individual actions are transformed into collective objects through interactions with the community (Hardman, J., 2008).

Finally, the third generation of activity theory developed by Engestrom (2001) expanded Vygotsky's original triadic model into a collective activity system. In this model, the tip of the triangle represents the individual and group actions embedded into a collective activity system which are mediated by rules, the community and the division of labour. Figure 3 below illustrates Engstrom's third generation activity theory model.

![Figure 3: The structure of a human activity system (Engestrom, Y., 2001)](image)

We see from figure 3 that the subject acts on the object in order to transform it using mediating artefacts in order to arrive as a specific outcome. In turn, the subject is influenced by the rules of
the system, the community and the division of labour. This model of an activity system therefore illustrates how actions can only be understood against the backdrop of social activity.

2.4.2 Principles of activity theory

Activity theory currently can be understood as incorporating five principles: Firstly, instead of the individual or the organisation being the unit of analysis, activity theory takes the activity system, directed toward an object, as the unit of analysis (Engestrom, Y., 2001; Forsgren, E., et al., 2016). Secondly, the system is made up of relationships between subjects, objects of activity and mediated by rules (social norms), artifacts (technology, tool, symbols, language) and the division of labour (organisational structures). Thirdly, the activity system is collaborative and is made up of a community of multiple points of view, traditions and interests (Engestrom, Y., 2001). Fourthly, the activity system is able to evolve over time and must be understood as part of a broader history (Engestrom, Y., 2001). Finally, the activity system can change or develop as a result of contradictions that shape the activity system (Engestrom, Y., 2001).

2.4.3 Contradictions and congruences

Contradictions are considered a key element of activity theory (Engestrom, Y., 2001). Contradictions are the drivers behind the evolution of the social system (Fuentes-Fernandez, R., et al., 2012). A contradiction can be explained as a conflict or problem within the activity system itself. According to Engestrom (2001), contradictions are “historically accumulating structural tensions within and between activity systems.”

Activity theory proposes that activity systems are constantly working through contradictions. In this regard, a subject will try to remove contradictions from the activity system. Over time these contradictions will shape the activity system and are the driving force of change and development in an activity system (Engestrom, Y., 2001; Murphy & Rodrigues-Manzanares, 2008). It is suggested that as contradictions within the activity system become aggravated, some individuals will start to deviate from its established norms which ultimately can lead to a change in the system itself (Allen, D.K., Brown, A., Karanasios, S., Norman A., 2013).
While contradictions within an activity system necessitate its change and development, a congruency has been identified as leading to a balance in the system (Allen, D.K., et al., 2013). Allen, Brown, Karanasios and Norman (2013) suggest that it is equally important to recognise congruences in the activity system which leads to reproduction rather than change.

2.4.4 Using activity theory to understand social media use in entrepreneurial activity

Central to activity theory is the understanding that learning (and thus starting a new business) is a culturally based social endeavour. In analysing the literature on the use of digital technology in entrepreneurship, it can be argued that the use of digital technologies in entrepreneurial activity aligns with a constructivist logic as it recognises that entrepreneurs engage in a collaborative activity. New business ventures can be recognised and understood by people in an entrepreneur’s social and cultural environment.

For an entrepreneur, the activity of entrepreneurship is regarded as an ongoing effort at finding and using business tools and relations (Holt, R., 2008). Just as Vygotsky argued in the first generation of activity theory that learning precedes development, we understand the entrepreneur’s experience of the world is shaped by his or her existing competence in using objects (Holt, R., 2008). This experience is then further shaped by the experiences of the entrepreneur’s peers and previous entrepreneurs. Accordingly, we understand the tools and signs available to the entrepreneur to include, inter alia, the business idea, the personality of the entrepreneur, investment proposals, and other stakeholders. Therefore, it is clear that the activity of starting and growing a business is thus not only a personal endeavour but is the product of opposing forces between the entrepreneur’s social and individual actions (Holt, R., 2008).

In the context of Information Systems, activity theory allows us to understand technology use as part of human activity. Activity theory has been found to be a useful lens to analyse activity of an
organisation that is using technology-related tools (Murphy & Rodrigues-Manzanares, 2008). From an activity theory perspective, objects, tools and outcomes can be both physical and digital. Social media is seen as one such artifact or tool which is used in the workplace as part of the interaction between the social and technical and which influence human activity (Forsgren, E., et al., 2016).

From an entrepreneurship perspective, digital technologies, like social media, have enabled a more collective and social pursuit of entrepreneurial activities and facilitate distributed entrepreneurial agency (Nambisan, S., 2016). Studies have highlighted how a social network can influence social interactions of entrepreneurs, which in turn can impact on opportunity recognition and enactment (Singh, R.P., Hills, G.E., Lumpkin, G.T., Hybels, R.C., 1999; Fischer and Reuber, 2011). However, studies have neglected to understand the impact of specific aspects of digital infrastructure on the nature and structure of distributed entrepreneurial agency (Nambisan, S., 2016). There is, therefore, a gap in knowledge in understanding how recent social processes, fueled by platforms like social media, have impacted on the entrepreneur's activity.

2.5 Conclusion

This literature review has explored the notion of entrepreneurship with a focus on the role of networking and digital technology in entrepreneurial activity. To start, we argued that the entrepreneurial process is characterised by a social construction which cannot exist independently from the entrepreneur. In this way, the entrepreneur’s ideas about the world are developed through both an individual and a collective institutional belief system which comes to life through social construction (Wood & McKinley, 2010).

We explored the nature of networking in entrepreneurship through the different phases of the entrepreneurship process being, opportunity recognition, planning and legitimacy. It has been argued that networking is of central importance in all of the phases of the entrepreneurial process and the key to an entrepreneur’s success lies largely in his or her ability to use social networks. In this regard, research showed that the ability to use one’s social network
effectively is of central importance and is critical in ensuring the ultimate success of a new business venture.

We have explored how advancements in technology have allowed the growth of digital tools. Online social networks have increased in popularity and are no longer just being used on a personal level but have started to be used as a means for people to communicate and connect with each other on a professional level as well.

Finally, we explored activity theory as a theoretical framework for understanding and analysing entrepreneurial activity. In this regard, activity theory can explain how social media can be used as a mediating tool in entrepreneurial activity when directed at an object.
CHAPTER 3: RESEARCH QUESTIONS

The emergence of social media in recent years has become an important part of an individual’s life. As technology continues to advance, the importance of understanding the impact of social media cannot be understated. The literature review suggests that entrepreneurship has been influenced by technological changes. These changes can have a major impact on the social structures surrounding an entrepreneur and, as such, demand new research into how entrepreneurial activity may have been affected.

This research study was driven by questions relating to key messages and common themes underlying the use of online social networks by entrepreneurs. Using an activity theory framework, it sought to explore how online social networks are currently being used by entrepreneurs as part of collaborative activity.

The following research questions drove the research project:

1. How do entrepreneurs use online social networks as part of entrepreneurial activity?
2. What are the perceived benefits and adverse impacts of the use of an online social network by entrepreneurs?

In order to answer the above research questions, a number of sub-questions were considered including: What outcomes do entrepreneurs wish to achieve by using online social networks? What motivates an entrepreneur to use an online social network? What rules govern the use an online social network?
CHAPTER 4: RESEARCH METHODOLOGY

This chapter outlines the approach adopted in this research paper and why. Focus is made to activity theory as a methodological framework. Details are provided with regard to the unit of analysis, the population, the sampling method and how data was collected and the process of analysis. The limitations of the research is discussed in closing.

4.1 Choice of methodology

4.1.1 Qualitative

As there was insufficient research devoted to the use of social media as a digital tool by entrepreneurs (Forsgren, E., et al., 2016; Nambisan, S., 2016), an exploratory research approach was appropriate for this research paper (Saunders & Lewis, 2012). By allowing participants to relate their experiences in their own words and define their own reality (Saunders & Lewis, 2012), it enabled a better analysis of entrepreneurs’ perceptions and motivations for using online social networks.

The research was a qualitative study. Qualitative research is a broad approach to the study of social phenomena (Marshall & Rossman, 2016). Qualitative research can broadly be categorised into three focuses: 1) individual lived experience; 2) society and culture; and 3) language and communication (Marshall & Rossman, 2016). A focus on individual lived experience seeks to explore, describe and analyse the meaning of individual lived experience. This phenomenological approach is rooted in interpretivist philosophy and requires an inductivist approach (Saunders & Lewis, 2009).
4.1.2 Activity theory as a methodological framework to analyse entrepreneurial activity

To find answers to the research questions, activity theory provided a robust methodological framework to analyse entrepreneurial activity in co-working spaces.

It has been accepted that an entrepreneur’s success depends on his or her ability to recognise and exploit opportunities (Hayton & Cholakova, 2012; Wood, & McKinley, 2010; Holt, R., 2008; Baron, R.A., & Ensley, M.D., 2006; Ardichvili, A., et al., 2000). In this regard, the opportunity recognition process requires the integration of the entrepreneur’s own knowledge and resources. It is in this way that we understand the activity of entrepreneurship as a collaborative exercise. Holt (2008) explains that to understand entrepreneurial activity requires an understanding of how an entrepreneur experiences and negotiates the practice of starting a new venture and how he or she is able to use established tools, structures and rules of business.

The literature review showed that not only can activity theory be a useful lens through which to understand technology as part of human activity (Murphy E. and Rodrigues-Manzanares, M.A., 2008), but it has also been shown to provide a useful framework to analyse entrepreneurial activity (Holt, R., 2008; Forsgren, E., et al., 2016). Activity theory allows for the analysis of human groups by focussing on activity. It assumes that people’s behavior depends on the sociocultural context in which they live and work (Fuentes-Fernandez, R., et al., 2012). In this way, individuals create and control their identity through external mediating artifacts and their experience of the world is shaped by using objects which are influenced by social factors in our world (Holt, R., 2008).

4.2 Case study setting

According to Saunders and Lewis (2012), a case study is particularly good at enabling a researcher to get a detailed understanding of the activity taking place within a certain context.
This research took the form of a case study within a co-working space. A co-working space can be defined as a “collaborative work environment providing support (emotional, professional, financial), shared flexible facilities, and access to a broad network for a diverse group of professionals and entrepreneurs starting and growing businesses while working ‘alone together’” (Spinuzzi, C., 2012; Fuzi, A., 2015).

Employment trends coupled with developments in digital technologies have allowed for work to be done from remote locations. However, working from home can lead to professional isolation through less social and networking opportunities (Spinuzzi, C., 2012). Literature suggests that fostering entrepreneurship requires a supportive business environment which consists of a strong knowledge base and well-developed business and social network (Fuzi, A., 2015). One environment recognised as fostering entrepreneurial activity is co-working spaces. The emergence of co-working spaces is a business trend which were designed as a ‘third place’, to replace formal offices (Spinuzzi, C., 2012).

Co-working spaces are designed to encourage collaboration, creativity, networking and socialising for new business owners. The increase in co-working spaces internationally has highlighted the move towards more fluid organisational boundaries and collaborative knowledge work (Spinuzzi, C., 2012). Thus, co-working spaces are a solution to isolation resulting from working alone. Studies have highlighted how, through social and entrepreneurial networking, mentoring and flexible structures, co-working spaces foster entrepreneurial activities (Fuzi, A., 2015). The benefits of using co-working spaces include a greater degree of flexibility, belonging to a community; and knowledge sharing (Fuzi, A., 2015).

A co-working space situated in Johannesburg was identified and selected for this research. The co-working space had a well-established membership base made up of entrepreneurs, freelancers and consultants. The co-working space consisted of a shared office space which included the following features:

- internet access;
- unreserved desk space;
- boardrooms for meetings;
- permanent office cubicles for rent;
- an ideation and creative workspace;
● an events space;
● lockers for storage;
● a shared kitchen with coffee and tea facilities; and
● a relaxation space filled with bean bags, games and magazines.

4.2.2 Population

Saunders and Lewis (2012) define population as, “the complete set of group members”. The population of this research was all entrepreneurs in South Africa. The sample consisted of a select group of entrepreneurs who made use of the co-working space.

4.2.2 The entrepreneurial activity system

The below figure 4 represents the individual and group actions embedded in the entrepreneurial activity system within a co-working space.
For this research, the activity system was viewed along the following dimensions:

- **Subject**: The subject of the entrepreneurial activity system was the entrepreneur.

- **Object**: The object of the entrepreneurial activity system represented the issues that the entrepreneur was working on. This research study focussed on the phases of the entrepreneurial process as highlighted by the literature, including, opportunity recognition, accessing resources, and attaining legitimacy.

- **Tools and artefacts**: The entrepreneurial activity system had both physical and digital tools available. Physical tools included laptops and a connection to wifi. Digital tools included email, and online social network platforms.
• Community: The entrepreneur was a member of a community who participated in acting on the shared object. In this research study, the community was made up of entrepreneurs in the co-working space.

• Rules: The rules of the entrepreneurial activity system included the norms, conventions and social interactions of the co-working space.

• Division of labour: The division of labour referred to the responsibilities, tasks and relations within the co-working space. This included the membership plan allowing access to the co-working space.

4.2.3 Unit of analysis

In terms of activity theory, the unit of analysis was the entrepreneurial activity system. Drawing from figure 4 above, the activity system was broken down into the analytical components of the entrepreneur, physical and digital tools, the community, the rules, and membership in a co-working space.

4.3 Data Collection

4.3.1 Data gathering process

The research made use of extensive multiple methods of data collection. Data was collected by observation, semi-structured interviews, informal conversations and documentary evidence.

Observation

The researcher signed up as a member to the co-working space in order to spend time in the co-working space to observe the daily activity of its members. In addition to office hours, the
researcher also attended various networking events organised by the co-working space which took place in the evenings.

Over a period of 2 months, 59 hours were spent in the co-working space. Notes were taken during observation and logged in an observation diary.

Semi-formal interviews

The leading data collection method was semi-structured interviews. Nine face-to-face, semi-structured interviews were conducted one at a time and lasting an average of 30 minutes. The structure of the interviews were to ensure that open dialogue was developed. The interview started with a brief description of the context of the study. This was followed by eight open-ended questions. Participants were expected to respond based on their personal perceptions and drawing on examples and experiences. The interviews were continued until no new information or insights were provided by the participant. Each interview was recorded with permission from the participant and notes were taken.

Informal interviews

During observation, the researcher conducted informal conversations with various members of the co-working space. Notes were taken regarding any relevant information and logged in the observation diary.

Documentary evidence

Documents and photographs were collected from the co-working space and social media pages. In addition, publicly available information from social media pages which related to the co-working space and the participants was viewed.

4.3.1 Sampling method

Interviews for this research were conducted with a select number of participants who were permanent members of the co-working space. The reason for this was to get a better understanding into the activity of entrepreneurs who were working in one space and to provide
deeper insights as to how collaborative activity in such a context occurs. Convenience sampling was used to select participants based on their availability and frequency of time spent in the co-working space.

The inherent weakness of this sampling method is that it only allowed for a small group of entrepreneurs to be interviewed due to the limited number of permanent members in the co-working space. However, a total of nine interviews were conducted until the researcher felt confident that, combined with the observation and documentary evidence, a sufficient depth of data had been obtained.

4.3.2 Measurement instrument

As the research was interested in people’s perceptions, interviews were appropriate in order to capture context, personal interpretation and experience in the participants’ own words (Marshall & Rossman, 2016). People’s knowledge, views, understanding and interpretation are part of the social reality which the research explored (Mason, J., 2002). Given the timeframe for this research and the busy and fluid schedules of the entrepreneurs who were interviewed, data was collected as cross-sectional rather than longitudinal.

The tool used for this research was a semi-structured interview schedule. This type of interview instrument provided a guide for questions but also leeway for the researcher to deviate from the questions in order to probe any areas further. Open-ended questions were used to and have allowed the interviewed entrepreneurs to express their use of online social networks and also to evaluate their relevance. The interview questions were developed from the research questions.
4.4 Data Analysis

4.4.1 Analysis approach

According to Leung (2015), “the essence of qualitative research is to make sense of and recognise patterns among words in order to build up a meaningful picture without compromising its richness and dimensionality”. In order to achieve this, the researcher transcribed each interview verbatim and then coded it using Atlas Ti software.

Saunders & Lewis (2012) list the following three steps used to analyse qualitative data: 1) develop meaningful categories or codes to describe the data; 2) decide on the unit of data that is appropriate for the analysis and to which to attach relevant categories; and 3) attach relevant categories to units of the data. In developing the categories or codes, the transcripts were used to identify frequently raised issues and key themes.

Drawing from figure 4 above, the analysis then used the activity theory framework to link the codes to specific categories in the activity system. The interviews were analysed using in vivo coding and then grouped into activity theory categories.

4.4.2 Limitations

All research projects have limitations and there is no such thing as a perfect research design (Marshall & Rossman, 2016). The current study had several limitations. Firstly, exploratory research is by its nature only preliminary and requires quantitative analysis to provide further results (Saunders & Lewis, 2009). In addition, this exploratory research was subjective and as such, reflected the bias of the researcher.

As convenience sampling was used, the sample was comprised of a limited number of participants based on their availability in the co-working space. This limits the generality of the
findings. Furthermore, due to interviews being used, there was the possibility of translation errors. Finally, participants may not have told the whole truth as they may wish to appear in a positive light resulting in skewed data.
CHAPTER 5: RESULTS

5.1 Introduction

This chapter presents the results obtained from data collected in the interviews with entrepreneurs, observation in the co-working space and documentary evidence. The details of the data collection methods which were used as well as the data analysis are discussed in Chapter 4 of this research paper.

The data obtained from semi-structured interviews consisted of nine participants who were all permanent members of the co-working space and spent an average of three to five days a week in the co-working space. Figure 5 below sets out the demographics of the participants.

Figure 5: Participant demographics

<table>
<thead>
<tr>
<th>Participant</th>
<th>Gender</th>
<th>Number of years business has been in operation</th>
</tr>
</thead>
<tbody>
<tr>
<td>P 1</td>
<td>Male</td>
<td>7 years</td>
</tr>
<tr>
<td>P 2</td>
<td>Male</td>
<td>Not yet in operation. Ideation phase</td>
</tr>
<tr>
<td>P 3</td>
<td>Female</td>
<td>Not yet in operation. Ideation phase.</td>
</tr>
<tr>
<td>P 4</td>
<td>Female</td>
<td>5 years</td>
</tr>
<tr>
<td>P 5</td>
<td>Male</td>
<td>3 years</td>
</tr>
<tr>
<td>P 6</td>
<td>Female</td>
<td>3 years</td>
</tr>
</tbody>
</table>
Five entrepreneurs were female and four were male. Their experienced ranged from having a business still in the idea phase to having a business in operation for seven years.

Figure 8 setting out a summary of the research results can be found at the end of this chapter 5.

5.2 Results for research question 1

How do entrepreneurs use online social networks as part of entrepreneurial activity?

Research question 1 sought to determine how entrepreneurs use online social networks as part of entrepreneurial activity. To get answers to research question 1, participants were asked a number of different questions which were related to establishing which online social networks they used as part of their daily activity, the outcomes they wished to achieve by using those online social networks and how they used an online social network.

The first step in this study was to identify, from practical examples, what tools were being used by entrepreneurs as part of entrepreneurial activity. Participants were asked questions relating to their daily routine, which online social networks they may use and examples for how they use those online social networks as part of their daily activity. Responses to these questions were coded and then grouped into activity theory categories of Object, Tools, Rules, Community and Division of labour.

The underlying premise of the activity theory framework for this study is that a subject (the entrepreneur) is driven by motives to act upon an object (a person, collective or thing) using
tools (online social network) in order to achieve an outcome (Engestrom, Y., 2001). Each category within the activity theory framework will be discussed below under the following headings:

1. Tools - the primary, secondary and tertiary tools used for the entrepreneurial activity being studied.
2. Objectives - the purpose of using online social networks and the motives of the entrepreneurs.
3. Culture and context - refers to the rules, the community and the division of labour within the co-working space.

Quotations of interest and of relevance from the participants have been included in the description of the categories that follow.

5.2.1 Tools

Tools refers to the primary, secondary and tertiary tools used for the entrepreneurial activity being studied. From an activity theory perspective, tools can consist of both physical and digital tools. For example, a hammer and a computer are both considered as tools in activity theory. For the purpose of this research, an online social network was considered a tool.

In line with Kaplan and Haenlein’s (2010) definition of social media, the following online social networks were identified in the interviews and were being used by the participants.

**Figure 6 : Online social networks used by the participants**

<table>
<thead>
<tr>
<th>Digital tool</th>
<th>P 1</th>
<th>P 2</th>
<th>P 3</th>
<th>P 4</th>
<th>P 5</th>
<th>P 6</th>
<th>P 7</th>
<th>P 8</th>
<th>P 9</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>LinkedIn</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Twitter</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instagram</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
In summary, all of the participants were familiar with Facebook and mentioned the social network in their interview. However, only Participant 2 was not actively using Facebook. The second most familiar tool used by the participants was LinkedIn, followed by Twitter and Whatsapp. It is also worth noting that all the participants mentioned that they used email for their businesses.

Participant 5 uses an online social network known as Patreon. Patreon was described by Participant 5 as “Kickstarter for creatives.” In essence, Patreon is a membership-based crowdfunding platform specifically for artists and creative businesses owners and that allows them to earn money through selling their content online.

Participant 8 uses an online blogging network called DriveTribe. This network is specific to the automotive industry.
Participant 9 uses an online social network called InterNations which connects foreigners working in a particular country together.

With regard to productivity tools, two of the participants mentioned using Google Documents. Participant 2 uses a digital tool called “TeamViewer” to track his team’s progress on specific projects. Participant 6 uses a digital tool called “I Do This” to keep in contact with her team and track each person’s to do list.

5.2.2 Objectives

The objectives of the entrepreneurs refers to the motives or purpose of their entrepreneurial activity. Participants were asked questions relating to their daily routine and practical examples of how they used online social networks to explore the motivations behind using online social networks. The below table sets out the objectives for using online social networks mentioned by the participants in the interviews:

Figure 7: Objectives of using an online social network

<table>
<thead>
<tr>
<th>Objective</th>
<th>P 1</th>
<th>P 2</th>
<th>P 3</th>
<th>P 4</th>
<th>P 5</th>
<th>P 6</th>
<th>P 7</th>
<th>P 8</th>
<th>P 9</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Networking</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Learning and Development</td>
<td></td>
<td>X</td>
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**Communication**

Communication was mentioned by all of the participants as part of their daily activity. A number of the participants referred to using social media for “communication”. Participant 5 commented that:

“Instagram and my Facebook page are probably my primary communication tools.”

In a corresponding quote, Participant 8 described Whatsapp:

“So Whatsapp is a primary medium of communication. It is faster than emails.”

Similarly, Participant 6 commented that:

“...there is a lot of business on Whatsapp. Whatsapp groups for work. Some of my clients just send messages on Whatsapp.”

In discussing communicating with customers, social media was identified as allowing for better communication. As Participant 4 explained:

“...it allows me to engage directly.”

Participant 7 described how she uses Instagram to communicate with her customers. She commented that:
“By commenting on their posts…. That is bringing in so much business that the only way to be able to interact with them is by being on there all the time and seeing their new posts.”

During observation, the researcher was aware of the use of laptops and smartphones in the co-working space. It was noted that many people used their laptops to access meetings through conference call software.

**Networking**

The importance of networking was discussed by all of the participants during the interviews. Many participants were members of the online social network LinkedIn in order to build their network. Participant 3 explained the role of LinkedIn as:

“To help me with my network. To connect”.

According to Participant 4, she uses social media to:

“connect with people… trying to see where i can make connections, also where i can connect people with each other and other entrepreneurs as well.”

Similarly, Participant 9 described how social media has helped her grow her network to over twenty thousand people. She explained how she uses LinkedIn:

“to look up companies and and you can see who works in that company, i am sure you have seen that…. but you can also go around because it says similar companies or similar people. So we have hooked up over the years with 22 thousand people. It is amazing.”

As part of networking, Participant 8 explained how he uses social media:
“to extend my voice outside my immediate circles, so immediate circles read my article and think it is interesting and then they have to share and that extends me into their circles and their circles and their circles, and it becomes a ripple effect that way so that is the aim.”

Significantly, networking was not limited to the physical, as Participant 2 explained that:

“there is this one contact I have never met them in person but we have been chatting online ever since we met online. We network quite a lot and I only met them online. I have never met them in person.”

From observation in the co-working space, it was clear that the space encouraged networking amongst its members. The co-working space had a monthly events calendar which included networking events. For example, once a month members are invited to “Hubdowners” where they can have a free glass of wine and relax after work. Similarly, members are invited to participate in a “sharing lunch” where members bring lunch to share with others. Members are encouraged to attend networking events and to use the time to meet other members.

**Learning and development**

From the interviews, seven out of nine participants mentioned using their online social networks in order to acquire new skills, knowledge and stay up-to-date on the latest news and trends. A few participants were members of specific groups on social media platforms. These groups are often specific to the participant’s own industry, for example, Participant 5 commented that:

“...before i left last year i was part of SAFREA, and that was actually cool, so very informative in the sense of like just keeping up to tab, or keeping up to date with what is happening in the freelancing industry here in the country.”

Participant 4 described how, as she is interested in branding, she is a member of a certain social media creative online networks:
“So I am part of a few social media creative online networks where people are testing out new social media platforms, not platforms, but schedules. Any tech that helps their brand and build their business. So any brand building community I usually join them to see what everyone is doing.”

With a similar objective, Participant 7 described how she was part of an online networking group:

“...the Nomads group is not necessarily to find new business it is more to learn from the other people in the group, whereas the Hello Boss creative is more as, to become a listed supplier and to comment when someone is needing an accountant, you know to, to look for possible clients whereas Nomads not at all, i am just there to learn from the others.”

Participant 8 explained how he uses online social networks to learn. He said that:

“I watch a lot of videos on how to. Learning about cryptocurrencies, learning about new stuff. I learn a lot of new stuff on YouTube. You do not always have the time to read about new stuff. I learn about new technologies, new tech. Having a business in the tech industry, you have to keep up to speed with that kind of stuff.”

When formulating the strategy for her new business, Participant 7 described how she “learnt” through the social media platform Pinterest. She described why she used Pinterest:

“...especially in America they have so many female entrepreneurs, and i found them on Pinterest because it was the only place i knew where to find something that looks attractive, and i immediately trusted them and the advice they gave and i wanted to become the same sort of visual presence.”

Participant 7 further explained how she used Facebook when looking for guidance to set up a new system in her business:
“I was looking for guidance around setting up a virtual system and i asked guidance around that and i got in touch with some virtual assistants.”

Three of the participants used Twitter on a daily basis as a source for news and trends. Participant 3 commented:

“I get the news on Twitter. I get to know what is happening.”

**Finding new customers**

A number of participants relayed their experience in using online social networks to finding new customers for their business. Participant 7 explained:

“I updated my LinkedIn profile extensively and i got quite a lot of business from LinkedIn… random people as well that i do not know contacted me saying that they were looking for a freelancer, they had this and this to do and would i be interested… and i realised there was power in social media.”

Participant 7 also explained how social media has allowed her to expand her business to customers outside of Johannesburg:

“I did not want to be known as the Joburg accountant, i want to be known as the South African female creative accountant. And it is working. I am on now number four, the fourth client in Cape Town and they are happy to have a virtual relationship. I had a Skype call with one of my clients this morning and it is just like being in the room with someone, it is just working great.”

Participant 9 described how her business uses LinkedIn to find new customers:

“Because it is a business platform so that is where we get in touch with people, try to find CEOs or at least decision makers within a certain company, approach them and see if they are looking for people. Or the other way around, look for the people. We head hunt
them through LinkedIn. So it is a very important tool and we have premium members and recruitment membership."

**Marketing**

A number of the participants stressed the importance of social media as a marketing tool for their business. Participant 4 commented on using social media:

"it is a free marketing tool essentially so if you are not going for the paid marketing route you can be clever about it. I think it is probably the number one way that entrepreneurs and online brands reach their target audience is through social media."

Participant 8 described how he thought social media has broken traditional marketing barriers:

"Let's look at maybe 10 years ago, you would not be able to get an audience of more than 20 people if you were not anyone important, so if you were an exec in some top 3 car dealers, car brands in the country then you could set up a press conference, a press release and summon the press, you know what i mean, with a days notice, and with them, with 20 people in the room, they write articles about what you said you know and the country is your audience. With social media now, it is a mirror for who is listening to you, if you have 20,000 followers and you say something it reaches 20,000 people and you do not need the press to do so, so i think that social media breaks those barriers."

In a similar way, Participant 2 commented on using Twitter as a free marketing tool:

"So just from re-Tweets people are aware of your business and it is free so you do not have to spend so much money on marketing because Twitter has such a big impact. So like, you can get like 2 - 3 reTweets just from Gauteng, and then get some more reTweets from Cape Town and just the rest of the province so Twitter really works it is amazing."
Access to resources

A number of participants described how they use their online social networks to find resources for their business. Participant 2 explained that:

“if I need to connect with someone then the internet has made it easier for one to find whoever so you can connect…”

According to Participant 6, she uses Facebook as an “I am looking for…” platform in order to find people to help her business. Similarly, Participant 8 described his experience of using social media to find finance for his business:

“The business needed seed funding so, i think i just reached out to a few people on social media, that way i got my first business partner where we tried to get seed funding unsuccessfully but we got a meeting.”

Participant 5 was using the online social network, Patreon, to directly fund his business. He described it as follows:

“So it is a subscription, subscription-based platform… so you put your work online and you get supporters and fans to support from as little as a dollar a month.”

An interesting note made during the observation process and through informal conversations with members of the co-working space was the trend by members in the co-working space to ask other members for help and recommendations. For example, if a member was looking for a specific person to assist with their business they would usually first reach out to the other members in the co-working space. For example, one member of the co-working space had a background in accounting and she was often asked by other members to assist them with any accounting or tax specific work they required. Another member described how he met one of his business partners at the co-working space. He explained that his own background is in marketing, but he gets help with his business from another member who has a background in IT.
**Personal brand development**

While social media was used by the participants for branding and marketing of their own business, it was also used by some of the participants for their own personal development as an entrepreneur. According to Participant 8, he uses LinkedIn “more for my own personal profile” so the he could build a personal profile for himself.

**Feedback**

Some of the participants mentioned how their online social networks can provide them with feedback on their business. Participant 5 said that:

“I guess you get good feedback every now and then from surprising corners, where i guess i will kind of post something, or re-post something and they will be like hey this really meant something to me and i am like hey people are actually reading this. So it is verifying.”

Participant 1 mentioned how he uses social media in order to measure his specific business targets. He commented that:

“We measure everything on social media. Traffic to our website, and we can see what comes through Facebook, what comes through Twitter, what comes through LinkedIn, what comes through our newsletter, which we have weekly.”

Participant 8 described how he felt after someone he admired mentioned his blog:

“So the social commentary business right, has some controversial elements in it, and it is very interesting, one of the great experiences of it is that is does not have much traction, but a person of some sort of stature i guess found out about it and mentioned it… which is nice… you know it is a big win, because that comes with more followers, people that follow them you know, who trust that person’s word will come over to you too which is quite nice.”
5.2.3 Culture and context

Rules, Community and Division of labour refers to the culture and context in which the entrepreneurial activity occurs. The research took place in a co-working space situated in Johannesburg, South Africa. The website of the co-working space described the space as follows:

“...a member-based co-working space and event venue that unites and empowers impact-driven individuals... Our community is comprised of entrepreneurs, freelancers, techies, consultants, investors, creatives, artists and more. We offer our members a unique ecosystem of resources, inspiration, and collaboration opportunities to grow their impact...Joining our diverse community of members and collaborators will inspire, connect, and enable you to develop your best work every step of the way.”

The space itself consisted of a large interior divided into various spaces. There was a large table which consisted of unreserved desk space available to use on a daily basis. The rest of the space was divided into boardrooms, private offices, an events area, kitchen area, leisure area, and a front desk with printing and scanning facilities.

There were a number of membership options available to join the co-working space. Members could choose a monthly membership of five days, three days or one day a week. There was also a daily drop-in rate. All membership options allowed individuals access to the internet and shared work space. Alternatively, the space also provided private office space for rent for teams of up to four people.

During the observation process and through informal conversations with other members, a number of themes emerged regarding how members interacted with each other in the co-working space. These themes included: interaction, structure, trust, respect and partnership.
**Interaction**

Many of the participants motivated their use of a co-working space in order to be around other people and to interact with other entrepreneurs. According to Participant 1:

“...we work completely online so which means we are location independent. We’ve worked a bit from Asia as well before we came to Joburg, and just not to be sitting at home 24 hours a day we like to work in co-working spaces and have some people around you and have some interaction as well and with different entrepreneurs which can be interesting as well.”

Similarly, Participant 4 explained that she enjoys the social aspect of co-working. She commented that:

“I don't like working for people, I like working with people.”

Participant 2 noted that there are benefits to working in a space with other entrepreneurs:

“You find when you start a business or when you do a startup there are certain skills that you don't have so you might need some Finance background or a marketing or a it background so you start interacting and it's a lot easier to meet people.”

In a similar quote, Participant 9 explained why she chose to use a co-working space:

“...because we are not from here it is also interesting to speak to people about tax issues or things that we just do not know anything about.”

During observation, it was noted on a number of occasions that the members in the co-working space were very friendly amongst each other. In the mornings they always greet each other. It was often noted that before members started their day they would first have an informal conversation with another member. It was also observed that members would often get a coffee together and invite other members to join them at lunch.
**Structure**

Another motive for participants to work in a co-working space was to provide a sense of structure to their lives. According to Participant 4:

“A very big part was that I did not have set times to do my work... I did not start at 11 and end at 11... so I really missed that more structured environment that allowed me to have an 8 - 5 kind of work day. So I could actually at 5 o'clock just close my computer and go home and work is done.”

In a corresponding quote, Participant 5 commented that:

“I guess I just like an office space so it is mobile you can kind of just set up and do what you need to do and once you are done in that particular place you can up and leave.”

**Facilities**

Only one participant mentioned using a co-working space for its facilities. Participant 2 commented that:

“...the use of their facilities. Because also based on location, because sometimes you have to meet clients and some clients actually go according to where you are. So location in terms of where you are as a business in the perception of your business and where you are does influence it.”

**Trust**

An observation was made regarding trust between members. In the co-working space it was clear that members feel safe enough to leave their laptops and bags in the space during the day and often while they leave the space to use the bathrooms or to buy lunch outside. There was no mention of theft and it was an implied sense of safety and trust amongst members that allowed them to feel comfortable enough to leave their possessions unattended.
This idea of trust was also mentioned by participants when they use an online social network. According to Participant 2, he placed more trust in the social media platform LinkedIn. He described it as follows:

“I find LinkedIn cleaner. It is professional. So when I connect to someone I have a lot more trust in LinkedIn then on Facebook and it is a lot more professional because on Facebook some people might just respond days later whereas LinkedIn is a lot more focused, people are there to network and it is there for professionals.”

It was also noted that the building felt safe. The building had fingerprint access and all members’ fingerprints are taken when they sign up for a membership. Members were also provided with a parking space in the basement of the building so they did not have to park in the street.

**Respect**
Another observation made was regarding respect for other members in the co-working space. Members did not have loud conversations in the shared space, but rather chose to take phone call or conference calls where they would not disturb other members.

**Partnership**
An interesting trend that emerged in the interviews with participants was the idea of an partnership between members of the co-working space. Eight out of the nine participants interviewed (89%) had worked with or were working with another member of the co-working space. Sometimes this was a direct transaction between them. For example, one participant provided accounting and tax services to a number of other entrepreneurs in the co-working space. However, sometimes the transaction took the form of an exchange. Participant 6 explained how she started doing business with another member of the co-working space:

“... so he was on the program that i facilitated and he reached out to me and was like, look i would like some business coaching services, so he wanted to take it further for his start-up, and i said ok, well let's do an exchange transaction... what can you give... this
is what i need... i am happy to leverage the skill set that you have to do what i need. And it turns out it was quite a good exchange, so he comes and he sits here and he still helps out as well.

Participant 4 felt very strongly about supporting the other members in a community. She commented that:

“if I could get a community that just uses the resources within the community then that is already worth being in the community for.”

In a similar experience, Participant 7 explained how she supports local businesses on Instagram in order to get reciprocal support:

“I went and followed everyone that i want to target and as i engage with them and started supporting their local businesses then the support seems to come back.” She described the relationship as “mutually beneficial” as she is able to do trade exchanges with other people. For example she says, “I get them to take the photos at the birthday party and they do their provisional tax with me.”

5.3 Results for research question 2

What are the perceived benefits and adverse impacts of the use of an online social network by entrepreneurs?

Research question 2 sought to understand the perception of entrepreneurs regarding the positive and negative aspects of using online social networks as part of entrepreneurial activity. To get answers to research question 2, participants were asked about their experiences and asked to provide examples. The use of open-ended questions in the interviews were design to enable the researcher to gauge the perceptions of the participants in order to answer this research question. Quotations of interest and relevance from the participants have been included below.
5.3.1 Benefits

Responses to the question of what positive experiences the participants had experienced in using online social networks are discussed below under the themes of cost, ease of use and time.

Cost
In discussing the benefits of using online social networks, a trend that emerged during the interviews with participants was the benefit of cost. A number of participants explained that they use social media platforms because they are free. According to Participant 4, entrepreneurs are using online social networks because it is “free” and because their customers are on the platforms already:

“I think as an entrepreneurs you use it because it is free and as a client you are on there anyway because you are engaging with the brands you like and engaging with your friends and family so you are already there.”

In discussing creating an online community, Participant 4 explained that she uses Facebook because “it is free”. She commented that:

“It is easy, I have looked into having an online portal where you go to a website and connect but we are talking about hundreds and thousands of rands to create a platform where people can actually on your website have those same discussions and you can just get it for free on Facebook and everyone is already on it.”

Ease of use
Another benefit of using online social networks which emerged from the interviews was due to their ease of use. According to Participant 5:
“the way it is designed, the way it works, naturally lends itself to if you are doing something online, if you are building a project online, it just it... it makes sense.”

In discussing why he chooses to use certain tools, Participant 8 explained that he uses DropBox because it “is just so easy.” He continued to say that:

“the interface makes a big difference because when something is new you want it to understand it more simply to trust it so it has got to come through in a manner in which you understand.”

A number of participants identified Google Docs are an easy to use tool for business. Participant 8 explained that using Google “is easy”. He explained:

“it is like everything else you are doing is on Google so it is like… i think it just syncs together, everything syncs.”

In a corresponding quote, Participant 2 commented:

“Google Docs, regardless of who you are talking to you don't have to worry about what software they are using they just have to connect to the internet it is just a uniform platform that anyone can connect to so it is less hassles... unlike say if someone is sending me a Word document and it goes onto Mac and it crashes but if it is on Google Docs then it is just one thing.”

**Quality of the network**

A theme that emerged from the interviews was the quality of using certain online social networks made a difference to the experience of using it. Participant 2 commented:

“I find LinkedIn cleaner. It is professional. So when I connect to someone I have a lot more trust in LinkedIn then on Facebook and it is a lot more professional because on Facebook some people might just respond days later whereas LinkedIn is a lot more focused, people are there to network and it is there for professionals.”
Similarly, Participant 6 explained that:

“...i would say a close second would be LinkedIn because LinkedIn is professional right, so it is establishing credibility with people, you are posting articles, you are reading articles, you are sharing, you are increasing the number of like on your posts etc.”

Participant 9 also commented on the benefits to having a high quality online social network:

“Yes and the nice thing about LinkedIn, i think for Facebook you have accept an invitation, Twitter not i think people just follow, so you get a lot of people outside of your targeting group. Whereas LinkedIn you can actually go out and invite the people you want to hook up with. So the quality of the network is really high, because you always accept or your do not, or you invite the people you want to be hooked up with, but they do not always accept but sometimes do.”

5.3.2 Adverse impacts

The participants identified various negative experiences associated with using online social networks. Responses to the question regarding negative experiences are discussed below under the themes of waste of time, not relevant and too much information.

Waste of time

One of the most discussed negative aspects experienced by the participants was that they felt that online social networks could become a waste of their time. A number of the participants described social media as a “time waster.” Participant 4 explained it as follows:

“as an entrepreneur or someone who's building your own business you can get pretty much, like anyone in their personal capacity, caught up in the social media wormhole and just go deeper and deeper and deeper without actually doing something productive.
So even though we have to work, it is hard work targeting without putting any money into it, you can but it is hard work, because you have to create content. So if you are creating content and marketing all the time when are you actually spending time on your business to create the product that you want to sell?”

Similarly, Participant 7 commented on Facebook:

“I am finding Facebook very overwhelming because you open it and normally what i did was at night or in the morning or whenever, you scroll down to where you were the previous time you opened Facebook and now i just do not find it. There is just too much going on. And there are 10 notifications but not one that i am interested in.”

In order to stay relevant, Participant 7 discussed the need to have a social media strategy. However, she explained that this required an investment in time in order to participate effectively in an online social networking group. She explained:

“I have read up a lot on LinkedIn and the way to do business on there if you are targeting people on there is to be a part of proper groups and i have not, although i tried to become part of some of them, I have not invested enough time in actually engaging in those groups.”

She further explained that while she has not had a negative experience with a Facebook per se, but she has chosen not to use the platform. She commented:

“I have not put in any strategy with Facebook, so it is not that i have a negative experience with Facebook itself, but it is that i have not had the time to have, to get a strategy and implement a strategy so i am just trying to stay away from it. Pinterest is the same, although Pinterest was a wonderful place when i was looking for tips and tricks and whatever… but now that i am a business i do not even open it anymore.”

Similarly, according to Participant 1, when you start using social media platforms to market your business, you may get a lot of response also from people you are not really targeting. He explained:
“...we want to send an answer to everyone, but obviously you get a lot of people who are not really, how do I say, well suited for the positions we have. And there are more people responding who are not suitable than there are that are suitable. And still we respond to everyone so it does take up quite a bit of your time.”

**Not relevant**

Another theme that emerged from the interviews was that participants felt that the information and time they spent on online social networks was not always relevant to them or their business.

Participant 2 explained that:

“I was once part of a networking group but they sent so many messages on the group and some of them are not even relevant so you find that you... you find yourself not using the WhatsApp groups.”

Participant 2 suggested that if the online group is specific it is fine. He commented that:

“So if someone can curate it, the information in the WhatsApp group or on that platform then it's fine. For example, do not post finance stuff in a marketing group or marketing stuff in a construction group or whatever. So unless it is if it is complementary stuff then it is fine but if it is totally different stuff then it is not worth it.”

In describing being a part of a Facebook entrepreneurship group, Participant 4 discussed her frustrations with the size of the community:

“I don't think that you are actually fostering a community. You basically just have a very big service where there are a lot of people who can answer your question but I don't know if the fifteen thousand people, the people answering my question could be wrong and I have no way of testing it. So the smaller the community I think the more authentic and the more supportive and effective.”
During the observation process, it was noted in an informal discussion with a group of female entrepreneurs that the group found the social media platform Facebook to be difficult to work with. They described Facebook as creating too much “noise” which made it difficult for them to connect with their customers since the level of “noise” on Facebook drowned out any attempt that they made to reach their followers.

**Too much information**

Another negative experience discussed by the participants concerned the abundance of information available online. A number of the participants described being “spammed” on social media. The participants felt that receiving too much information online was difficult to mitigate against. Participant 2 explained:

“The thing is now there is just so much content online I think a lot of people even if they want to network they end up not paying attention because they think it's just another ad or it is someone else trying to sell something when it is actually someone trying to collaborate with you and because of advertising... they could be desensitized to certain things because there is so much information we get exposed to.”

Participant 8 described how using social media without understanding it can be daunting. He commented that:

“I will say this about social media, I definitely think it has decreased the need for physical interaction, but i think a lot of companies, locally in South Africa, we have not taken the time to understand how best to utilise certain platforms... what i have found, especially start-ups, not even just start-ups, i have been in some corporate companies and the marketing strategy is the same, you are trying to achieve the exact same targets or meet the exact same needs in all the platforms and the platforms just work differently, they function differently, people are going on there for so many different reasons. And thus your objective cannot be the same, your vocab cannot be the same, your tone cannot be the same, which makes it very difficult and then it becomes daunting right. So then it becomes daunting because your mind is already so bogged down with doing your day-to-day, so basically meeting your clients needs, selling to someone, having meetings and
now you need to think differently for each social media platform and that can be a bit daunting.”

From observation in the co-working space, a number of further frustrations were noted regarding use of digital technology. During the observation period the co-working space experienced internet problems with resulted in the internet being difficult to access. It was noted that the members of the co-working space felt frustrated when they found it difficult to connect to the internet and many members were using their own personal mobile internet connections when unable to access the internet.

**Figure 8: Summary of results**

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CHAPTER 6: DISCUSSION OF RESULTS

Chapter 6 discusses the finding of the research as outlined in Chapter 5 to establish the degree to which they have answered the research questions. In this chapter, the research findings are discussed in relation to the literature review outlined in Chapter 2. The research results outlined in this chapter contribute towards an improved understanding of the role of online social networks in entrepreneurial activity.

To frame this research study, the researcher was guided by the underlying principles of activity theory. These principles included, (1) the activity system as a whole is taken as the unit of analysis; (2) the activity system is made up of relationships between subjects, objects of activity and is mediated by rules, tools and the division of labour; (3) the activity system is collaborative and made up of a community with multiple interests and cultures; (4) the activity system is able to evolve over time and must be understood as part of a broader history; (5) contradictions in the activity system allow it change or develop over time (Engestrom, Y., 2001). The findings of this research project have been framed within the activity theory framework to get a better sense of the entrepreneurial activity system and where the congruences (balances) and contradictions (tensions) are in the system.

6.1 Research question 1

How do entrepreneurs use online social networks as part of entrepreneurial activity?

The first research question sought to establish how entrepreneurs were using online social networks as part of entrepreneurial activity. In line with the activity theory methodology framing this study, the questions posed to the participants during the semi-structured interviews sought to identify the online networks currently being used by entrepreneurs, what outcomes entrepreneurs wished to achieve by using these online social networks and the rules that governed the use of those online social networks.
6.1.1 Tools

In activity theory, tools mediate the interaction between the subject and the object of an activity. Tools can be both material or immaterial. Social media has been identified as one such tool which mediates work activities (Forsgren, E., et al., 2017). The results from the interviews showed that the participants were using a wide variety of online social networks as tools for both personal and business reasons.

All of the participants interviewed were using the social network, Facebook, while only one participant said that he was not currently using Facebook. The second most used social networks were LinkedIn, followed by Twitter and Instagram. Other tools discussed by the participants included (1) communication tools (Whatsapp); (2) Productivity tools (TeamViewer); (3) Storage tools (DropBox); (4) blogs (DriveTribe); crowdfunding tools (Patreon).

6.1.2 Objectives

The field of entrepreneurship has been vastly explored to understand the motivations behind entrepreneurship. Significantly for this research, the literature has started to look beyond the entrepreneur as an individual and acknowledge that the entrepreneurship process is collaborative (Greve, A., 2003). Accordingly, the context of the research was important as it acknowledged that entrepreneurship occurred as part of collaborative activity in which the community influenced the activity of entrepreneurs.

Networking is regarded as of central importance in the process of entrepreneurship and for the ultimate success of new venture creation (Nowinski & Rialp, 2016; Elfring & Hulsink, 2003; Greve, A., 2003). In this regard, a network has been identified as providing an entrepreneur with access to knowledge, information, capital and new opportunities (Nowinski & Rialp, 2016). It was clear from the results of the research that entrepreneurs are using online social networks as a means of facilitating networking in the creation and management of their businesses.
The questions in the interview schedule were aimed at understanding the daily activity of the entrepreneurs in this study. This results of this research study identified certain key motivations for an entrepreneur to use an online social network. These motivations included:

- Communication;
- Learning and development;
- Networking;
- Finding new customers;
- Marketing;
- Access to resources;
- Personal brand development; and
- Targets.

From the interviews it was clear that entrepreneurs are using online social networks to connect and communicate with their customers, suppliers and each other. The growth and increase in popularity of social media has been attributed to three main characteristics of social networking platforms: (1) it allows individuals to communicate with each other; (2) it is largely free and easy to use; and (3) it can reach a wide audience (Ajjan, H., et al., 2015). The results from the interviews show that an entrepreneur’s use of an online social network is in line with the literature. Participants indicated that they used online social networks for communicating because it was both free and easy to use.

The results also indicate the importance of online social networks for networking in entrepreneurship. This was in line with social capital theory which suggests that an individual’s resources, both real and virtual, are rooted in his or her social networks (Guan, T., et al., 2018). In this regard, we understand a person’s social capital to be made up of social structures, relationships, memberships and networks. The value or amount of social capital a person possesses is therefore dependant on the size of his or her network (Guan, T., et al., 2018). The results from the interviews suggest that entrepreneurs are using online social networks to facilitate growing their networks. Participants mentioned how they used their online networks to “make connections.” One participant described how she had managed to make more than twenty two thousand connections on LinkedIn for her business. This clearly indicates the ability of social media to grow an entrepreneur’s immediate network.
The literature suggests that networks are dynamic (Wang, F., et al., 2016). In this regard, it is important for an entrepreneur to have a diverse network made up of both strong and weak network ties in order to sustain them through different stages of the entrepreneurship process (Nowinski & Rialp, 2016). Interestingly, while the participants chose to use online social networks to communicate with each other, they still used traditional networking through face-to-face meetings and membership in the co-working space. From observation, it was clear that networking was encouraged amongst members of the co-working space. The co-working space had a monthly events calendar which included networking events. For example, once a month members are invited to enjoy free drinks after work. Members were encouraged to attend networking events and to use the time to meet other members. This shows that entrepreneurs still value in-person networking and maintaining strong network ties.

However, the participants were engaging with their weaker online social networks in order to access more diverse knowledge. Prior research on online social networks has highlighted that networks have the ability to change the way in which individuals acquire knowledge (Guan, T., et al., 2018). This is largely as a result of the internet which has allowed the sharing of knowledge. Many of the participants stressed the importance of online social networks in order for them to acquire new skills and keep up to date with the latest business trends. A number of participants were members of online groups in order to “learn” from other members in the group. Similarly, one participant relayed her experience in using Pinterest to guide the set-up of her new business design as she found guidance from other entrepreneurs online.

Social media has the ability to enable collaboration in the creation and sharing of content (Kaplan & Haenlein, 2010). The results showed that marketing was also an important motivation behind the use of online social networks. In this regard, the interviews revealed that entrepreneurs used online social networking platforms as a means of free marketing for their business. One participant mentioned that social media has broken traditional marketing because it has allowed individuals to have a voice and an audience. Where previously you needed to have a lot of money to form a successful and wide-reaching marketing strategy, now an entrepreneur is able to reach thousands of people without a significant financial investment.

The literature on entrepreneurship suggests that an entrepreneur’s network can be used to search for financial and human capital in the early stages of venture creation (Greve, A., 2003).
The findings revealed that five of the participants had used their online networks to access resources. One participant described using Facebook to search for people to assist her business, for example graphic designers. With regard to finance, one participant was funding his business through the subscription based service, Patreon. This finding suggests that online social networks can help facilitate the search for resources.

The results of the interviews also showed how entrepreneurs were able to get feedback from their online social networks. One participant actually measured some of his business KPIs through online social networks. Another participant mentioned that it was verifying when his followers gave him good feedback. This finding aligns with the literature on entrepreneurship requiring an entrepreneur to secure the legitimacy of a new business venture by building strong networks with customers and business partners (Elfring & Hulsink, 2003). By including outside actors in the process it results in a shared identity and greater commitment to the new venture (Wood & McKinley, 2010). It is thus clear that an online network can have a positive effect on an entrepreneur's ability to create legitimacy for a new business.

6.1.3 Context and culture

Entrepreneurial activity has been described as an ongoing, narrative process that unfolds through continuous interactions between actors and artifacts (Garud & Karnoe, 2003). This research took place in a co-working space. When assessing the demographics of the participants, it was found that the entrepreneurs all had businesses which were in various stages of the entrepreneurship process. Some participants were still in the idea phase, while others had established business which had been in operation for seven years.

From observation during the research, a number of themes emerged regarding how members in the co-working space interacted with each other. These themes included trust, respect, interaction, structure and partnerships. This finding is in line with constructivist theory which suggests that the entrepreneurial process occurs through a process of social construction in which human action is a response to its social context (Wood & McKinley, 2010).
In activity theory, rules are made up of the norms, conventions and social interactions of the activity system which drive the subject’s actions (Hardman, J., 2008). Rules in the entrepreneurial activity system were observed in directing members behaviour in the co-working space. These included trust and respect. Firstly, trust was an implicit rule across the co-working space and took various forms. From observation it was clear that the members in the co-working space demonstrated a sense of trust with each other. Members often left their laptops and handbags unattended.

Secondly, it was noted that the members in the co-working space respected each other. As the communal desk space was unreserved, some members chose to sit in the same place, while others chose to move around to different places every day. There were never disagreements about seats and members did not mind moving or making more space if another member joined the space. There were no explicit rules about how to use the space, but members showed each other respect. They did not have loud conversations in the communal work space but rather took their phone calls outside or in the kitchen area so as not to disturb other members.

An important aspect of the activity theory framework is the idea of community. In this regard, the entrepreneur is a member of a community who participates in the shared activity of entrepreneurship. In this research study, the community consisted of members of the co-working space. The results revealed that the entrepreneurs interviewed chose to be part of a co-working space for various reasons, including interaction, structure and for the use of the facilities. The co-working space provided a sense of structure to the participants. A number of participants mentioned trying to separate their work and home lives. A co-working space provided them the ability to work in an “office” environment.

With regard to interaction, the social aspect of co-working was an important aspect of using shared office space. One participant described how she did not like to work for other people, but preferred to work with other people. This finding tied in with the literature on networking. According to Wood & McKinley (2010), an entrepreneur will use his network to seek advice and feedback on new ideas. This was affirmed in the results of the research. One participant mentioned that it was easier to meet people and interact with them in a co-working space. While, another participant described how it was useful to work with people who had different skills in order to leverage that skill set when needed. Another important observation noted was
the friendliness amongst members in the co-working space. People always greeted each other and would often have lunch together. In this way, members felt that they could rely on their work colleagues for

The division of labour in activity theory refers to the horizontal division of tasks and vertical division of responsibilities and power relations within an activity system (Hardman, J., 2008). An interesting observation made from the interviews was the idea of partnerships between entrepreneurs. The majority of participants interviewed had used, or were using, the skills of another entrepreneur in the co-working space. Some of the participants had met new businesses partners in the co-working space and were paying for their services. Some transactions took the form of an exchange of skills. One participant explained how she had done a successful exchange transaction with another member of the co-working space. She provided him with business coaching for his business in exchange for him doing some research and marketing for her business.

The results demonstrate that far from being an individual activity, entrepreneurial activity is rooted in social structures. Therefore, the formation and development of a community was an important aspect of the co-working space.

6.2 Research question 2

What are the perceived benefits and adverse impacts of the use of an online social network by entrepreneurs?

This question sought to determine how online social networks are perceived by entrepreneurs. This question aimed to establish whether entrepreneurs believed that there were any positive benefits and negative impact to their use of online social networks as part of their daily activity.
6.2.1 Congruences

While a contradiction reveals a problem or efficiency in an activity system, a congruence is a level of symmetry reveals the success between the use of a tool and the activity system (Karanasios & Allen, 2014). The interviews revealed that there were some clear congruences between the use of online social networks and entrepreneurial activity. It was noted that there were many broad benefits to using online social networks. The interviews showed that one of the reasons entrepreneurs are using online social networks predominantly is for communication. This finding is confirmed by prior research which showed that social media can be a powerful tool in the workplace by allowing for employees and businesses to communicate with one another, which has enabled a better and stronger quality of interaction (Agarwal, V., 2015). The results showed that the participants chose to use online social networks because they were both free and easy to use.

One reason to use an online social network, mentioned by some of the participants, was because their customers were already using the social networks. As a result, it was more efficient. According to one of the participants, as an entrepreneur you use online social networks because they is free, and as a client you are using them anyway because you are engaging with the brands you like and engaging with your friends and family. With regard to use of use, many of the participants mentioned in the interviews that online social networks were an easy tool for business. One example mentioned by a participant was that he used Google Docs in his business because everything worked seamlessly on Google. In addition, the quality of an online social network was discussed as a positive aspect of using the network, LinkedIn. Participants explained that as LinkedIn was a business network, it was more professional and accordingly, the quality of the network was higher than other online social networks.

In terms of the activity theory framework, these congruences can assist us to better understand the rules and norms of the entrepreneurial activity system. As described, the use of an online network emphasises cost effectiveness, quality and ease of use. Accordingly, entrepreneurs are empowered by online social networks because they provide a relatively easy and free way to engage in the activity of entrepreneurship.
6.2.2 Contradictions

The research also examined the ways in which contradictions were perceived in the use of online social networks. A contradiction is a conflict or problem within the activity system (Allen, D., et al., 2013). Activity theory suggests that activity systems are constantly working through contradictions. These contradictions are the driving force behind change and development of the activity system (Allen, D., et al., 2013). Several contradictions were noted between the use of online social networks and entrepreneurial activity. The results showed that the majority of the entrepreneurs interviewed had perceived an adverse impact with using an online social network. A number of negative experiences were related during the interviews highlighting a tension which existed between the subject and the tool.

According to Hatchel, Negriff and Subrahmanyam (2018), young adults are engaged in using multiple forms of media perceive a dependence on digital tools. Observations from the co-working space suggested that there was a lot of frustration when the internet in the building was not working optimally. Many entrepreneurs were irritated when the internet connection was too slow or interrupted. They would leave the co-working space or use their cellular phones as a means to connect to the internet. The conclusion that can be made is that entrepreneurs have become reliant on being connected to the internet. Without it, they felt that there were not able to work efficiently or productively. In a recent study, Liang & Shen (2018) argued that the emergence of digital technology may have shifted our daily the activity patterns, however, the direction of that shift if not yet clear. Observations made during the research showed that the activity patterns of entrepreneurs were greatly affected by the availability or connection to the internet. The conclusion can be made that in this way, entrepreneurs activity patterns have changed with the emergence of digital technology making them more reliant on digital technology for their productivity.

Nambisan (2016) argued that digital technology has enabled more fluid entrepreneurial activity. From this observation, it is clear that entrepreneurial activity is becoming more fluid as entrepreneurs become more mobile. While place is still important, as people become more engaged with digital spaces, their engagement with a permanent place also changes. In this
way, we can see how traditional workplaces are changing and entrepreneurship is happening in less permanent and more virtual spaces.

Prior research by Wang, Mack and Maciejewski (2016) highlighted the possibility of a negative impact of using online social network for too much time. In this regard, the addictive nature of online social networks is one factor impacting negatively on an individual’s life (Hatchel, T., et al., 2018; Leung & Lee, 2005). The interviews revealed a strong theme regarding online social networks being a waste of time. One participant described social media as a “wormhole” in which it was easy to “just go deeper and deeper and deeper without actually doing anything productive.” This is confirmed by the literature in which Demek, Raschke, Janvrin and Dilla (2018) noted that the excessive use of social media is linked to a decrease in employee productivity.

Another negative experience noted during the research was regarding the relevance of information on online social networks. Participant 2 had had a negative experience of being part of an online networking group due to the amount of information posted in the group which he did not find to be relevant to him or his business. Similarly, Participant 1 felt that while it was great to be able to connect with people, his business often received messages from people who were not fit for the position which resulted in a waste of his time.

As a tool, social media is able to connect people with each other and enables billions of connection every day (Hanna, R., et al. 2011). However, the ability to make connections and build a network is considered a positive experience of using an online social network. A social network has been found to be beneficial to the entrepreneurship process due to its size as it allows an entrepreneur to widen his or her network (Greve, A., 2003) and facilitate the search for financial and human capital (Wood & McKinley, 2010). Participant 9 explained how she had used LinkedIn, a professional social network, to build her business and connect with twenty two thousand people over the past seven years. In a similar way, the entrepreneurs interviewed used their online social networks specifically for making connections, either by networking, finding new customers or accessing resources.

However, the interviews also revealed that many entrepreneurs feel that using an online social network is “intimidating” and “daunting” due to the amount of information available online.
Participant 2 described becoming desensitised by the amount of information online, while Participants 6 and 9 mentioned that being “spammed” was a problem they had encountered as entrepreneurs using online social networks. One of the characteristics of online social networks is that it has the ability to reach a wide audience (Ajjan, H., et al., 2015). However, it appears that while reaching a wide audience has previously been considered one of the benefits of using online social networks (Agarwal, V., 2015), there is also an adverse impact from the wide reach of social networking platforms. This was a difficulty encountered by the entrepreneurs in this research study as many of them used social media as a cost-effective marketing tool for their business. However, while gaining the benefit of social media for a marketing objective, they had also faced the negative experience of receiving marketing which was not relevant to them or their business. For example, Participant 7 described how she finds Facebook “very overwhelming” because of the amount of information available on the platform and because she was constantly receiving notifications but none of them interested her or were relevant to her business. Similarly, Participant 4 is a member of some large online entrepreneurship groups for creatives which had over fifteen thousand members. She said she preferred online communities which were smaller and to her, felt “more authentic”. During a networking event at the co-working space, a group of entrepreneurs complained about the level of “noise” on Facebook which they were unable to drown out. This was a problem for the entrepreneurs who felt that they were unable to reach their audience in the same way in which they had in the past because the amount of information on Facebook had the effect of watering down their content.

Some entrepreneurs found it challenging to use certain online social networks. For example, Participant 7 felt that she needed to have a social media strategy in place to be able to use certain online social networks effectively. This made using some online social networks unfriendly. In addition, the use of online social networks came with rules that may cause tensions as many of the participants felt that they did not have enough time to use certain social networks. Participant 7 explained that, while she had not had a negative experience with using Facebook, she has chosen not to use the platform in her business because she has not had the time to implement a strategy to use Facebook. Similarly, Participant 8 spoke about the need to understand the difference between online social networks. He commented that: “the platforms just work differently, they function differently, people are going on there for so many reasons and thus your objective cannot be the same, your vocab cannot be the same, your tone cannot be the same, which makes it very difficult and then it becomes daunting.”
This feedback suggests that many of the contradictions emerging from the use of online social networks are able to be overcome through better knowledge and understanding of the network and being able to implement a strategy for using the online social network.

**Figure 9: Noting the contradictions in the entrepreneurial activity system** (plain arrows represent the interactions among the components of the system while lightning-shaped arrows represent the contradictions)

![Diagram of the entrepreneurial activity system](image)

- **Tools:** waste of time; too much information; not relevant
- **Subject:** the entrepreneur
- **Object:** entrepreneurship
- **Outcome:** Better communication; Enhanced networking; New learning
- **Rules:** Trust; Respect
- **Community:** Co-working space; facilities; structure
- **Division of labour:** Interaction Partnership

Figure 9 above highlights the contradictions in the activity system which are preventing the system from functioning effectively for entrepreneurial activity. Based on the results, there is a tension which exists in the entrepreneurs perception of using an online social networks. The tools and object contradict each other as instead of fostering entrepreneurial activity, online social networks are perceived to be a waste of time, not relevant to the entrepreneur and contain too much information. Indirectly, this has a negative impact on the rules of the activity system as the contradictions erode the trust and respect an entrepreneur has in
entrepreneurship. Also, it may erode the level of partnership and interaction amongst entrepreneurs thereby representing a tension in the division of labour.

6.3 Conclusion to discussion of results

The context of the research project highlighted the rules and norms that govern entrepreneurial activity. The activity of entrepreneurship occurs in a broader community which is governed by rules and norms, structure and organisation. The results for research question 1 show that within the context of the broader social environment in which entrepreneurs work, online social networks have both an outward and inward function. The outward function can be seen in the objectives of communicating with customers and suppliers, networking, marketing and accessing resources. The inward function is to acquire knowledge, development on a personal level, and feedback. While this was not explicitly stated in the interviews, the various motivations for using an online social network emerged during the data collection process.

The results from research question 2 demonstrated both congruences and contradictions within the activity system. The identified congruences suggest that online social networks are perceived as demonstrating many benefits to entrepreneurs. They are a beneficial solution for entrepreneurs in the beginning phases of starting a new venture and who may be unable to afford expensive marketing or communication tools. Furthermore, as a tool, online social networks are easy to use and thus, do not require a high start-up investment in software or training.

The results also highlight a number of tensions between the objectives of using online social networks and the perceptions of entrepreneurs for the value that these social networks are adding to their life. While many of the entrepreneurs had experienced frustrations with using online social networks, they still chose to use the technology as part of their daily activity. The identified contradictions that were found in the activity system suggest that there needs to be a better understanding of the relationship between online social networks and entrepreneurial activity. While some of the contradictions may be overcome through further knowledge, the perception that online social networks can be counter-productive and not relevant is a problem
that requires further development. Therefore these tensions require change and further development in the use of online social networks by entrepreneurs.
CHAPTER 7: CONCLUSION

This research project was started to explore the use of online social networks in entrepreneurial activity. The study took the form of a case study by analysing a select group of entrepreneurs working in a co-working office space.

This chapter reports the main findings of the research project. Thereafter, implications for management are reported, the limitations of the study and lastly recommendations are made for future research.

7.1 Review of Research Project

This research was selected because it provided an opportunity to establish the role that specific digital technology, online social networks, played in entrepreneurial activity. The research problem was triggered by the need to improve the success of small businesses in South Africa. Small business owners in South Africa were found to be operating under challenging economic and political conditions, coupled with problems of access to finance and a lack of education and training, had resulted in low levels of entrepreneurial activity in South Africa (Herrington, M., et al., 2017).

Based on a review of the literature, it was found that there was a theoretical gap which existed in the literature on entrepreneurship regarding how digital technologies may have changed the entrepreneurship process (Sussan & Acs, 2017; Nambisan, S., 2016). The rise in popularity of social media platforms necessitated a review of the entrepreneurship literature and the role of social networking in the entrepreneurship process. It was argued that social media has radically transformed the way individuals interact and specifically in entrepreneurship, digital technologies have affected the activity of entrepreneurs by enabling a less bounded and more flexible structure (Nambisan, S., 2016). This change therefore brought into question the relevance of existing theories in entrepreneurship.
The main objectives of this research project were to explore how online social networks were being used by entrepreneurs as part of entrepreneurial activity. In line with this, the following research questions drove the research project:

1. **How do entrepreneurs use online social networks as part of entrepreneurial activity?**
2. **What are the perceived benefits and adverse impacts of the use of an online social network by entrepreneurs?**

The research project used activity theory as both a theoretical and methodological framework to analyse entrepreneurial activity. Activity theory understands human activity as part of the social-cultural context in which a subject lives and works. In this way, an individual’s experience of the world is mediated by rules (social norms), tools (technology, symbols, language), his community (context) and the division of labour (organisation of the community) (Engestrom, Y., 2001). By framing the research project through the lens of activity theory, the use of online social networks by an entrepreneur could be analysed as part of tool-mediated entrepreneurial activity.

The research design was qualitative in nature and took the form of a case study in a co-working space. Data was collected through multiple methods of data collection, including, observation, semi-structured interviews, informal conversations and documentary evidence. The semi-structured interviews were conducted with a select group of entrepreneurs who were members of the co-working space. Semi-structured interviews allowed the researcher to get a better understanding of the context and experience of entrepreneurs in their own words. In addition, the researcher spent 59 hours, over a period of 18 days, in the co-working space. Detailed observation notes were taken and logged in an observation diary. In addition, photographs and documents were collected from the co-working space and social media platforms were viewed. In line with activity theory, the unit of analysis was the entrepreneurial activity system. The co-working space used in this research project was situated in Johannesburg, South Africa.

The interviews with participants were recorded and then transcribed. Computer-aided qualitative data analysis software, Atlas Ti, was then used to group the data into key themes which were then linked to activity theory categories of tools, object, rules, community, division of labour,
congruences and contradictions. The responses were then analysed against the literature review and discussed in Chapter 6.

This research project had several limitations. These limitations include:

- As the convenient sample was comprised of limited participants it limits the generality of the findings.
- Due to inexperience of the researcher in qualitative research, the researcher could have probed for better answers from participants.
- Exploratory research is subjective by nature and as such, may reflect the bias of the researcher.
- The use of audio equipment to record the interviews meant that translation errors could have occurred.
- The use of interviews means that participants may not have been wholly truthful in their responses in order to appear in a more positive light.

7.2 Principal Findings

The results of the research provide insights into which online social networking tools entrepreneurs are using, why entrepreneurs are using those online social networks, and the perceived benefits and adverse impacts of using an online social network in entrepreneurial activity. These insights were discussed in Chapter 6 and are summarised below.

7.2.1 Research question 1

How do entrepreneurs use online social networks as part of entrepreneurial activity?

The results indicate that entrepreneurs are using online social networks for various objectives. The various motivations for using an online social network emerged during the data collection process and included:

- Communication
- Networking
- Learning and development
• Finding new customers
• Access to resources
• Marketing
• Feedback

In addition, the results identified common themes relating to the rules and norms governing how entrepreneurs interact in a collaborative work environment. The following themes were identified:
• Interaction
• Structure
• Trust
• Respect
• Partnership

The results indicate that within the context of the broader social environment in which entrepreneurs work, online social networks have both an outward and inward function. The outward function can be seen in communicating with customers and suppliers, networking, marketing, and accessing resources. While the inward function is used for acquiring knowledge, personal development and feedback.

The research study provided support for the literature regarding the importance of networking in entrepreneurship and how entrepreneurs recognise opportunities, access resources and gain legitimacy for new ventures. This finding further affirms a constructivist logic of entrepreneurship in which the entrepreneur cannot exist independently from his or her social context in which opportunities are recognised and developed as a result of a collective belief system (Wood & McKinley, 2010).
7.2.2 Research question 2

What are the perceived benefits and adverse impacts of the use of an online social network by entrepreneurs?

The participants confirmed that an online social network has a number of benefits for entrepreneurial activity. The results indicate that an online social network is a beneficial solution to entrepreneurs starting a new venture and who may not be able to afford an expensive marketing or communication strategy. Participants experienced online social networks as both cost-effective and easy to use. This finding affirmed the literature relating to the features of online social networks.

The results highlighted a number of contradictions in the entrepreneurial activity system. The results of the interviews indicate that entrepreneurs perceive a number of adverse impacts of using an online social network in entrepreneurial activity. Participants felt that sometimes the use of an online social network was time consuming, contained too much information and was not relevant to them or their business. This research study confirmed evidence in the literature relating to the negative impact of using social media too intensely and the associated decrease in workplace productivity (Hatchel, T., et al., 2018; Demek K., et al., 2018; Leung & Lee, 2005). The negative perception of using an online social network can indirectly impact on entrepreneurial activity as the contradictions may result in an erosion of trust and respect in a network, and thereby also erode the level of partnership and interaction amongst entrepreneurs.

However, while many of the entrepreneurs had negative experiences associated with using an online social network, they still chose to use them as part of entrepreneurial activity. The contradictions identified in the activity system suggest that there needs to be a better understanding of the relationship between online social networks and entrepreneurial activity. While some of the contradictions may be overcome through better knowledge systems, the negative perceptions found in the research require change and further development in the use of online social networks.
7.3 Implications for Management

The recommendations for management were developed from the findings of this research project combined with the literature.

Firstly, it is important for managers and small business owners to be aware of the various ways in which an online social network can be used in the process of starting a new business. Digital technology can facilitate the entrepreneurship process through enhanced communication with customers and business partners, access to better information and resources, and providing quicker feedback mechanisms. According to the Global Entrepreneurship Monitor (2017), almost half of entrepreneurs in South Africa are not using the latest technology in their business (Herrington, M., et al., 2017). By increasing awareness and knowledge of using online social networking, entrepreneurs can become more competitive, develop better relationships and improve access to knowledge and resources, therefore contributing towards the increase in entrepreneurial activity in South Africa.

Secondly, while it is cost-effective and easy to use an online social network in a business, the adverse impacts are often overlooked. It is important for managers and business leaders to be aware of the potential negative side effects of using an online social network in the workplace. The use of online social networks can be time-consuming and the amount of information available online may ultimately detract from productivity. Business owners should take note of the risks of using an online social network and that without a proper social media strategy in place they may not be able to use an online social network effectively.

7.4 Suggestions for Future Research

This research project can be complemented by further studies on the subject of entrepreneurship and online social networks. Areas of future research are suggested below:
1. A similar research project to determine whether there is a difference between the way younger entrepreneurs (aged 18 to 30) are using online social networks compared to older entrepreneurs (aged 30 to 50).

2. A similar research project to determine whether there is a difference between the way female entrepreneurs use online social networks compared to male entrepreneurs.

3. A quantitative study that can build on the findings of this study regarding the adverse impacts of using an online social network and the implications thereof.

4. A study focussing on one of the most popular online social networks, for example, Facebook, Twitter, Instagram or Whatsapp and its unique contribution to entrepreneurship activity.

5. A comparative study of entrepreneurs in developing countries and developed countries to see how the use of online social networks in entrepreneurial activity differs.

6. A case study of a small business that has started using online social networks to determine if there is an increase in business success after adoption.

7.5 Concluding remarks

The success of small businesses are critical for the economic development of country. However, small businesses are established on the strengths and weakness of their owners. Therefore, the ultimate success of a small business depends on the ability of entrepreneurs to navigate the entrepreneurship process by being able to recognise opportunities, find resources and ultimately secure the legitimacy of a new business venture. The literature highlights the importance of an entrepreneur having access to a network in all stages of this process. With advancements in digital technology, the use of online social networks has risen in popularity. This has provided unique opportunities for entrepreneurs to use online social networks to their benefit.

This study has added to the literature by affirming the motivations for using an online social network and the role of social norms and community in entrepreneurial activity. This research project has shown that the participants are using a variety of online social networks in their business. In addition, this research has provided insights into the adverse impacts of online social networks. The contribution of this research project should be to assist managers and
small business owners to better understand the benefits and risks associated with the use of online social networks.
REFERENCE LIST


APPENDICES

Appendix 1: Interview schedule

Interview Schedule:

1) Can you tell me what brought you to work at a coworking space?
2) What stage is your business? For example, a start-up etc.
3) Give me a general view of your current daily routine as an entrepreneur.
4) Are you a member of any online social networks? Which ones? Why those?
5) Can you tell me about how you use social networks in your daily life?
6) Give me an example of how you would use social networks during the day?
7) What has been your experience in using a social network during the day? Can you give me an example?
8) Can you think of any negative experience in using social media? Can you give me an example.
Appendix 2: List of codes

- Access to resources
- Communication
- Community
- Contradictions and congruences
- Cost
- Ease of use
- Facilities
- Feedback
- Finding clients
- Interaction
- Learning and development
- Marketing
- Networking
- Objectives
- Partnership
- Personal development
- Rules
- Strategy
- Structure
- Too much information online
- Tools
- Trust
- Waste of time
### COPYRIGHT DECLARATION FORM

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**Course details**

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Dear Philippa

Please be advised that your application for Ethical Clearance has been approved.

You are therefore allowed to continue collecting your data.

We wish you everything of the best for the rest of the project.

Kind Regards

GIBS MBA Research Ethical Clearance Committee