

# Transforming the Training: Ethical considerations in Re-designing an Incubation Model aimed to Train Aspiring Fashion Design Entrepreneurs

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## Abstract

*Empowerment incubation is a strategy to address unemployment in South Africa. It was determined during 2013 that 50% of jobs were lost in the South African Clothing and Textile Industry since 2003. Contrariwise, this situation has presented opportunities for prevailing local fashion design businesses to collaborate on government funded initiatives that promote transformation and empowerment linked to entrepreneurial opportunities. Consequently there has been a sharp increase over the last five years of hubs, centers of excellence and incubators that provide experiential learning opportunities, business support as well as access to expertise and into the marketplace to candidates who aspire to find ways to improve their own socio-economic circumstances through an entrepreneurial career route. The candidates selected for these initiatives often include aspiring designers with insufficient access to formal training opportunities. These candidates would typically embrace an incubation programme that incorporates vocational training due to the advocated prospects of an improved future.*

*This paper reports on the principles needed to guide an incubation model for a fashion design incubation hub that offers training programmes on the relevant vocational, as well as business skills. The research was required to guide the re-design of an incubation model, because the drop-out rate was 50% within the first six months after inception. The research problem addressed in this paper revolves around the question: which principles should a selected hub incorporate in the incubation model to adhere to ethical conduct pertaining to the transformation of aspiring candidates into fashion design entrepreneurs? In-depth interviews with three social entrepreneurs enabled the researcher to identify the principles that could guide the model of an incubation hub that needs to follow an approach which aims to transform and empower aspiring fashion designers into fashion design entrepreneurs.*

*Empirical data is presented from the researcher's interviews and reflections on the uncomfortable truth discovered during interviews. The identified principles provide some guidance for the selection, support and realistic results that empowerment incubation hubs should keep in mind. The identified principles can enable empowerment incubators to be more accountable for the results that they promise.*

**Keywords:** *incubation, entrepreneurship, accountability, vocational training*

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## Introduction

Good intentions to provide training programmes to entrepreneurs in incubation hubs can have detrimental consequences if the training programmes and incubation models are not guided by principles that relate to the specific purpose of the incubation. Good intentions regarding skills development in hubs often relate to improving the socio-economic circumstances of unemployed people (Basu & Biswas 2013, p.199). The socio-economic problems related to job losses in the South African Clothing and Textile industry in particular has raised concern and the government therefore supports and encourages initiatives that facilitate entrepreneurship (Tilly et al. 2013). Statistics

presented in 2013 suggest that 50% of jobs were lost in the South African Clothing and Textile Industry since 2003 (Nattrass & Seekings 2014). Inversely, this job crisis has presented opportunities for prevailing local fashion design businesses to collaborate on government funded initiatives to facilitate SMME venture start-ups. The purpose of such initiatives is to support candidates who aspire to find ways to improve their own socio-economic circumstances through an entrepreneurial career route (Hopkins 2012). Consequently there has been a sharp increase over the last five years in incubation hubs<sup>1</sup> with a focus on creating jobs through entrepreneurship (Masutha & Rogerson 2014; Ababio & Meyer 2012). These hubs are often managed by private companies and financially supported by the local Government, but appropriate principles that should guide the training programmes offered in hubs, to enable the hub owners and/or managers to attain the intended results are often lacking.

The aim of this paper is to report on the principles that can be incorporated into an empowerment incubation hub model purposed to train and develop aspiring fashion design entrepreneurs. Although there are many best practice principles for business incubation programmes (Bergek & Norrman 2008), guidance on the principles for a hub model which offers training of technical and business skills with the aim to empower the candidates to become entrepreneurs in fashion design businesses is needed. These principles can guide the practices in hubs that assist the owners and/or managers to set realistic goals during and after the incubation programme.

This paper will provide an overview of the best practices of incubation hubs, principles associated with business incubation and a discussion on how programmes in different types of incubators should differ according to their purpose. This section is followed by the methodology implemented to yield findings on the principles that informed the model of a specific incubation initiative in a well-established clothing design SMME hub where aspiring fashion design entrepreneurs are supported to develop the skillset relevant to become fashion design entrepreneurs. This paper presents answers to the research question: which principles should an accountable incubation hub for fashion design entrepreneurs incorporate in their incubation model aimed to transform aspiring candidates into fashion design entrepreneurs?

## Literature review

### Best Practice Principles for Business Incubation

Incubators make a positive contribution to a county's economy especially with regard to job creation (Basu & Biswas 2013, p. 199). There are several types of incubators that are categorised according to their purposes. An overarching purpose of any incubator is to provide support to start-up businesses within a formal environment or community (Perdomo, Alvarez & Urbano 2014, p.40). Start-up businesses need support as they are often vulnerable to threats in the market environment for example threats due to market competitors and problems with suppliers (Ropega 2001, p.476). The support that business incubators offer range from creating new technologies, offering access to different networks, supporting and accelerating small businesses in their start-up phases to providing training intended to develop the candidates' skills and their business ideas (Bollingtoft 2012, p.304; Moraru & Rusei 2012, p.107). Although every business incubator's model may vary, it seems that the purpose of business incubation links to business development. It is usually determined from an economic perspective which revolves around how the incubator mobilises productive and competitive enterprises that are able to be sustainable when separated from the incubator.

Business productivity from an economic perspective is often facilitated through programmes on business planning, mentorship on know-how in business as well as support to financial access (Ewere, Adu & Ibrahim 2015). What is seen as an advantage of these programmes is that they are flexible (Boahin, Eggink & Hofman 2014), which implies that candidates can select the programmes

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<sup>1</sup>The terms incubation hubs include business accelerators and incubators that provide experiential learning opportunities, business support as well as access to expertise.

and support they require as needed. The requirement or needs for programmes are guided by one principle: lowering failure rate in the initial start-up phase (Aerts et al. 2007 p.254). One might argue that although this principle directs the programmes aimed to equip start-up businesses to survive in the economic climate of a country, it is not clear how the programmes are adjusted or structured in different incubation models to focus on the specific candidate's needs or the possible gaps that candidates might have to become entrepreneurial. A sound knowledge foundation accompanied by realistic expectations that relate to being an entrepreneur should be as important as the business' survival. A focus only on the business' performance might present some challenges in incubator models purposed to empower candidates to become entrepreneurial.

### **Best Practice Principles for Empowerment Incubators**

Incubation is often used in emerging economies for empowerment purposes by leveraging talent and creating value ventures as a result (Basu & Biswas 2013, p.199). These type of incubators are called minority or empowerment incubators (Lewis et al. 2011, p.17). Although an empowerment incubator is a type of business incubator which follows a similar model to business incubators, the purpose of the incubation programmes offered in this type of incubator is aligned to empower the candidate in becoming more entrepreneurial and start a business thereafter. Landig (2011) assert that for empowerment purposes incubation programmes should always include training and support to complete a business plan, provide access to finance, and in addition offer more extensive mentorship that continues between one and three years after incubation. Empowerment incubation models often include vocational training programmes if the entrepreneur needs an understanding of a specific vocation in an industry (for example the Textile and Clothing industry) before launching a business.

### **Vocational Training and Support in Incubation Programmes in Empowerment Incubators**

Vocational training (such as fashion design and clothing construction) can be linked to competence based training especially in an incubation environment (Wheelahan 2012, p.152). Competence or competency can be understood as the specification of knowledge and skill and the application of that knowledge and skill to the standard of performance expected in the workplace or the progression through training when an ability to perform a specific task is demonstrated by the candidate (Brightwell & Grant 2013, p.107). Competency based training is a way to place the primary emphasis on what a person can do as the result of the training (outcome) (Ayonmike, Chijioke & Okeke 2014). However, processes to measure performance criteria and recognition of prior learning (RPL) are required especially when competency based training programmes allow flexibility (Boahin, Eggink & Hofman 2014). RPL practice is recommended as a principle that guides the content of the incubation programme and can also be used to determine in which areas the candidate will need more support to improve competency.

In addition to RPL practice, Harris et al. (1995, p.26) identified six principles that should guide competency based training; 1) proper outcomes must be structured and aligned to industry competence standards, 2) the curriculum should give the learner a clear indication of the expectations in the workplace and training should be aligned accordingly, 3) delivery should be flexible and learners must be able to exercise initiative, 4) assessment should measure performance against competence standards, 5) reporting must be shared and understood by the learner and 6) persons demonstrating all prescribed competences in an accredited course or training program should obtain a credential or statement of attainment which is recognised within the national framework.

Richards (2014) emphasises that industry should be involved in competence based training especially with regard to the assessment of outcomes or competencies. This industry involvement is usually very accessible from an incubation environment and can therefore be viewed as a strength of incubators. However, the incubation model should involve all the mentioned principles through the vocational programmes offered as well as mentorship on entrepreneurship. Therefore, structures and programmes should be in place to accommodate the desired flexibility and mentorship on what entrepreneurial approaches entail.

From the above literature it is apparent that competency based training programmes can be applicable to empowerment incubation models, because it can be aligned to a task that the candidate should be able to perform and it can be flexible so that a candidate who is competent in one area can focus more on becoming competent in other areas. It is also apparent that there are some guiding principles for the programmes and what the vocational training should entail or adhere to. Nevertheless, the principles to align the incubation programmes to a model that supports the training programmes is not provided for a specific context. Therefore a method to gain insight into the principles that can guide incubation models applicable to empowerment incubation of fashion design entrepreneurs are explained in the next section.

## Research methodology

### Context

The enquiry in this paper formed the first phase of a larger study for a specific fashion design incubation hub that was launched in 2011 by a well-established fashion house in Gauteng on their premises. The need for the research was apparent when the drop-out rate was 50% after only six months from inception. The hub was purposed to train and develop fashion clothing designers (technical and business related skills) who wanted to start-up their own fashion lines from the hub (intrapreneurship) or alternatively start-up an own SMME (entrepreneurship). The programme was supposed to be funded by a Governmental institution that also committed to support the incubation model that guides the training programmes. Unfortunately this Governmental institution was closed down during the implementation phase and the intended support did not realise. The hub-owners requested that research was done so that it could inform a new approach to the programme offered to the remaining 20 candidates in the hub.

### Research Paradigm

A qualitative approach to this research phase was deemed appropriate as the researcher was interested in exploring the views and experiences of the participants (Babbie & Mouton 2001, p.80). More specifically this paper presents a phase in the field study research design with the objective to explore which principles had to guide the model so that the practice in the incubation hub was directed to develop fashion design entrepreneurship.

### Data Collection

A purposive sample was used to select participants that could provide insight into a topic they are familiar with. De Vos et al. (2011, p.232) assert that purposive samples are suitable when the participants have to comply with certain criteria that will enable the researcher to acquire appropriate information. Because of the limited number of social entrepreneurs that met the inclusion criteria, only three acknowledged social entrepreneurs were selected to participate in this phase of the study. The social entrepreneurs could provide an insider's perspective on empowerment incubation. The participants were selected according to the following sample criteria:

- 1) the participants had to have at least 10 years of experience with empowerment incubation;
- 2) the participants had to be from Gauteng province (they had understand the communities and clothing industry in Gauteng); and
- 3) the participants had to have an incubation model which could incorporate vocational training programmes.

In-depth interviews with participants were conducted during the first phase of the study. One interview with the first participant, one interview with the second participant and three interviews with the third participant was done during the first research phase. The interview schedule contained standard questions and several probes. Interview probes were not always used in the same order because the researcher allowed the participants to speak so that thick descriptions could be acquired during the data collection period. Two interview questions in this phase related to the overall approach to empowerment incubation (models) and the challenges that the participants encountered so that the principles for an empowerment incubation model could be derived.

Interviews were done over a period of two months in the first phase of the research, however after the two months regular meetings, interviews were continued with only one of the participants whose incubation model seemed to have the most applicable principles to support the fashion incubation hub's training programme.

### Data Analysis

Data analysis was done with a strategy that the researcher developed following the guidelines of De Vos et al. (2011, pp.410–416) as well as Miles and Huberman (1994, p.17). The following steps were implemented to analyse the data: 1) the interview schedule was used to create initial categories in tables for each interview, 2) all information from interview transcriptions and field notes of each interview was processed in the tables (phrase by phrase), 3) categories, sub-categories and units of meaning were created as they emerged from the data and 4) the categories in all the interviews were compared and units of meaning were moved to the relevant categories or sub-categories.

### Findings and discussions

The findings presented in Table 1 reveals the three main principles that can guide empowerment incubation models as they were derived from interviews.

Participant	Principle Identified	Participant View	Researcher's Reflections on the Statements
P1t <sup>2</sup>	Effective recruitment	<i>You can't take in candidates that are not at a certain point of development. If they don't understand: me and only me is responsible for me, then we can't try and empower them.</i>	Internal locus of candidates is important
P2		<i>We ask the candidates to be responsible. This means we are assuming they are able to respond. Many of the people you want to incubate are not able to respond yet. Most of these candidates are unconsciously incompetent. They don't know what they do not know.</i>	Competence (ability to respond) should be at a specific level
P3		<i>Recruitment is key [to success and avoid drop-out rates]. You must provide exposure to several jobs in an industry. They must be given access to opportunities to explore what a job is really about. They must be able to choose. Anything is better than nothing for some of these people. You cannot take people with stars in their eyes if they are not ready. We call it readiness. We never say no, but sometimes we have to say: 'not yet'. People get hurt...</i>	Exposure to other jobs in the industry is important before selection of candidates  Readiness is something that needs to be determined before an incubation programme starts
P1t	Family or community support	<i>I have seen that the boys in my programme don't even want to mix with their friends in our area anymore. They have sort of outgrown the others. They have seen what is out there now and they want to get out of here to get better opportunities...</i>	Taking the candidates out of their communities can create gaps between candidates and their communities

<sup>2</sup> Participant 1: this data was translated from Afrikaans to English, therefore the coding for the participant's name is P1t

P2		<i>We decentralise this type of skill [clothing manufacturing] and create the hub in the communities so that the hub becomes part of that world.</i>	Involve community
P3		<i>...it is just too much of a gap between the candidate who was incubated and their family...so they break away from their families or simply go back to struggling with the family When we transform [empower], we transform families, not individuals. So it should be one family at a time.</i>	Family support should be part of the programme
P3	Support failure in the hub	<i>Failure should be anticipated so that it is supported. Failure needs to be celebrated as a learning tool... We have to fail, otherwise we cannot learn. When we learn from our mistakes, the Americans have a saying "we fail forward".</i>	Creating an environment that embraces failure should be part of incubation
P1t	Set realistic goals with regard to the deliverables for entrepreneurship	<i>These guys still need our input long after they start a business. We connect them with guys that help with business skills because it is tough if they start...</i>	Candidates will need ongoing business mentorship and support on business skills
P2		<i>You can enhance the competence level of the person up to a certain level. Usually in this [3 year] timeframe if you are lucky, you can develop tools and have the candidate use the tools. This level is where the person starts to take initiative and can do the task. But not everyone will get to the higher competency levels to be an entrepreneur that requires a lot of abstract problem solving and things like that.</i>	Initiative can take time to develop and not all the candidates have the ability to be an entrepreneur
P3		<i>I do not like this notion of "the entrepreneur". Solo entrepreneurship should be avoided at all cost. Entrepreneurship is a team sport. "The" entrepreneur is born and there is a very small percentage of them. One cannot teach business. There is a difference between business and commerce. You grow up in a business family or you are adopted [mentored] by a business family. All those families know that you have to fail first and they will support each other. The people you work with here should have that? So can you say that you are training entrepreneurs?</i>	Not all the candidates in the hub are entrepreneurial. Facilitate realistic expectations and different levels. The incubation hub cannot take accountability for incubating "the entrepreneur" Failure is an important aspect of any business/entrepreneurial venture

**Table 1: Guiding principles for empowerment incubation models**

The findings presented in Table 1 suggest that an empowerment incubation hub offering vocational training and access to business skills development should in principle implement 1) an effective recruitment process, 2) set realistic goals with regard to the deliverables related to entrepreneurship, and 3) provide support by involving family and community as well as support systems for failure.

Effective recruitment should ideally involve a process that allows candidates to explore other job opportunities in addition to the opportunity that the hub is offering. In this regard, Swanson and Fouad (2014) confirm that an informed career decision based on several options is in the best interest of the potential candidate and holds the candidate accountable for his/her own choice. In addition effective recruitment also requires that the competence levels of the potential candidates are assessed before incubation starts so that the programme and support that the candidate needs can be provided. This is in line with the suggestions made for empowerment incubation as provided by Landig (2011). Landig (2011) also confirms that working with competence levels requires that some flexibility should be managed in the programme to accommodate individual needs. From the findings it also seems that competency levels in an empowerment incubator relates to more than being competent with regard to a specific vocation (for example fashion design and production). It may also relate to the candidate's readiness with regard to entrepreneurial performance or skills.

The goals of the incubation model for empowerment should always be realistic. It is apparent in the findings, that the participants are sceptic about the expectations that empowerment incubation hubs can create regarding the competency levels of entrepreneurs, which requires a high level of business thinking and an entrepreneurial attitude which is cultivated in business families or through mentorship (Ward 2011). It seems that some literature does distinguish between a person with business skills and an entrepreneur. An entrepreneur is usually defined as the person who starts a business and in addition to business skills has creativity and innovativeness in a problem solving context (Longenecker et al. 2013, p.47). This problem solving perspective that involves creativity and innovation are not necessarily addressed in vocational training programmes or in the empowerment incubation environments. In this regard the incubation hub should in principle not create expectations about incubating entrepreneurs but rather aim to develop entrepreneurship which is the result of a team that collectively has the relevant skills in the hub.

Moreover, providing support is an important principle that should guide the model of the empowerment incubator. Although support by mentors and support in terms of access to resources and networks are associated with business incubation (Mata Garcia, Deserti & Teixeira 2013), the participants in this study refer to a wider support system: family and community support as well as support when failure happens, so that failure is celebrated as a learning tool that moves people forward. Including family or community does however have important implication relating to the location of an empowerment incubator. The participants' clearly indicate that taking individuals out of their communities without their families to empower them can create gaps between the candidate and their support system (usually their families or communities), which can harm the candidates.

The family or community support is pivotal to the success of entrepreneurs, therefore the location of the incubation hub should involve family and communities so that the candidates in the programmes are supported by their own support network when they succeed but also when they "fail forward" so that they can learn from their mistakes.

## Conclusion

The owners of incubation hubs or all the stakeholders involved should bear in mind that they are accountable for attaining the goals that they set and the results that they promise to deliver, despite the challenges that they encounter during the process.

The vocational programmes as well as the business training should be flexible to accommodate the needs of individuals when specific needs are identified during an effective recruitment process. Effective recruitment should also involve exposure to other options for jobs in the industry so that

candidates can make informed choices. The ethical conduct of the incubation hub is therefore supposed to start before the actual incubation programme. Another principle that should underpin the incubation model for empowerment, is creating realistic expectations relating to attainable results, especially with regard to incubating individuals to become entrepreneurs as opposed to entrepreneurship (teamwork). The principle of support should be implemented with families and communities so that a candidate is incubated with a support system even at home and a limited gap should be created between the candidate and the family and community. Support should therefore be facilitated by the hub to enable the family or community to support the candidate should the candidate fail or prevail.

The principles provided in this paper may enable the candidates as well as the incubator owners to be accountable for the results that they obtain. People with intentions to empower others through incubation should reflect about the principles they will implement especially when it comes to accountability. This paper is therefore concludes with a statement from one of the participants who is experienced in the area of empowerment incubation: "If you can't put results first and ego last, it is not worth the effort, because people will get hurt."

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