

ICSB Gazette

The Global Leader Supporting Micro-, Small and Medium Enterprises

Monday, August 17, 2020. Issue 78

Entrepreneurship & Youth Employment in Africa: Barbershop Narratives

Written By: Dr. Nnamdi O. Madichie Professor of Marketing & Entrepreneurship at the UNIZIK Business School



What is Happening with African Youth?

African youth are fast becoming an endangered species as far as employment is concerned. It is even worse carrying the dual baggage of youth and immigrant. A recent study on hair salons in a South African municipality has unveiled the prime sources of funding and the potential uses to which these funds could be channeled.

In the age of technology, even barbershops are impacted. [A recent study](#) has suggested that the widely held assumption that many small businesses especially in the informal-dominated hair salon/ hair dressing sector, have struggled to access funding from public agencies, leading to their incapacity to

acquire and deploy new technology for the performance of their daily operations. It also acknowledges an absence of scholarly research exploring the nexus between public funding and technology acquisition. This study recommends judicious acquisition of inexpensive technologies (e.g. social media platforms) and cautionary utilization of complex technologies with targeted policy intervention in order to ensure that the youth are not excluded from the economy.

What do we know?

There have been studies on the barbershop cutting across countries such as the US, South Africa and the UK.

In the first of these, [Kristen Barber once wrote about the Barbershop](#) as a trade facing extinction in the face of a decline in the Black community. Taking the perspective of Black Barbershops in the US, the article talks of the barbershop as a dirty little place with a dusty TV, linoleum floor and stack of auto magazines.

In a second article by Rosabelle Boswell entitled "[The heritage of hair: stories of resilience and creativity](#)" (September 5, 2016) highlights immigration and globalization as diversifying hair heritages citing how Moroccan barbers have imported male nose and ear waxing to South Africa. The title is also instructive as it talks about resilience and creativity from an African perspective.

The third article taken from the UK perspective, proposed the adoption of electronic booking systems for Barbershops in East London where the main preoccupation of the barber as someone that is too busy to answer his phone calls or respond to questionnaires when customers are queuing up to fulfil their grooming rituals was highlighted (see [Omesuh, 2019](#); [Madichie and Munro, 2019](#)). That study points out the absence of receptionists at barbershops considering the overheads associated with employing the services of a full-time receptionist. It also proposed the need for an electronic booking system to barbershops in the East London area in order to enable them fulfil orders that might otherwise be missed, by taking advance bookings in real time.

The latter study complements the findings of a recent [BBC article](#), which highlights a new force in the Black Barbershop in London. The excerpts and interpretations of these are discussed in the next few paragraphs, *“for many black British men, barber shops are a place to hang out, chat and meet friends. But for others they waste too much time, which is why two young men have come up with a new approach - a barber shop on wheels that you book via an app.”*

The above quote sums up the narrative in this article. [Darren Tenkorang, 24, co-founder of Trim-It](#) points out *“My service is like Deliveroo, or Uber Eats, but instead of delivering food, we deliver haircuts...”* He currently has two vans buzzing around south London and another in the north-west of the city. Darren is confident he’s on to something. According to him: *“Male grooming is a super-important part of my culture... My generation really values convenience above all else, you see.”* He grew up in Brixton, south London, where his mother worked as a cleaner and his father as a security guard; they had arrived from Ghana in the 1980s and had dreams of him becoming a banker, lawyer or accountant. University was always part of the plan for him, but when the time came, he was not sure which one would feel right. A barbershop helped him decide. His “Trim-It app” won the competition (£10,000 in prize), and he was named the University of Sussex's Student Entrepreneur of the Year.

To get his company up and running, he recruited a rival from the competition, a fellow student called Nana Darko, whose confident air had impressed him. He was similar to him, [a young black man from South London](#) with dreams of business success. Together they pounded the streets of Brighton, signing up barbers to their new app – all barbers, not just the Afro-Caribbean ones. Just as Darren and Nana had intended, the kind of people making the bookings were mostly [young, black millennials](#).

Technology, SME and the 21st Century

[A study based on an examination of the influence of funding on the technology acquisition by small, mostly immigrant businesses in the Mangaung Metropolitan Municipality \(3M\) in the Free State province of South Africa](#) reveals that that this was an under studied group with contributions to the economy at large.

Drawing upon a sample of 150 Afro hair salons in the 3M in the Free State Province of South Africa the study finds that the prime sources of public funding for hair salon businesses are the [National Youth Development Agency](#) and the [Small Enterprise Development Agency](#). These findings also demonstrate that public funding has a negative and significant impact on technology acquisition, perhaps suggesting the complexity of debt financing and the exorbitant interest rates charged on principals borrowed by foreign nationals. The study recommends the judicious acquisition of inexpensive technologies (e.g. social media platforms) and cautionary utilization of complex technologies and personal savings before resorting to external borrowing.

Afro hair salons are distinct entities independently owned by one or more owners, and also tend to be excluded from public funding – for reasons ranging from their (i) high-risk borrowers due to the diverse nationalities of their owner/managers, (ii) lack of collateral, which is already well-known (iii) lack of an established borrowing history, and (iv) the high volatility of income, which makes loan repayments uncertain and risky.

Besides the acute skills shortages, most hair salons in South Africa lack the knowledge required effective technology deployment and, therefore, limited use of cosmetology technology including mobile applications (apps). However, there is limited research on the funding from public agencies devoted to acquisition and effective deployment of new technologies in this rapidly increasing technologically dependent sub-sector of the economy and a major employer for marginalized youth.

What Next?

There is no better time to highlight a neglected sector than in the [Youth Month](#) in South Africa. It is no longer news that technology has permeated every sector of the economy from financial services to fashion, from travel to smart chat bots. Even grooming rituals such as a visit to the barbers or non-traditional medicine like acupuncture delivery have been and are still being impacted. Such innovations require a complimentary touch such as entrepreneurship especially among the youth population.



Indeed one study published about a decade ago highlights the relationship between innovation and entrepreneurship and the complexities surrounding this interaction as follows, [“...one can have invention without entrepreneurship and one can have entrepreneurship without invention. Only when both processes interact does innovation result.”](#)

Overall, the [implications of the study](#) upon which this article is based, goes beyond the case of metropolitan municipality, Mangaung, which governs Bloemfontein and surrounding towns in the Free State province of South Africa. In view of the negative relationships between access to public funding, the attractiveness of interest rates, public debt and equity financing and the acquisition of technology, three strategies may need further reflection.

First, the study calls for the focus of public funding for hair salons to shift from improved accessibility of public funding to increasing the period for loan repayments. This should be well targeted to include marginalized groups such as the youth and immigrant populations who dominate this trade.

Second, there are organizational factors - economic and technology factors – impacting upon, or impeding successful technology acquisition and deployment. Whilst some business owner/managers may have the technological competence, their staff may be ill-equipped thereby requiring technology skills training.

Third, the combination of technological skills shortages and financial constraints account for the limited use of technology in the barbershop and especially with the recent interest of tech savvy millennials in the sub-sector.

Lastly, a successful technology adoption in an organization also requires an effective support system and organizational tendency to invest in new technologies, as well as provide required training to upgrade users’ skills.

Notes:

This article is excerpted from a recent publication in the [Journal of Enterprising Communities: People and Places in the Global Economy](#) to be cited as:

Madichie, N.O., Mpiti, N. and Rambe, P. (2019), Impact assessment of funding on technology acquisition by small businesses: A case study of hair salons in a South African municipality, *Journal of Enterprising Communities: People and Places in the Global Economy*, Vol. 13 No. 1/2, pp. 145-166.
<https://doi.org/10.1108/JEC-09-2018-0058>

**About the Author:**

Nnamdi O. Madichie, PhD, is Professor of Marketing & Entrepreneurship at the UNIZIK Business School, Awka, Nigeria, as well as Research Fellow at the Research Fellow at the Bloomsbury Institute London and the University of Economics, Ho Chi Minh City, Vietnam. His research straddles broad areas of Marketing & Entrepreneurship cutting across geographic contexts, notably Africa, Asia, Europe and the Middle East. Professor Madichie is also Visiting Professor at the Coal City University, Enugu, Nigeria, and External Examiner at the Liverpool Business School, UK. He is a Fellow of the Chartered Institute of Marketing (FCIM), Fellow of the Chartered Management Institute (FCMI), and Senior Fellow of

the Higher Education Academy of England & Wales (SFHEA).



About the International Council for Small Business (ICSB)

The ICSB Gazette is a weekly edition of a key topic that ICSB will showcase. The content is varied from research, practice, policy, and education. The editors of the ICSB Gazette is Mr. Kyle Lyon, ICSB Junior Project Manager and Mr. Skye Blanks, ICSB Junior Project Manager He will be soliciting ideas and articles from ICSB members world-wide.



Skye Blanks

Editor, ICSB Gazette

Skye is the Junior Project Manager at the International Council for Small Business (ICSB) in Washington, D.C. and an Editor of the ICSB Gazette.

ICSB Executive Director

Comment:

This ICSB Gazette issue is featuring an article written by Dr. Nnamdi O. Madichie Professor of Marketing & Entrepreneurship at the UNIZIK Business School, Awka, Nigeria.

Contribute:

Have a topic you would like to see or an article to share? Please submit for consideration to skye@icsb.org

ICSB Gazette