

Retailing and Entrepreneurship Development: Insights from a Developing Country

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Abstract

This study investigates the structure of the retail sector in Botswana and its potential in stimulating entrepreneurial skills and knowledge. The study utilized a descriptive design, collecting data from 227 managers in the clothing, food and furniture retail sectors through a semi-structured questionnaire, personally administered in the respondents' places of work. Findings demonstrate that the retail sector in Botswana is dominated by small stores with food and furniture stores being relatively larger than clothing stores. Further results indicate that the contribution of the retail sector to entrepreneurship development in Botswana include activities such as informal staff training and development, employment of citizens at decision making levels and advisory support to local suppliers. However, the scale of the contribution is limited by amongst others lack of participation in decision making by citizen managers and the existence of few joint ventures and franchises among citizens and foreign owners.

Key Words: Botswana, Entrepreneurship, Entrepreneurship Development, Training, Financial Assistance, Local Supply Development, Retailing

1. Introduction

Retailing constitutes a major economic activity in Botswana in terms of income and employment generation. For instance, during the period 2002 and 2003, the Wholesale and Retail sector's average annual contribution of 29 percent to Botswana's Gross Domestic Product (GDP) was only second to Mining. Its average growth rate of 18 percent was also the second highest after Electricity and Water and more than twice the 8 percent growth rate in Mining (National Development Plan, 2003-2008). Similarly, the Household Income and Expenditure Survey (2002-2003) indicates that the Wholesale and Retail sector is the third largest employer after Agriculture and Public administration. The Wholesale and Retail sector accounted for over 13 percent of the 462 000 employed persons in Botswana.

Although retailing is a critical component of economic development in Botswana, economic policies that are documented in the country's National Development Plan (2003-2008) tend to discriminate against retailing in favor of agriculture, manufacturing and mining. Yet, as Woodruff (1958) had recognized, it is not sufficient for any developing country to focus on increasing production if it cannot complement it with the appropriate marketing skills. There is also a knowledge gap in terms of the structure of the retail sector in Botswana and its contribution to entrepreneurship development, which is one of the country's macro-economic objectives. A notable study by Emongor and Kirsten (2007) on retail trade in Botswana focused on the contribution of food retailers to agricultural development, thereby excluding other important retail types. The limited published research based on the African context has also concentrated exclusively on food retail in East Africa (Johannesson and Palona, 2010) and South African (Weatherspoon and Reardon, 2003). Thus, to contribute to the existing body of research on retailing and economic development, the current study has two specific objectives: (1) to analyze the structure of the retail sector in Botswana in terms of size, form of ownership and growth, and (2) to explore the potential of retailing to contribute to entrepreneurship development in Botswana.

2. Overview of Retailing in Africa

Retailing is the set of marketing activities that adds value to the products and services sold to consumers for their personal or family use (Jones, et al., 2005). Limited published research has covered retail trade in Africa. Johannesson and Palona (2010) noted that the retail sector in East Africa has undergone a radical transformation from small shops, outdoor markets and kiosks to hypermarkets, convenience stores and supermarket chains. The formal food retail sector in Southern Africa has also experienced an increase in the number of hypermarkets, discounts stores, supermarkets and convenience stores, which are displacing small shops and public markets (Weatherspoon and Reardon, 2003). Despite the emergence of large retailers in Africa, small scale retailers still dominate the industry. The retail sector is characterized by a concentration of both formal and informal stores. For instance, 43 percent of small businesses operated as wholesale and retail traders in South Africa in 2005-2006 (Blottniz, 2007).

Although retail trade in Africa has received some academic attention, such studies have concentrated on the food sector in East and South Africa. The current study focuses on Botswana where retail trade has witnessed a phenomenal growth in the last ten years, mainly from the entry of modern and large retailers from South Africa (Emongor and Kirsten, 2009; Miller et al., 2008; Policy Brief, 2008). In fact, Botswana had the fourth highest proportion of supermarkets from South Africa (Emongor and Kirsten, 2007), a figure lower than that of only South Africa, Zimbabwe and Namibia out of fourteen SADC countries that were surveyed.

3. Entrepreneurship Development: A Conceptualization

Various authors have argued that the term entrepreneurship has been defined in numerous ways, which makes it extremely difficult to conceptualize and operationalize (Henry, et al., 2005; Morris and Lewis, 1995). For instance, Henry et al., (2005) conceptualized entrepreneurship as the process of creating something different — “a new economic entity centered on a novel product or service or, at the very least, one which differs significantly from products or services offered elsewhere in the market”. Entrepreneurship has also been viewed as the process through which individuals and/or teams create value by bringing together a unique package of resources to exploit an opportunity (Morris and Lewis, 1995; Pretorius, et al., 2005). While these definitions provide a solid foundation for research into entrepreneurs' key characteristics and the activities they perform, they do not provide much insight into entrepreneurship development activities. Entrepreneurship development has been defined as the process of enhancing entrepreneurial skills and knowledge of individuals and groups who wish to start or expand a business through structured training and institution building programmes (Osemeke, 2012; UNDP Evaluation Office, 1999). Entrepreneurship development is particularly important in developing countries as there is a low level of entrepreneurial skills and knowledge among individuals (Pretorius et al., 2005). An increase of entrepreneurial skills and knowledge could increase the spread of new ventures and growth of business start-ups (Pages and Poole, 2003); the ability of entrepreneurs to function effectively and attitudes towards entrepreneurship (Henry et al., 2005; Osemeke, 2012).

In light of the above, there is a clear distinction between entrepreneurship development and entrepreneurship where the former is concerned with how entrepreneurial skills and knowledge is cultivated among individuals and the latter is concerned with describing who the entrepreneur is or what the entrepreneur does.

Drawing from these conceptualizations, entrepreneurship development is conceptualized on the basis of a spectrum of activities that have the potential to cultivate skills and knowledge within the retail sector in Botswana. An understanding of the activities that are critical to the development of entrepreneurial potential will aid the development and implementation of policy initiatives to enhance entrepreneurial activity (Pretorius et al., 2005).

Research has also proposed several activities that governments in various countries have used to encourage entrepreneurial skills and knowledge. For instance, Pages and Poole (2003) proposed four strategies that can be used to stimulate entrepreneurial skills and knowledge when entrepreneurship development is defined from an economic perspective including: direct counseling for start-ups which includes management and technical assistance; entrepreneurship education; assistance with facilities and space; and access to finance. In support of this view, Dabson (2005) identified entrepreneurial education, access to capital, training and technical assistance, access to networks and entrepreneurial culture as key strategies for fostering entrepreneurial skills and knowledge in Rural America. Osemeke (2012) suggested that financial assistance and training are important components of entrepreneurship development in Nigeria. In Botswana, strategies used to empower citizens and encourage entrepreneurial activity at the national level include access to finance, increased access to business and technical skills, training and education, increased access to markets, better working conditions, and promoting employment intensive projects (Sergis, 1999; National Development Plan, 2003-2008). Studies that have focused on entrepreneurship development in specific countries lack consistency in terms of the proposed activities that facilitate acquisition of entrepreneurial skills and knowledge. However, entrepreneurial education, training and technical assistance, access to finance, and access to markets emerged as critical components of entrepreneurship development in a majority of the studies.

While most of the governments including Botswana play a critical role in entrepreneurship development and this support is critical; most scholars have called for the involvement of the private sector in stimulating entrepreneurial activity. As highlighted by Johnson (2001) individuals can display entrepreneurial behavior within the roles they perform in their organizations and it is important that organizations foster such entrepreneurial qualities and skills since they help to support their goals. Morris and Lewis (1995) also argued that while governments can develop strategies for entrepreneurship, ultimately it develops within organizations and is dependent on individuals. Moreover, Sergis (1999) suggested that the private sector in Botswana needs to be induced to play a more active role in encouraging the spread of entrepreneurial skills, attitudes, and knowledge as well as new business start-ups among citizens. As entrepreneurship can occur in all types of firms and in all sectors, it is the view of the present paper that the retail sector has the potential to facilitate the acquisition of skills that are likely to enhance entrepreneurial behavior among local suppliers, citizen owners and employees. **The involvement of the private sector in entrepreneurship development would reduce dependency on government.**

4. Retailing and Entrepreneurship Development

Retailing has been neglected in favor of manufacturing and agriculture in economic development programmes of developing nations (Kinsey, 1982; Onah 2002) and Botswana is no exception. As noted by Yi and Jaffe (2007), economic development programmes in developing countries expend more effort to increase the production of goods while the distribution sector of the economy is frequently ignored or superficially treated. This is because traditionally, retailing has been regarded as a parasitic activity that contributes nothing of value (Jones et al., 2005). The role of retailing on entrepreneurship development in developing countries has also been largely unexplored in the marketing literature. The literature concentrates on the contribution of retailing to economic development in developed nations through creation of employment opportunities, payment of tax and investment in shopping malls (Gibson, et al., 2003; Jones et al., 2005). It is thus unclear which activities retail firms offer to facilitate entrepreneurship development and the extent to which the activities are emphasized. The available research relating to entrepreneurship development in retail firms is limited to the discussion of the development of local supply (Kaliappan et al., 2007; Policy Brief, 2008; Weatherspoon and Reardon, 2003).

In order to provide insight into the role of retailing on entrepreneurship development, the current study focuses on the following selected activities which are deemed useful in fostering entrepreneurial skills and knowledge at the national level and are deemed relevant to the retail sector: (1) financial assistance to former employees, (2) training and development, (3) employment of staff at decision making levels, (4) local supply development and (5) foreign direct investment. A brief explanation of these activities follows below.

Financial assistance has emerged as the most significant component for promoting entrepreneurial development at the national level in previous studies (Pages and Poole, 2003; Sergis, 1999). Generally, the Botswana government is the major source of funds for entrepreneurship development (National Development Plan, 2003-2008). The heavy reliance on government revenues for funding entrepreneurial activity poses a great concern in the era of tight national budgets and therefore there is a need to attract funds from other sources. Large retail stores could be encouraged to play an active role on entrepreneurship development by providing financial assistance to employees who demonstrate creative, innovative, proactive, and risk taking skills. Financial assistance could be used to empower employees to start their own businesses or start businesses in collaboration with the retail stores. Such new business start-ups could utilize locally available resources; bring improvement in the living conditions of the owners as well as of their employees and thereby contributing to poverty alleviation.

Entrepreneurship training is one of the key activities that Botswana government utilizes in order to stimulate entrepreneurship at the national level (National Development Plan, 2003-2008). The role of training in entrepreneurship development at the national level has been acknowledged in previous research (Morris and Lewis, 1995; Pages and Poole, 2003). Henry et al., (2005) suggested that training (1) educate potential entrepreneurs about various aspects of setting up and running a new business, (2) equip potential entrepreneurs with practical skills required for a career in self-employment and (3) educate managers of established businesses on how to ensure the growth of their businesses. Training provided by the retail sector could expose employees to practical skills of running a retail business and knowledge about operating systems and processes within the retail sector which could increase their participation in entrepreneurial activity. It is thus an empowerment of the employee that makes him or her more productive, prepared to go out and create his or her own retail businesses, as well as better able to escape poverty and contribute more positively to the development of the economy.

Another way for encouraging entrepreneurial development is through work-related experiences (Morris and Lewis, 1995). Employment at decision making levels provides opportunities for experience and participation on decision making, thereby resulting in the acquisition of skills that are required in entrepreneurial activities (Botha et al., 2006) such as technical, management, and personal skills (Henry et al., 2005). Kinsey (1982) also emphasized that those involved in retailing are more likely to become entrepreneurs having acquired important business skills in negotiation, selling, dealing with uncertainty, and being closer to the market. Thus, being employed at managerial level in a retail business provide employees an avenue to acquire technical, business and personal skills that are critical in stimulating entrepreneurial behavior within the firm and could also be utilized in the future entrepreneurial activities. The entry of foreign large retailers in developing countries contributes to the development of local suppliers by way of improving access to the market, development of business management skills and technical skills. Local suppliers are compelled to improve the quality and safety of their products as they strive to meet the standards and requirements set by foreign retailers. Thus, local suppliers are given the opportunity to plan, organize, lead their employees and be innovative.

For example, over forty years ago, Drucker (1958) specifically noted that the introduction of a large scale retailer in developing countries in Latin America stimulated the development of many local suppliers as well as skills in production, technical and professional management among local suppliers. Weatherspoon and Reardon (2003) have also indicated the diffusion of large food retailers in Africa drives local suppliers to adopt the retailers' procurement system in order to gain economies of scale and coordination. In particular, local suppliers and farmers in Africa acquire skills in aggregating their supply to meet high volume demand as well as ensuring product quality and safety standards. In a study by Kaliappan et al., (2007) local suppliers in Malaysia reported that foreign retailers play an instrumental role in buying their products, exchange of information, assistance for inventory management and use of just in time systems as well as technical support on production, planning, quality management, inspection and testing.

In Botswana, both large and small scale farmers supply larger supermarkets, which provide a viable market for farmers' produce (Emongor and Kirsten, 2009; Policy Brief, 2008). The stock of foreign direct investment in the retail sector in Botswana was estimated at 8 percent in 2000 (National Development Plan, 2003-2008). Botswana as other neighboring Southern African countries has experienced a substantial flow of foreign direct investment in retailing mainly from South Africa (Miller et al., 2008). The economic benefits of foreign direct investments include increased competition, lower prices of food products, much needed capital, new technologies, technical and business skills and knowledge of export markets (Javorcik, 2004).

Generally, various distinct modes of direct entry into any foreign market could be used in the retail sector including franchising, joint ventures and partly or wholly owned subsidiaries. The various entry methods present different levels of business ownership and may encourage development of local firms differently. Franchising and joint ventures are more likely to inject the development of local firms in the retail sector than partly or wholly owned subsidiaries. In particular, franchising and joint ventures do not only offer opportunities for citizen-owned businesses, they also influence the direct flow of capabilities and resources such as technological skills and know how, managerial expertise, leadership skills, financial resources, marketing skills, reputation as well as access to international markets thereby increasing the potential for entrepreneurship activity among citizens (Alon, 2004).

5. Methodology

A descriptive survey design which involved collecting primary data from retail store managers across the country using a personally administered, semi-structured questionnaire was employed. This research design was deemed appropriate for the purpose of the current study since published data on the nature and trends of retailing in Botswana is lacking. The questionnaire assessed the demographic characteristics of the respondent, type of retail sector, operational period, form of ownership, as well as size based on capital invested, employees, and annual sales. In order to measure growth in the retail sector, respondents were asked to provide information on the following variables overtime: capital, employees, sales, ownership structure. Entrepreneurship development was assessed using five initiatives discussed in the literature review.

Data were collected through face to face interviews with retail store managers. Retail store managers run retail businesses on day-to-day basis and can directly inspire their subordinates to be commitment to activities that foster entrepreneurial skills and knowledge. Thus, a total sample size of 345 was targeted in 13 geographic locations across Botswana. **The various geographic locations and the sample size were decided based on the number of retail establishments.** The retail outlets were chosen on a judgment basis. Although this technique is subjective, it was deemed necessary in order to ensure a reasonable coverage of the three selected retail sectors of clothing, food, and furniture, the sizes as well as geographical distribution of the outlets. The selection of probabilistic samples that could have facilitated direct generalizations was truly difficult since we were unable to obtain an official list of retailers in Botswana. The type of retail businesses studied was narrowed to the three product categories that we believe are more germane to our objective of studying retail trade as a catalyst to entrepreneurship development. The data in this study was obtained from 227 usable interviews, representing a 66% response rate.

6. Findings

6.1. Demographic Profile of the Respondents

A majority of the respondent retail stores (42 percent) were located in the two largest cities in the country (Gaborone and Francistown). This reflects the general distribution of retail establishments in the country. The clothing retailers account for 47 percent of the respondents, while furniture and food retailers constitute 26 and 28 percent respectively. Additionally, 54 percent of the retail stores were established since 2000, which confirms the relative novelty of chain retail stores in Botswana. The most common level of educational qualification for the respondents is Ordinary level (12 years of schooling). It appears that the rather relatively routine tasks performed by managers do not require a higher level of education. Although the respondents vary in terms of length of work experience, about 49 percent of the sample has more than 5 years of experience which means that the respondents are quite knowledgeable in their businesses. Table 1 describes the demographic characteristics of respondents.

Table 1 Demographic Profile of the Respondents

	Frequency	Percent
Distribution of Retail Stores (Location)		
Bobonong/Kobojango	11	4.8
Francistown	22	9.7
Gaborone	73	32.1
Ghanzi	8	3.5
Kanye	15	6.6
Kasane	6	2.6
Letlhakane/Orapa	6	2.6
Lobatse	15	6.6
Mahalapye	15	6.6
Maun	17	7.5
Mochudi	9	4.0
Selebi-Phikwe/Mmadinare	17	7.5
Serowe	13	5.7
Total	227	100.0
Year of Establishment for the Retail Stores		
1960 – 1980	13	6.1
1981 – 2000	85	40.1
2001 – 2008	114	53.8
Total	212	100.0
Respondent Position		
Assistant branch/store manager	18	7.9
Branch/store manager, Training/administration manager	202	89.0
Sales Representatives	7	3.1
Total	227	100.0
Respondent Education		
Ordinary Level Certificate and below (Cambridge)	159	72.5
Pre-First Degree (Certificate and Diploma)	34	15.5
First Degree and above (e.g., BBA, B.Com, MBA)	26	12.0
Total	219	100.0
Respondents Experience		
Less than a year	24	10.7
Between 1 year and 5 years	91	40.4
5 years or more	110	48.9
Total	225	100.0

6.1. Size of the Retail Sector

An attempt was made to collect data on the three commonly used measures of size including annual sales, current number of employees, and paid-up capital; however information was not available on the last measure. The classification of retail businesses according to current number of employees and annual sales in the current study was based on the Government of Botswana's (1998) recommendation. The distribution by size of retail businesses that participated in this study is shown in Table 2. The results of size by annual sales in Pula show that, on average, retail businesses generate annual sales of P7, 2 million (USD 940 148. 92). This finding indicates that 52 percent of retail businesses are medium in size, described with annual sales of between P5 million (USD 652 881.21) and P10 million (USD 1 305 762.41).

It also appears that 24 percent of retail businesses are either small — annual sales less than P5 million (USD 652 881.21) or large — annual sales more than P10 million (USD 1 305 762.41). Findings relating to size by current number of employees reflect that on average retail businesses have 20 employees. This means that on the basis of numbers of employees, retail businesses are small in size (25 or less employees). Specifically, a substantial majority (80 percent) of retail businesses are small in size. Only 4 percent of the retail businesses are large (more than 50 employees) and 16 percent are medium in size (between 26 and 50 employees). Overall, these findings show that small (number of employees) and medium (annual sales) retail businesses dominate the retail sector in Botswana. This could possibly mean that a majority of retail businesses tend to generate medium sales with fewer employees.

Further tests were performed to examine whether the sizes of the participating retail businesses vary by type of retail sector. The Chi-square's results shown in Table 2 reveal that the size of participating retail businesses does differ significantly based on the type of retail sector. Furniture and clothing retailers generate higher sales per employee than food retailers. However, food retailers are more employment intensive than both furniture and clothing retailers. In fact, all large retail stores (100%) measured by their number of employees are food retailers.

Table 2: Size by Type of Retail Sector

Type of Retail Sector					
	Clothing	Furniture	Food	Total	χ^2
Annual Sales in Pula					42.72***
Small	27 (60%)	2 (4%)	16 (36%)	45 (100%)	
Medium	47 (47%)	42 (42%)	11 (11%)	100 (100%)	
Large	13 (29%)	9 (20%)	23 (51%)	45 (100%)	
Total	87 (46%)	53 (28%)	50 (26%)	190 (100%)	
Current number of Employees					121.55***
Small	103 (58%)	56 (31%)	20 (11%)	179 (100%)	
Medium	2 (6%)	1 (3%)	32 (91%)	35 (100%)	
Large	0 (0%)	0 (0%)	10 (100%)	10 (100%)	
Total	105 (47%)	57 (25%)	62 (28%)	224 (100%)	

*** $p > .001$

However, the Chi-square analysis indicates that the size of retail businesses does not significantly vary with age of the business. (Age and Annual sales: $\chi^2 = 4.82$, $p = .306$; Age and Current number of employees: $\chi^2 = 1.39$, $p = .845$). Though the Chi-square tests were not significant, a trend seems to emerge that newer stores are generally bigger than the old ones.

6.3. Form of Ownership

The predominant form of ownership of the sample outlets was private limited liability, not quoted on the Botswana Stock Exchange (Table 3). This form of ownership accounted for 72 percent of the responding companies. Joint ventures were not common among the sample retailers. Of the 217 respondents to this question, over 90 percent were either fully citizen- or foreign-owned. The remaining 8 percent was owned jointly between citizens and government or citizens and expatriates. One other feature of the sample was interlocking ownership. About 77 percent of the stores were owned by various groups. For example, Cash Bazaar stores (Clothing) have the same ownership as Taku-Taku (Shoes), Topline (Clothing), Homecorp (Furniture), and Furnmart (Furniture) while Choppies (Food) and OK (Food) and Fruit and Veg belong to the same family.

Table 3: Form of Ownership of the Retail Sector

	Frequency	Percent
Form of Ownership		
Single Ownership	27	12.2
Partnership	14	6.3
Private Limited company (Not quoted in BSE)	160	72.4
Public Limited Company (Quoted in BSE)	20	9.0
Total	221	100.0
Share of Ownership		
100% Botswana Citizen	99	45.6
50% Botswana Citizen and 50% Government agencies	2	.9
50% Botswana Citizen and 50% Non-Citizen	6	2.8
Less than 50% Botswana Citizen and more than 50% Non-citizen	8	3.7
100% Non-citizen	102	47.0
Total	217	100.0

6.4. Growth Experienced in the Retail Sector

Due to the lack of data pertaining to the previous years, assessing the basic growth of retail trade overtime was not feasible. We therefore inferred growth in terms of numbers of retail outlets established overtime. Table 4 shows that the number of retail establishments was increasing overtime. For example; the number of retail businesses established between 2000 and 2008 is higher than the number established between 1990 and 1999. Similarly, the number between 1990 and 1999 was higher than that between 1960 and 1989, even though the latter period was thrice as long. This upward trend in the establishment of new retail businesses shows an increasing rate of growth in the number of retail businesses in Botswana.

Additionally, the results of Chi-square show that there is a significant difference in the structure of retail establishments. For example, between 1960 and 1989, furniture stores constituted 48 percent of all retail establishments while clothing and food stores had 26 percent each. However, between 1990 and 1999, the proportion of clothing retailers (39 percent) was higher than that of furniture and food retailers. Similarly, between 2000 and 2008, the proportion of clothing retailers (52 percent) was more than that of furniture and food retailers. These results suggest that clothing retailers contribute more to the growth in the number of retail businesses established in Botswana within the current period. This structural change reflected a growth in the national income and the penchant of Botswana to dress fashionably.

Table 4: Number of Businesses Established by Type of Retail Sector

	Type of Retail Sector			Total	χ^2
	Clothing	Furniture	Food		
Year of Establishment					11.901**
1960 to 1989	7 (26%)	13 (48%)	7 (26%)	27 (100%)	
1990 to 1999	23 (39%)	18 (31%)	18 (31%)	59 (100%)	
2000 to 2008	65 (52%)	24 (19%)	35 (28%)	124 (100%)	
Total	95 (45%)	55 (26%)	60 (27%)	210 (100%)	

** $p > .01$

6.4. Entrepreneurship Development in the Retail Sector in Botswana

6.4.1. Financial assistance

Before ascertaining information about the financial assistance that retailers offer to their employees, the sampled respondents were asked if they knew of any former employees who left to establish their own businesses. About 31 percent of the respondents answered in the affirmative while 64 percent did in the negative.

The remaining 5 percent did not know if there were such employees. There was little information on the type of business established by such employees but very few established businesses in the same industry as their former employers. Businesses established included furniture manufacturing and sales, micro finance, vegetable vending etc. However, respondents clearly indicated that retail firms gave little or no financial assistance to former employees who have ventured into new business.

6.4.2. Staff Training and Development

The results on type of training offered to retail employees presented in Table 5 indicate that 85 percent, of retail businesses develops the skills of their employees informally or through in-house training programmes. Only 5 percent offer formal, external, third party training, while 10 percent do not train their employees at all. In-house training includes training employees at a central location mostly the head office either in Botswana or South Africa, teaching employees through manuals, booklets, and radio lessons and through weekly meetings and discussions at the store level. The most common area of training is a combination of administrative and operational, which was mentioned by 34 percent of respondents. Operational training only was offered by 33 percent of the respondents while 22 percent combined the three forms of training: administrative, operational and technical. Operational training covers such issues as customer service (39%), selling (24%), safety and hygiene (8%) and merchandising (7%). Administrative training covers areas such as stock management (7%), cash management (5%), and branch management (4%). On average, each retail business trains about 19 employees annually. With such a broad definition of training including formal and informal, in-house and external, about 88 percent of employees get trained annually. Chi-square tests were conducted to examine whether training activities differ among retail sectors. The tests showed that virtually all the three selected retail trade sectors tend to offer mainly informal training to improve selling, technical and administrative skills. Because such training was informal all sectors tend to train similarly high percentages of their staff.

Table 5: Training and Development

	Frequency	Percent
Type of Training		
Formal training	10	5
Informal/in-house training	171	85
No training	21	10
Total	202	100.0
Area of Training		
Technical	1	.5
Administrative	3	2.0
Operational	63	33
Technical and Administrative	1	.5
Technical and Operational	16	8.0
Administrative and Operational	65	34
Technical, Administrative and Operational	43	22
Total	192	100.0
Proportion of Staff Trained		
.04 to .49	10	11
.50 to 1	79	89
Total	89	100

6.4.3. Employment at Decision Making Levels

The retail outlets in the sample had 4,483 employees and 17% (n= 750) were citizens employed in supervisory (n= 322) or managerial (n= 428) positions. Although there is an average of about 3 supervisors and 2 managers in each respondent company, the distribution was widely dispersed. Specifically, 15 out of 224 respondent retail stores had no citizen managers/supervisors while one retail store had as many as 22 managers/supervisors. However, overall most retail outlets in our sample were managed by citizen staff.

Citizen staff constituted 100 percent of the managers/supervisors in over 178 of the 224 retail stores that responded to this question. While, most stores had 100 percent citizen staff, there was a significant difference between the three retail sectors and among retail outlets of various sizes, measured by the number of employees. For example, while all the furniture stores and 95 percent of the clothing stores had 100 percent citizen managers, only 53 percent of food retailers had similarly high percentage of citizen managers. The responses to our questions however revealed that many managers were only so in name. They lacked the responsibility and authority implied by their titles. In most cases, managers were performing mainly routine clerical jobs and had little say in the real management of the company.

6.4.4. Development of Local Supply

Few retail outlets in the sample were involved in assisting or developing local suppliers. Of the 199 outlets responding to this question, only 36 percent claimed to have provided such assistance or developed local suppliers while 54 percent had not. The remaining 10 percent did not know if their companies provided such assistance to any local suppliers. Respondents in the food and furniture sectors were more supportive of indigenous entrepreneurial efforts than the clothing retailers ($\chi^2 = 67.73$; $p = .001$). In the food sector, 48 percent of respondents claimed to have given some assistance to indigenous companies while 44 percent of the furniture sector's respondents have claimed to do the same. Only 9 percent of the clothing industry respondents have given any such assistance. Local businesses that have been assisted by the retailers include local producers of beds, couches, television stands, towels, vegetables and fruits farmers, local suppliers of dairy products such as milk, cheese, local suppliers of maize and sorghum meal-meal, drinks, and other food items. In particular, retailers assist local suppliers by purchasing the products from them as well as providing useful feedback on product quality and how to ensure consistent and timely delivery.

7. Discussion and Conclusion

The findings of the present study indicate that retailing is a widespread activity in Botswana which can be found in various locations across the country. Retail outlets in Botswana are generally small (by number of employees) or medium (by annual sales value) and largely owned by non-citizens. The food sector is however dominated by large stores. These findings are convergent with previous studies that have shown that while the retail sector in Africa is dominated by small firms, there was an increasing number of large retailers such as departmental stores and supermarkets (Johannesson and Palona, 2010; Weatherspoon and Reardon, 2003). Chain retail stores are also relatively new in Botswana, as the age distribution of the sampled establishments shows that most retail businesses were established only since 2000. The number and sizes of new outlets being established annually are also on the increase.

This study also indicates that an insignificant proportion of retail stores in Botswana contribute to entrepreneurship development through initiatives such as assisting former employees financially to venture into own business, empowering employees at managerial levels, development of local suppliers through backward integration and joint ownership with local businesses. Training and development of citizen employees through on the job training appears to be the only widely used activity in cultivating entrepreneurial skills and knowledge within retail firms. The low level of involvement by the retail sector in entrepreneurship development activities could be possibly explained by the fact that a majority are small in size and wholly owned by non-citizens who do not reside in the country.

However, the rare occurrence of joint ownership constrains the direct flow of resources such as technological skills, management expertise, finance, marketing and reputation to citizen owned businesses. Additionally, the lack of authority in decision making at the managerial level limits managers' ability to facilitate the implementation of creative ideas within the retail firms whereas the inadequate support to local suppliers restricts their opportunity to access the market and develop business management skills. Overall, these results imply that retail stores in Botswana do not fully cultivate entrepreneurial skills and knowledge among citizen employees, suppliers and owners as suggested in previous studies (Johnson, 2001; Sergis, 1999) and in line with citizen economic empowerment aspirations of the Government of Botswana (National Development Plan, 2003-2009).

The present study has important implications for public policy makers. First, findings showed that retail trade is growing and has the potential to stimulate entrepreneurship development through training and development, opening up the market for local businesses, and employing citizens at managerial levels.

However, for such a contribution to take effect there is need for government intervention by introducing policy initiatives designed to encourage large retail chains to be fully engaged in entrepreneurship development of employees, suppliers and citizen owners. Second, it was found that the contribution of retail trade to entrepreneurship development through financial assistance and joint ventures between foreigners and citizens is insignificant. Our recommendation is that policy makers need to actively foster the formation of franchises and joint-ventures between citizens and large foreign companies by introducing appropriate tax and other forms of incentives. Third, although the efforts of retailers to train their employees and offer them positions at managerial levels were noteworthy, the lack of responsibility in decision making tend to offset some of the benefits that could have been realized. Perhaps this lack of empowerment at managerial levels explains why not too many employees had ventured out of paid employment into entrepreneurial activity. Hence, it is suggested that policy makers should encourage large chain retail stores to develop management training programmes that increase the competencies of local managers in using marketing techniques and being risk takers.

A key limitation of the current study is that data was collected from retail managers rather than retail owners. As a result respondents could not provide critical historical information about the company's sales and other measures of growth. The lack of historical data made it extremely difficult to assess growth meaningfully. Thus, future research needs to focus at the corporate level rather than the retail establishment level. However, this would entail collecting data directly from the head offices, which are mostly located outside the country in South Africa. The definition of retail trade in the current study was narrowed to three formal retail sectors: clothing, food and furniture. While these sectors were relevant to the understanding of the contribution of retailing to entrepreneurship development, future research could also focus on other product categories such as automobile industry and the informal sector. The informal sector in Botswana, which is dominated by retail businesses, is an important part of the economy (Nyirenda, 2008). However, from a theoretical perspective the current research provides a useful starting point towards developing a framework of retail activities that facilitate entrepreneurship development. In addition, by conducting more studies on retailing, its value on the country's development process would be appreciated by both policy makers and marketing scholars.

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