

# ENTREPRENEURIAL STRESS, BURNOUT, INTENTION TO QUIT AND PERFORMANCE OF IMMIGRANT-OWNED SMALL BUSINESSES IN SOUTH AFRICA

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## ABSTRACT

*The primary objective of the paper was to investigate the relationship between entrepreneurial stress and burnout. In addition, the study investigated the relationship between burnout and intention to quit and performance of immigrant-owned small businesses. Data was collected from one hundred and eighty immigrant small business owners through the survey method. The self-administred questionnaire method was used to collect data from the participants. Convenience and snowball methods were used for sampling. Descriptive statistics, Pearson correlation and regression analysis were used for data analysis. The Cronbach's alpha was used as a measure of reliability. The results indicated that there is a significant positive relationship between entrepreneurial stress and burnout. There is a weak relationship between burnout and intention to quit business. Furthermore, there is a significant negative relationship between burnout and business performance. Coping strategies to manage stress and burnout by business owners are suggested.*

**Keywords:** Entrepreneurial Stress, Burnout, Intention To Quit, Performance, Immigrants, South Africa.

## INTRODUCTION

The Community Survey (2016) shows that there are one million six hundred thousand foreign-born migrants in South Africa. This represents 2.8% of the population of South Africa. A large number of migrants live in many countries in the world. In the United States of America, there are more than 43.7 million migrants in 2016 accounting for 13.5% of the population (Zong et al., 2018). In the United Kingdom, immigrant population has increased from 3.8 million in 1993 to 8.7 million in 2015. The population of immigrants to total population has increased from 7% in 1993 to 13.5% in 2015 (Migration Observatory, 2017). Immigrants tend to be highly entrepreneurial and contribute to innovation and economic growth of host countries (Turkina & Thai, 2013). Entrepreneurship helps the integration of immigrants in host countries as immigrants often find it difficult to get into the labour market (Heilbrunn & Kushnirovich, 2008). Self-employment by immigrants is particularly important in South Africa because of the high rate of unemployment which currently stands at 27.2% (Statistics South Africa, 2018). Immigrant-owned businesses significantly contribute to employment and poverty reduction of home and host countries (Kalitanyi & Visser, 2010). Immigrant entrepreneurs face many challenges in South Africa which can lead to stress. These include lack of access to finance from regulated financial institutions, long working hours, crime, xenophobia and aggressive competition from native small business owners (Ngota et al., 2018). According to Scheepers (2015), it is essential to contextualise South Africa's economic condition especially the employment situation and how this affects the challenges faced by immigrants and immigrant

entrepreneurs. South Africa's unemployment rate at 27.2% is very high. This can be compared to the rate of unemployment in the USA (3.9%) and United Kingdom (4.0%) (Statistics, South Africa, 2018). There is a growing level of intolerance and distrust for immigrants because of the competition for scarce resources in a country with a very high rate of unemployment. Thus, economic deprivation desperation and frustration fuel some of the challenges faced by immigrants. Small informal businesses owned by immigrants are often victims of xenophobic or afrophobic attacks since the vast majority of immigrants are from other African countries (Liedman et al, 2013, Chinonoma & Maziriri, 2015; Schippers, 2015).

A large number of immigrant-owned owned businesses have been destroyed through looting, vandalism, burning and destruction of business property. Many immigrant entrepreneurs have been chased out of their communities (Crush & RamaChandran, 2014). The effect of xenophobic attacks against immigrant entrepreneurs include loss of property, death, displacement of victims, bad international image and ultimately closure of business. This has a negative impact on job creation and the reduction of poverty in South Africa (Chinomona & Maziriri, 2015). This has led to public debates about the role of immigrant entrepreneurs in the South African economy. There have allegations that immigrant entrepreneurs harbour trade secrets that give them a competitive edge against native entrepreneurs. Consequently, the South African government has been attempting to curtail the right of immigrants to run informal enterprises (Peberdy, 2014).

In addition, the failure rate of immigrant-owned small businesses is very high (Asoba, 2014). The survival rate of immigrant-owned businesses is often lower than that of their native counterparts (Desiderio, 2014). The challenges highlighted above can lead to a high level of stress for immigrant entrepreneurs. Futhermore, the associated job demands associated with entrepreneurship such as long working hours and demanding activities can be very stressful to immigrant entrepreneurs. Entrepreneurs normally experience higher levels of stress compared non-entrepreneurs (Uy et al., 2013). The high level of stress can put entrepreneurs at high risk of burnout. The weakened psychological health can hinder the capacity of entrepreneurs to decide and act. This can negatively affect business performance (Fernet et al., 2016). Weak business performance and failure can negatively affect the ability of immigrant-owned small businesses to contribute to socio-economic development of host countries.

Research on the effects of entrepreneurial stress is limited, especially with respect to its relationship with burnout that frequently occurs in the process of starting and growing a business (Wei et al., 2015). In addition, literature on the effect of burnout on performance is inconclusive (Shepherd et al., 2010). Burnout by entrepreneurs have stimulated some studies in South Africa (Zina & Talet, 2016). However, to the best of the author's knowledge, no study has investigated empirically the effect of entrepreneurial stress on burnout and the impact of burnout on intention to quit and performance of immigrant-owned small businesses in South Africa. This is of significance in the light of the high failure rate of immigrant-owned small businesses (Kerr & Kerr, 2016). The study is premised on the following research questions.

## Research Questions

1. What is the relationship between entrepreneurial stress and burnout of immigrant small business owners?
2. What is the relationship between burnout and intention to quit by immigrant small business owners?
3. What is the relationship between burnout and the performance of immigrant-owned businesses?

## LITERATURE REVIEW

### Small Businesses in South Africa

In South Africa, a small business is defined as a separate distinct entity including cooperative enterprises and non-governmental organisations managed by one owner or more, including branches or subsidiaries if any is predominately carried out in any sector or subsector of the economy mentioned in the schedule of size standards (National Small Business Act, 1996). The quantitative definition focuses on the turnover, the number of workers and the gross asset value of the business (Government Gazette, 2003; Iacovides et al., 2003). Table 1 depicts the quantitative description of small businesses in South Africa.

<b>Enterprise size</b>	<b>Total number of Workers</b>	<b>Annual revenue</b>	<b>Gross assets not including fixed property</b>
Medium	Fewer than 100 to 250 depending on industry	Less than 4m to 50m depending on industry	Less than R2m R18m depending on industry
Small	Fewer than 50	Less than R2m to R25m depending on industry	Less than R2m to R4.5m depending on industry
Very small	Fewer than 10 to 20 depending on industry	Less than R200,000 to R500,000 depending on industry	Less than R150,000 to R500,000 depending on industry
Micro	Fewer than 5	Less than R150 000	Less than R100,000

Adapted by the author from the Government Gazette (2003)

Table 1 shows the definition of small businesses in the retail sector in South Africa. The small business space in South Africa includes micro, very small, small and medium enterprises. However, the term small and medium enterprises (SMEs) is generally used (Government Gazette, 2003).

### Immigrant Entrepreneurship

Immigrant entrepreneurship can be described as a situation where an immigrant ventures into business creation in a host country (Tengeh et al., 2011; Aaltonen & Akola, 2014). One of the major theories supporting immigrant entrepreneurship is the disadvantage theory by Light 1979. The theory argues that immigrants find it difficult to get jobs in host countries. They are disadvantaged in the labour markets because of xenophobia, language and cultural barriers. Therefore, entrepreneurship is one of the major options for immigrants to survive in host countries.

Immigrant entrepreneurs contribute to job creation, poverty reduction and economic growth of the countries where they operate (Khosa & Kalitanyi, 2014). The failure rate of immigrant entrepreneurs is very high. According to Cant & Wiid (2013), the challenges faced by entrepreneurs include inaccessibility to external finance, inadequate infrastructure and lack of management skills. In addition, immigrant entrepreneurs are challenged by xenophobia, language and competition. Immigrant small business owners globally need to work hard to survive and grow their businesses. This can lead to entrepreneurial stress (Chan, 2008; Fernet et al., 2016, Ngota, 2018).

## **Entrepreneurial Stress and Burnout**

Selye (1956, 1976) laid the theoretical foundation for the concept of stress in his General Adaptation Syndrome theory (GAS). Selye (1974) argues that stress is the non-specific response of the body to any demand upon it. Non-specific can be described as a set of shared elements of responses irrespective of the nature of the stressor. Stress is a term used to refer to a range of negative perceptions and reactions experienced when pressure becomes too much (Shobha & Gopal, 2012; Kumar & Bhukar, 2013). Entrepreneurial stress refers to work or job or occupational related stress among entrepreneurs. Entrepreneurial stress can be described as the harmful emotional or physical responses that occur when the requirements of the business or job do not match the capabilities, resources, or needs of the entrepreneurs (Naik, 2012). Entrepreneurial stress is the stimulus in an entrepreneurial context as well as the personal stress experienced by entrepreneurs (Wei et al., 2015). Entrepreneurial stressors include work overload, loneliness, the need for accomplishment, work and non-work conflict, role conflict, role ambiguity and role overload (Tahar, 2012). Entrepreneurial stress related to firm management include issues of human resources, finance, sales, supplies and administration (Torres & Lechat, 2012; Fernet et al., 2016). A high level of stress can lead to burnout (Salami, 2011).

Freudenberger (1974) describes burnout as a state of fatigue or frustration that results from professional relationships that failed to produce the expected rewards. Burnout is a psychological syndrome that involves emotional exhaustion, depersonalisation, and a diminished sense of personal accomplishment that occurred among various professionals who work with other people in challenging situations. Work-related burnout comprises of three interrelated dimensions. These are: emotional exhaustion, depersonalisation and personal non-accomplishment (Maslach & Jackson, 1981; Maslach, 1982). Emotional exhaustion refers to a feeling of being overwhelmed emotionally by the variety of work-related tasks. Depersonalisation occurs through a shift in attitude from a positive attitude to a negative attitude. Reduced personal accomplishment refers a seeming deterioration in feelings of competence and positive career achievement (Pienaar & Bester, 2011; stressful (Mete et al., 2014). Stress does not automatically cause burnout. The literature is inconclusive about the relationship between stress and burnout. Highly committed professionals often work under high levels of stress (Lacovides, Fountoulakis, Kaprinis & Kaprinis, 2003). Tuna and Baykai (2014) find that not all stress variables have a significant positive relationship with burnout. Shepherd et al. (2010) however find a significant positive relationship between stress and burnout. The argument of this study is that the associated job demands associated with immigrant entrepreneurship can be very stressful and may lead to burnout. Against this background, it is hypothesised there a significant positive relationship between entrepreneurial stress and burnout of immigrant small business owners.

## **Burnout, Intention to Quit and Performance**

Burnout is associated with many negative personal and organisational outcomes. These include reduced job satisfaction, organisational commitment and performance (Tuna & Baykai, 2014). In addition, burnout is linked to many dysfunctional emotional and physical consequences (Shepherd et al., 2010). Entrepreneurs tend to have the highest level of work engagement in their organisations. This can lead to burnout. Entrepreneurial burnout at the personal level can result in anxiety, self-doubt and poor health. At the organisational level, entrepreneurial burnout can lead to decreased productivity, increased absenteeism, and the failure to exploit profitable

opportunities. Entrepreneurial burnout can lead to business failure and intention to exit from a venture (Wincent et al., 2008; Lewin & Sager, 2007; Lechat & Torrès, 2016).

Van Schalkwyk et al. (2010) describe intention to quit as the estimated probability of an individual to permanently leave an organisation at a time in the future. Intention to quit is the plan of an individual that is employed by an organisation to leave the current job and seek for another job in the near future (Rizwan et al., 2014). For an entrepreneur, intention to quit is an entrepreneur's plan of leaving entrepreneurship or entrepreneur's withdrawal intention (Ahmad & Xavier, 2010). According to the Theory of Planned behaviour, intention is one of the most important determinants of actual behaviour (Ajzen, 1991). Burnout does not necessarily lead to intention to quit. Rouleau et al. (2012) find that although midwives tend to experience a high degree of burnout, they have a strong sense of accomplishment and confidence in their work and thus a weak intention to quit. Swider & Zimmerman (2010) find that individuals with high levels of depression distance themselves from work through turnover. However, individuals with high levels of emotional exhaustion only distance themselves from work through absenteeism instead of the drastic action of turnover. Khairuddin et al. (2017) however find a positive relationship between burnout and intention to quit a venture by an entrepreneur. Entrepreneurs report significantly high levels of burnout. In addition, burnout negatively affects job satisfaction and affective commitment. Burnout is negatively related to organisational satisfaction and perceived firm performance (Villanueva & Djurkovic, 2009; Shepherd et al., 2010). It is hypothesised that (a) there is a significant positive relationship between burnout and intention to quit by immigrant small business owners (b) there is a significant negative relationship between owner's burnout and the performance of immigrant-owned businesses.

## RESEARCH METHODOLOGY

The study used the quantitative research approach with a descriptive and causal research design. Data was collected through the use of self-administered questionnaires. A cross-sectional survey was conducted in the Central Business District of Johannesburg in the Gauteng province of South Africa. The area was used for the survey because it contains a large number of immigrant small business owners. Because of the difficulty in obtaining the population of immigrant small business owners in the study area, convenience and the snowball sampling methods were used for sampling. All the respondents of this study are in the retail business and are legally resident in South Africa. Examining respondents from similar line of business helped to control the effect of industry or sector. A pilot study was conducted on the survey instrument used in this research with twenty immigrant small business owners in order to ensure face and content validity. Owners were assured of confidentiality with regard to the data collected. The questionnaire was divided into five parts (1) biographical information (2) entrepreneurial stress (3) burnout (4) intention to quit and (5) performance. The Cronbach's alpha was used as a measure of reliability. Data analysis included descriptive statistics, Pearson correlation and simple regression analysis.

### Operationalisation and Measures

#### Entrepreneurial stress

Following studies by Torres & Lechat (2012), Wei et al. (2015); Fernet et al. (2016), entrepreneurial job stressors was measured using five items. The five items are related to

workload, competition, knowledge, responsibility and resources. Five-point Likert scale ranging from 1 strongly disagree to 5 strongly agree was used to measure the responses on entrepreneurial stress. Higher scores indicated that the participant is more stressed.

### **Burnout**

Burnout was measured using short version of the burnout measuring scale (BMS) developed by Malach-Pines (2005). The BMS includes 10 items (tired, disappointed with people, hopeless, trapped, helpless, depressed, physically weak, worthless/like a failure, difficulties sleeping, feeling of 'I've had it). The items assess the level of an individual's physical, emotional, and mental exhaustion. The Likert scale ranging from 1 never to 7 always was used to assess the physical, mental and emotional exhaustion of immigrant small business owners. The final score that ranges between 1 and 7, is calculated by dividing the total score by 10. The BMS scale is unidimensional. Although the BMS does distinguish between mental, emotional and physical exhaustion, an overall sum-score is used to assess burnout since this single score is easy to interpret (Asiwe et al., 2014). This means that the scale gives a unique score of burnout associated with an individual. The mean score of 4 indicates a critical threshold at which burnout is felt by an individual. A score of lower than 2.4 points indicates a very low degree of burnout. A score of between 2.5 and 3.4 points indicates a low degree of burnout. A score of between 3.5 and 4.4 points indicates the presence of burnout. A score of between 4.5 and 5.4 points indicates a high degree of exposure to burnout. A score of above 5.5 points indicates a very high exposure to burnout. This requires the implementation of a plan to assist the individual (Malach-Pines, 2005). Studies have shown very satisfactory psychometric properties of the BMS short version scale (Lourel et al., 2008).

### **Intention to quit**

Following previous research such as Weisberg (1994); Appolis (2010), intention to quit was measured by three items evaluated on a five-point Likert scale ranging from 1 very little to 5 very much. This measured the degree to which each immigrant small business owner assessed his/her own intention to leave the current job. (1) I have considered leaving my job as a trader; (2) I don't think that if I were choosing my career again, I would choose trading; (3) I think in the near future I will leave trading. The overall intention to leave score was calculated for each respondent by the mean value of responses to the three items.

### **Performance**

There are two ways to measure performance: objectively or subjectively. Objective measure includes obtaining actual figures on profit and sales. Many SMEs are unwilling to provide these figures (Song et al., 2005). Performance was subjectively measured using satisfaction with growth in sales and profit (Zulkiffli & Perera, 2011) Five point Likert scale ranging from 1 Not at all satisfied to 5 extremely satisfied was used to measure satisfaction with performance.

## RESULTS AND DISCUSSION

### Biographical Details

450 questionnaires were distributed to immigrant entrepreneurs and 180 questionnaires were completed and returned. The response rate was 40%.

<b>Biographical characteristics</b>	<b>Frequency (N=180)</b>
<b>Educational qualification of owner/manager</b>	
Matric equivalent or below	78
Post-Matric qualifications	102
<b>Gender</b>	
Female	66
Male	114
<b>Age of the owner (year)</b>	
Less than 20	3
20-30	66
31-40	98
41-50	10
Above 50	3
<b>Age of the firm (year)</b>	
Less than one	10
1-5	68
6-10	99
Above ten years	3
<b>Number of employees</b>	
No employees	48
1-4 employees	128
5-9 employees	4
10-49 employees	0
50-99 employees	0

The results as depicted by Table 2 showed that the majority participants in the survey are males, with post matric qualifications, have been in business for beteen one and five years and in the 31-40 age bracket. This study used the number of employees to classify the respondents. This is consistent with other studies on small businesses (Lucky & Olusegun, 2012; Katua, 2014). The results revealed that the majority immigrant small business owners that participated in the survey employ between one and four employees. Therefore, the majority of the participants are micro enterprises.

### Descriptive Statistics

#### Descriptive statistics of entrepreneurial stress

<b>Entrepreneurial stress measures</b>	<b>Mean</b>	<b>Standard deviation</b>
I have heavy workload every day	4.40	1.11

Competition in my line of business is intense	4.08	1.06
There is a rapid development of products in my line of busines and in my line of business that I need to always update my knowledge	4.02	1.20
I spend a lot of time and energy managing the responsibilities related to my business	3.96	1.11
I feel nervous that I do not have sufficient funds to operate my business	4.55	1.09
Scale mean	4.20	1.02
Cronbach's alpha	0.84	

Table 3 depicts the results of the descriptive statistics for the entrepreneurial stress of immigrant small business owners. The Cronbach's alpha is 0.84. This shows that there is an internal consistency of the measures of entrepreneurial stress. The scale mean for entrepreneurial stress is 4.20. This indicates that there is a high degree of entrepreneurial stress for immigrant small business owners. The stressor with the highest mean is not having sufficient financial resources to operate the business. Internal funds are often inadequate to finance a small venture (Zhang, 2014). In addition, access to external finance is limited for immigrant entrepreneurs (Hussain & Matlay, 2007; Fairlie, 2012). Immigrant entrepreneurs often face discrimination in raising funds from formal resources such as banks and receiving credit from suppliers (Altinay & Altinay, 2008). In addition, heavy workload (mean, 4.40) and managing competing responsibilities (mean, 3.96) are entrepreneurial stressors. Entrepreneurial work is characterised by heavy workload with little free time for other activities (Volery & Pullich, 2010; Fernet et al., 2016). Also, heavy competition is an entrepreneurial stressor (mean, 4.08). There is a high level of competition and new products coming into the markets in the small business space (Van Scheers, 2010; Perks, 2010).

### Descriptive statistics of burnout

Burnout measures	Mean	Standard deviation
Tired	6.42	1.03
Dissapointed with people	4.35	1.08
Hopeless	3.90	1.01
Trapped	3.65	1.01
Helpless	5.30	1.09
Depressed	5.05	1.01
Physically weak	6.10	1.01
Worthless	3.40	1.04
Difficulties sleeping	6.40	1.07
Had it all	4.05	1.04
Scale mean	4.86	1.01
Cronbach's alpha coefficient	0.82	

Table 4 depicts the results of the descriptive statistics for burnout of immigrant small business owners. The Cronbach's alpha of the scale is 0.82. This is similar to previous research on burnout. (Malach-Pines, 2005, alpha, 0.86; Lourel et al., 2008; alpha 0.87). To confirm the



dimensionality of the the ten burnout items, confirmatory factor analysis (CFA) was used to assess convergence within and divergence between scales. The CFA produced three stable factors representing physical, mental, and emotional burnout dimensions with Eigenvalues of 6.91, 3.02. and 1.34 accounting for 62.4%.7 of the variance. No item had a factor loading of below 0.30. Thus, no item was excluded from further analysis. The scale mean for burnout is 4.86. This indicates a high degree of exposure to burnout (Malach-Pines, 2005; Lourel et al., 2008). The results are consistent with the findings of Fernet et al. (2016); Wei et al. (2015) that entrepreneurs are often exposed to a high degree of burnout.

### Descriptive statistics of intention to quit

Variable	Mean	Standard deviation
I have considered leaving my job as a trader	2.22	1.04
I don't think that if I were choosing my career again, I would choose a career as a trader	2.18	1.01
I think in the near future I will leave trading	2.26	1.08
Scale mean	2.22	1.01
Cronbach's alpha	0.78	

Table 5 depicts the results of the descriptive statistics for intention to quit business. The scale mean of 2.22 indicates a low intention to quit as a trader. This can be attributed to the fact that immigrants are often disadvantaged in the formal labour market of host countries. Entrepreneurship helps immigrant to survive in host countries (Heilbrunn & Kushnirovich, 2008).

### Descriptive statistics of performance

Performance measures	Mean	Standard deviation
Sales growth	3.28	1.01
Profit growth	2.46	1.07
Scale mean	2.87	1.01
Cronbach's alpha	0.74	

Table 6 shows that the scale mean of performance is 2.87. The participants in the study are moderately satisfied with sales growth. The satisfaction with profit growth is lower than the satisfaction with sales growth. The profitability of small businesses is affected by high operational costs. Macro factors such as high inflation, high interest rate, high electricity, fuel, labour and other operational costs erode the profit of small businesses (Bekeris, 2012; Bose, Uddin & Mondal, 2013).

### Correlation and Regression Results

The assumptions of correlation and regression include normality, homoscedasticity and absence of multicollinearity. Normality was assessed by examining the normal P-P plot. The data forms a straight line along the diagonal, thus normality can be assumed. To assess

homoscedasticity, the researcher created a scatterplot of standardised residuals verses and standardized predicted values. The plot shows random scatter, thus assumption is met. Multicollinearity was assessed by calculated variance inflation factors (VIFs). VIF value is 4 which indicates that multicollinearity can be assumed.

Variables	R	Sig
Entrepreneurial stress and burnout	0.74	0.01
Burnout and intention to quit	0.28	0.12
Burnout and performance	-0.79	0.01
Sig. < 0.05		

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
Constant	107.431	3.008		1.419	0.001
Burnout	1.116	0.0682	0.804	10.008	0.001
N=180, R= 0.735, R square .792, Adjusted R square =.684, Sig.< 0.05					

### **Entrepreneurial stress and burnout**

The relationship between entrepreneurial stress and burnout was examined using the Pearson correlation and regression analysis. Table 7 depicts the results of the correlation. The results ( $R = 0.74$ ,  $Sig. < 0.05$ ) indicate a significant positive correlation between entrepreneurial stress and burnout. The results of the regression analysis are depicted in Table 8. The regression results ( $R \text{ square} = 0.792$ ;  $Beta = 0.804$ ,  $Sig < 0.05$ ) indicate a significant positive relationship between entrepreneurial stress and burnout. The findings are consistent with Wang et al. (2012) and Khamisa et al. (2017) that stress is a predictor of burnout.

### **Burnout and intention to quit**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
Constant	103.001	3.217		1.086	0.014
Intention to quit	1.008	0.071	0.411	11.109	0.014
N=180, R=0.442, Rsquare=0.348, Adjusted R square =0.327, Sig.>0.05					

The results of correlation as depicted by Table 7 ( $R = 0.28$ ,  $Sig. > 0.05$ ) indicate a weak and insignificant correlation between burnout and intention to quit by immigrant small business owners. The results of the regression as shown by Table 9 ( $R \text{ square} = 0.348$ ,  $Beta = 0.411$ ,  $Sig. > 0.05$ ) indicate a insignificant positive relationship between burnout and intention to quit by immigrant small business owners. The findings of the study are consistent with Swider and

Zimmerman (2010); Rouleau et al. (2012) that a high degree of burnout may not necessarily lead to intention to quit.

### Burnout and performance

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
Constant	-107.119	3.004		1.0110	0.000
Performance	1.113	076	0.-871	10.118	0.003
N=180, R= 0.783, Rsquare =0.621, Adjusted R square =0.636, Sig.< 0.05					

The results of correlation as depicted by Table 7 ( $R = -0.79$ ,  $\text{Sig.} < 0.05$ ) indicate a significant negative correlation between burnout and performance of immigrant-owned businesses. The results of the regression as shown by Table 10 ( $R^2 = 0.742$ ,  $\text{Beta} = -0.871$ ,  $\text{Sig.} < 0.05$ ) indicate a significant negative relationship between burnout and performance. The findings are consistent with Villanueva and Djurkovic (2009) and Shepherd *et al.* (2010) that burnout is negatively related to firm performance.

### Implications for Theory and Practice

The study is relevant to immigrant entrepreneurs, researchers and governmental and non-governmental bodies that support entrepreneurship in South Africa. From a theoretical perspective, the findings contribute to the literature on entrepreneurial stress, burnout, intention to quit and performance of small businesses. The empirical findings of the study can assist entrepreneurship researchers in having a better understanding of how burnout impacts on intention to quit and business performance from the perspective of immigrant entrepreneurs. By understanding the impact stress and burnout on intention to quit and performance, the failure rate of immigrant-owned businesses can be reduced. The major finding of the study is that that entrepreneurial stress is a predictor of burnout. Entrepreneurs can use work life to reduce stress and burnout. The findings of the study show that many immigrant are solo entrepreneurs. However, many also employ individuals to assist them. This can be achieved through the development of strategic and operational plans that focus on team building, communication and competence in order to improve delegation of work. to reduce stress. Many immigrant entrepreneurs do not have slack time because of commuting, purchasing of goods, for resale, managing multiple tasks Therefore, it is important for immigrant entrepreneurs to develop time management skills and create goals for business and personal accomplishments. The goals must be measurable, achievable, specific, results-oriented and time-based. Immigrant entrepreneurs need to be proactive and attend training on planning and time management. In addition, planning through the use of stock cards and the use of bulk purchasing will reduce the time spent on purchasing goods. The use of Email to contact suppliers and the development of websites for customer contact will be very useful. Entrepreneurs should set goals that incorporate both work and life activities. Scheduling of work and life activities by entrepreneurs is important. Entrepreneurs should set realistic expectations of what can be achieved in a day especially at work. This will enable entrepreneurs not to make unreasonable demands on themselves. Delegation of work to employees is critical so that entrepreneurs can have the time for other

activities. In addition, the findings of the study can help government bodies that support entrepreneurship in South Africa such as the Small Business Development Agency (SEDA) to understand how burnout can impact on intention to quit and business performance. This can assist these organisations in designing training programmes on the coping strategies to manage entrepreneurial stress and burnout. The Small Enterprise Finance Agency and commercial banks should improve access to finance for both native and immigrant entrepreneurs. This can be achieved by including immigrant entrepreneurs as a part of their strategic objectives to improve lending to small businesses.

## CONCLUSION

Research on the effect of entrepreneurial stress on burnout and burnout on intention to quit and performance is limited, especially with respect to immigrant entrepreneurs. The main objectives of this study were to (1) examine the relationship between stress and burnout of immigrant entrepreneurs. (2) investigate the relationship and (3) examine the relationship between owner's burnout and the performance of immigrant-owned businesses. The results indicated a high degree of entrepreneurial stress for immigrant small business owners. In addition, the results showed a very high exposure to burnout by immigrant entrepreneurs. However, intention to quit and business performance are weak as indicated by the descriptive statistics. Correlation and regression were used to test the relationship between variables. The findings of the study showed that entrepreneurial stressors are a predictor of burnout. The results of correlation indicated a weak and insignificant correlation between burnout and intention to quit by immigrant small business owners. The results of the regression showed an insignificant but positive relationship between burnout and intention to quit. Furthermore, the results indicate a significant negative relationship between owner's burnout and the performance of immigrant-owned businesses. Additional studies can investigate the effect of owner's factors (gender, age, level of education) on entrepreneurial stress, burnout and intention to quit by immigrant small business owners.

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