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# Entrepreneurial Assistance Across the Ocean

An Examination of the Effectiveness  
of International Mentoring as a Support Service  
for Entrepreneurs in Samoa

A thesis presented in partial fulfilment of the requirements for the  
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## ABSTRACT

Indigenous entrepreneurs play an important role in the economic growth of developing countries but to be sustainable they must balance their business needs with the cultural norms of the local context. Donor countries are increasingly supporting the private sector through business mentoring, however the challenges facing indigenous entrepreneurs are quite different to those experienced by their mentors. This research investigates the value of donor-funded, cross-cultural mentoring through an examination of the Pacific Business Mentoring Programme, a New Zealand initiative in Samoa.

Based on an extensive literature review, this thesis develops a framework to assess the value of a mentoring programme. Semi-structured interviews with 23 entrepreneurs in Samoa reveal their positive and negative experiences with the programme. An online survey of the New Zealand mentors who had worked in Samoa provides further data regarding the perceived strengths and weaknesses of the programme. This information is evaluated against the mentoring framework to assess what worked well and what areas could be improved.

Research findings show that mentoring can provide both business and socio-cultural development outcomes, however economic improvements can be very difficult to attribute directly to a mentoring programme. Several cited benefits of the mentoring programme, such as providing a neutral sounding board and challenging the entrepreneur's assumptions, are difficult to quantify. The majority of entrepreneurs believe that their mentor did not have a good understanding of the local cultural context. Where a mentor's advice conflicted with their cultural practices, the entrepreneur would usually ignore or adapt the advice to reach a compromise. Some cultural practices appear to be detrimental to running a business, however many of these practices add to the resilience of local people as well as having a social function, and should therefore not be undermined.

This thesis concludes that donor-funded business mentoring is a versatile, effective tool for development assistance if mentors are sensitive to the unique challenges of the local context and do not underestimate the abilities of the local entrepreneurs. With careful selection, training and support, mentoring can support indigenous entrepreneurs to improve their business skills while retaining their cultural identity.

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## LIST OF ABBREVIATIONS

ADB	Asian Development Bank
BAS	Business Advisory Service
CESES	Confederation of European Senior Expert Services
EBRD	European Bank for Restructuring and Development
GDP	Gross Domestic Product
KPIs	Key Performance Indicators
LDC	Least Developed Country
MDGs	Millennium Development Goals
MFAT	New Zealand Ministry of Foreign Affairs and Trade
OECD	Organisation for Economic Cooperation and Development
PBMP	Pacific Business Mentoring Programme
PIPSO	Pacific Island Private Sector Organisation
PLP	Pacific Leadership Programme
PNG	Papua New Guinea
PSD	Private Sector Development
PUM	Netherlands Senior Experts
SAT\$	Samoan Tala
SES	German Senior Export Service
SBS	Samoan Bureau of Statistics
SDS	Strategy for the Development of Samoa
SHA	Samoa Hotel Association
TAM	Turn Around Management Group
USAID	United States Agency for International Development
UK DFID	United Kingdom Department for International Development
UNDP	United Nations Development Programme
UNECE	United Nations Economic Commission for Europe
WIBDI	Women in Business Development Incorporated

## GLOSSARY OF SAMOAN TERMS

<i>Aiga</i>	Extended family
<i>Aumaga</i>	Council of untitled men
<i>Fa'a lavelave</i>	A significant social event such as a wedding or a funeral
<i>Fa'a Samoa</i>	The Samoan way of life
<i>Fono</i>	The council of <i>matai</i> found in each village
<i>Komiti</i>	Village committee
<i>Komiti Tumama</i>	Women's committee
<i>Matai</i>	Family chief
<i>Nu'u</i>	Village
<i>Palagi</i>	European person / Pakeha
<i>Pule</i>	Status
<i>Tautua</i>	Service (e.g. children to parents or villagers to their church)

# 1. INTRODUCTION

*“We might live in Samoa but we are not third world thinkers. We are busy – we are not sitting under the coconut trees twiddling our thumbs.”* Retailer, Upolu

## 1.1 INTRODUCTION

The growth of businesses run by indigenous entrepreneurs is widely recognized as playing a key role in the development of Pacific Island countries (Hailey, 1987). Mentoring new entrepreneurs is a well-accepted means to support their growth and avoid costly errors (Cull, 2006). It thus seems to be a logical step to bring these two concepts together, utilizing mentoring to support entrepreneurs in developing countries. However, indigenous entrepreneurs have a unique set of challenges and must balance contemporary business principles with their cultural norms (Hailey, 1987). Mentors need to be aware that a failure to reach this balance will often mean the failure of the business (Saffu, 2003).

The ‘Pacific Business Mentoring Programme’, established in 2010 and funded by the New Zealand Aid Programme, matches New Zealand volunteer mentors with Pacific Island business owners, to share their business acumen and experience. The programme focusses on creating wealth and employment, increasing business growth and efficiency, and building sustainability (Atkinson, 2012). However, the aspirations and challenges facing small business owners in Samoa may be quite different to those of New Zealand business owners. This thesis will examine the effectiveness of the Pacific Business Mentoring

Programme for entrepreneurs in Samoa, providing evidence to support the use of international mentoring is a means of support for entrepreneurs in a developing country.

## 1.2 SIGNIFICANCE AND RATIONALE

While mentoring and indigenous entrepreneurship have both been studied extensively, my research was not able to identify any academic research which united these two fields. Cross-cultural mentoring is an area which has received only very limited academic study, despite that fact that increasing numbers of organisations are utilizing this as a means of support for entrepreneurs in developing countries. It cannot be assumed that running a business is the same in all countries, and mentors need to be aware of the differences between doing business in their own country and in the country they are assisting. This thesis aims to fill this gap in academic research through focusing on the Pacific Business Mentoring Programme (PBMP) in Samoa. It will explore how society and culture influence and impact on businesses in this Pacific Island country and whether mentoring is an appropriate means of support for entrepreneurs in Samoa.

Much literature notes that mentoring is very difficult to measure objectively (Barrett, 2006; Megginson, 2000; Noe, 1988; Petridou, 2009; St Jean & Audet, 2013). The cited benefits of mentoring emphasize quite subjective developments of the entrepreneur's character over more objective economic indicators. It is important that such benefits are not ignored simply because they are difficult to evaluate. For example, it may be difficult to measure the value to an entrepreneur of having a 'neutral sounding board', but it is, nonetheless, a regularly cited benefit of mentoring (Barrett, 2006; Kent, Dennis, & Tanton, 2003; Pompa, 2012; Sarri, 2011). Through an extensive literature review of both mentoring and indigenous entrepreneurship, a framework will be formulated which can be applied to assess the inputs and outputs of a cross-cultural mentoring programme.

The PBMP has received very positive feedback in its own surveys (Business Mentors New Zealand, 2013). However these surveys focused primarily on economic outcomes and responses may have been influenced by the local cultural reluctance to voice any negative concerns. In this thesis feedback from both mentors and mentees will be evaluated in order to assess the value of mentoring beyond economic changes to the business. Given the increased use of mentoring by experts from developed countries to assist entrepreneurs in

developing countries, it is timely that this is evaluated from a broad understanding of the social and cultural challenges faced while running a business.

### 1.3 RESEARCH AIM AND RESEARCH QUESTIONS

The aim of this research is to examine the effectiveness of donor-funded, international mentoring as a support service for indigenous entrepreneurs in Samoa.

In conducting this research three initial questions need to be answered:

1. *How can the effectiveness of international business mentoring be evaluated?*
2. *Do Samoan entrepreneurs perceive that their mentors have provided useful advice which they have been able to implement to improve their businesses?*
3. *Does advice provided by mentors help entrepreneurs to balance cultural expectations with economic demands?*

Together the results of these three questions will provide the background information required to answer the fourth and overarching research question:

4. *Is donor-funded, international mentoring a suitable means of support for entrepreneurs in a developing country?*

### 1.4 MOTIVATION OF THE RESEARCHER

This field of research draws on a range of my own personal, academic and work experiences. My academic career began over twenty years ago with an honours degree in Political Studies and German Literature. This combination provided a useful background for the work I pursued at New Zealand Trade and Enterprise where I supported New Zealand businesses to develop their export markets. I first visited developing countries when I was employed as the international team leader at a tertiary institute and my mandate was to recruit international students to study in New Zealand. I spent many hours talking with

relatively wealthy parents in developing countries who were keen to help their children get a step ahead. However I could not help but be aware of the less-privileged people in these countries for whom even acquiring a local education was a dream. For over a decade I also ran my own franchised business, teaching languages to children in both New Zealand and Australia. During this time I received mentoring support and I also acted as a mentor to my franchisees. Due to the nature of this business, my franchisees were from a variety of countries and I experienced first-hand, how their cultural background influenced their motivations and expectations. Furthermore I have recently been involved with the Wakatu Incorporation, a group of businesses owned by Maori in New Zealand. The 3000 indigenous shareholders strive to run their company in a uniquely Maori way within the context of New Zealand's free market economy. These varied work experiences culminated in studying for a Post Graduate Diploma in Development Studies which broadened and deepened my understanding of the challenges faced by those trying to implement development programmes.

This thesis draws on my past experiences working with people from a variety of cultures, working with entrepreneurs and running my own business. My work experiences are coupled with an awareness that development programmes will be more sustainable if they are driven by the 'recipients' who are aware of their own priorities (Curry, 2003). A research topic which combined small business with development support felt like a natural extension of my personal experiences and interests.

Samoa was selected partly for selfish reasons as it is a country I had visited as a tourist and felt at ease in. As country about to graduate from its "Least Developed Country"<sup>1</sup> status, the private sector has been recognised as a core component of the economy (Samoa Bureau of Statistics & UNDP Pacific Centre, 2010; So'o, Va'a, & Lafotanoa, 2006), and is valued by their own government. Having been involved with the Pacific Business Mentoring Programme since its inception in 2010, Samoa provided the ideal research base for this investigation.

I hope that the outcomes of the research will, in a small way, have a positive impact on the way in which this and other similar programmes are run, so that entrepreneurs can thrive

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<sup>1</sup> The Least Development Countries are the 48 poorest and weakest countries in the international community. The category of LDCs was officially established in 1971 by the UN General Assembly in order to attract special international support for them. They comprise about 12% of the world population but account for about 1% of global trade (UN-OHRLS, 2014).

and develop while maintaining their rich and varied culture as the backbone of their society.

## 1.5 OUTLINE OF THE THESIS

This thesis begins with an introduction to set the scene. This chapter outlines the rationale for this thesis topic and clarifies the aim and research questions. Indigenous entrepreneurship, entrepreneurial mentoring, and the business environment in Samoa are introduced. The researcher's motivations for investigating this topic are also explained.

Chapter Two provides a review of literature regarding mentoring and entrepreneurship. It discusses the features of a successful mentoring relationship and looks at cross-cultural communication in the workplace. From this literature review a framework is formulated to evaluate mentoring programmes, to help answer the first question: *How can the effectiveness of international business mentoring be evaluated?* A discussion of some examples of international mentoring is provided and the Pacific Business Mentoring Programme is introduced.

Chapter Three reviews the literature about indigenous entrepreneurship and socially embedded economies. It investigates the challenges and opportunities for entrepreneurs in the Pacific Islands before concluding with a critical reflection of the current practice in development aid to focus on the private sector.

Chapter Four provides an overview of business, culture and livelihoods in Samoa. It looks at the macro-economic context of Samoa and the impact of foreign aid and other business support services. The influence of *fa'a Samoa* (the Samoan way of life) on local businesses is described, followed by a discussion of business support services available to entrepreneurs in Samoa.

Chapter Five discusses the methodological approach used to investigate this research topic. The positionality of the researcher is considered as are the ethical issues involved with this project. Further detail is provided regarding the data collection methods and the data analysis. The limitations of this research are also described.

Chapter Six gives an overview of the findings from the fieldwork, both the interviews with the Samoan mentees and the survey of the New Zealand mentors. These findings are discussed relative to the framework described earlier in the thesis. This chapter answers

the second research question: *Do Samoan entrepreneurs perceive that their mentors have provided useful advice which they have been able to implement to improve their businesses?*

Chapter Seven discusses the final feature of the cross-culture mentoring framework, namely whether mentoring helps Samoan entrepreneurs to balance their businesses with their local cultural norms. Given that this is an essential component of having a sustainable business, achieving a balance should be a high priority of the mentoring programme. This chapter answers the third research question: *Does advice provided by mentors help entrepreneurs to balance cultural expectations with economic demands?*

Chapter Eight concludes this thesis with a discussion about the suitability of mentoring as a means to support entrepreneurs in a developing country. Recommendations to improve the effectiveness of the PBMP in Samoa are also made. This culminates in answering the fourth and final research question: *Is donor-funded, international mentoring a suitable means of support for entrepreneurs in a developing country?*

## 1.6 SUMMARY

As support for developing countries is increasingly focused on the private sector, it is timely to evaluate the effectiveness of this approach. This thesis will evaluate one form of private sector support, namely New Zealand volunteer mentors advising entrepreneurs in Samoa through the Pacific Business Mentoring Programme (PBMP). Measuring the value of mentoring is fraught with difficulties as many outcomes involve the long term, personal growth of the entrepreneurs themselves. Mentoring is not only about improving economic indicators of a business, but it has the potential to challenge attitudes and create whole new ways of thinking about business. Mentoring has the potential to provide individualized guidance to an entrepreneur, helping them to avoid costly mistakes as they grow their business. However, given the lack of research into international mentoring, it is unknown how indigenous entrepreneurs can assimilate the mentoring advice with their own culture. International donor-funded mentoring brings two sets of values together – that of the experienced mentor with that of the entrepreneur in a developing country. This can create tension but “when cultures interact, new dynamics emerge” (Morrison, 2008, p. 249). The goal of international mentoring should be to bring two cultures together, so that the entrepreneurs can create their own way of doing business specific to their local context. It

has been shown that the ability to balance contemporary business practice with cultural practices is vital to the success of a business (Cahn, 2008; Hailey, 1987; Saffu, 2003; Shadrake, 1996). This thesis will demonstrate that international mentoring is an effective support service for entrepreneurs in Samoa but it is not without some weaknesses. Recommendations to fine tune this programme will be made, so that mentoring can become a valuable tool to support entrepreneurs in developing countries and in Samoa in particular.

## 2. MENTORING AND ENTREPRENEURSHIP

### 2.1 INTRODUCTION

The passing of knowledge from those who have it to those who need it is a principle as old as humankind itself. The term “mentor” was first used in Homer’s *Odyssey*. When Odysseus went on a ten year voyage, he appointed a guardian for his son to act as a teacher, adviser and friend. The guardian’s name was Mentor (Homère as cited in St Jean & Audet, 2012, p. 122). Informal mentoring in the workplace has occurred without being labeled as such for centuries. It is widely expected that experienced staff support and guide newcomers. Formalised mentoring in the corporate workplace became a widespread practice in the last century (Kram, 1985) and more recently, in the last fifty years or so, mentoring has been extended to support entrepreneurs establishing their own private businesses (Cull, 2006; Sullivan, 2000; Waters & Birrell, 2007).

While mentoring in the workplace has been the subject of vast amounts of academic research in the last thirty years, entrepreneurial mentoring has only become a topic of academic interest since the late 1990s. In this literature review I will focus primarily on the mentoring of entrepreneurs, while drawing on the knowledge of corporate mentoring where relevant. In order to assess how mentoring can be used effectively for indigenous entrepreneurs in Samoa, I will briefly look at the various definitions of mentoring, the features required for a successful mentoring experience and the potential outcomes for

entrepreneurs. This provides the basis for a framework to review a mentoring programme based on inputs and outputs as presented in a range of academic literature. I will review the small body of literature which touches on cross-cultural mentoring, before looking at international mentoring programmes run in various countries.

## 2.2 MENTORING FOR ENTREPRENEURS

While mentoring has been practised since ancient times, academic literature about mentoring did not appear until the early 1980s. Kram's 1983 *Academy of Management Journal* article (1983), followed by her oft-cited text "Mentoring at Work" (Kram, 1985), were the first texts to analyse in depth the outcomes of mentoring in the workplace. This has since been followed up by a vast number of texts looking at the roles of mentors within corporate and public sector organisations (Carragher, Sullivan, & Crocitto, 2008; Clutterbuck, 2002; Clutterbuck & Ragins, 2002; Gilbert & Cartwright, 2008; Kram & Ragins, 2008; Noe, 1988; Ragins & Scandura, 1994). There has been a lot less written about the mentoring of entrepreneurs, where the mentor is external to the business, although since Deakins, Graham and Sullivan's (1998) publication of "New Venture Support", research of this field has increased exponentially (Bisk, 2002; Cull, 2006; Perren, 2003; St Jean, 2011; St Jean & Audet, 2012; Sullivan, 2000; Waters & Birrell, 2007). The general agreement amongst these authors is that mentoring entrepreneurs can provide them with personalized, flexible support tailored to their particular situation, which will increase their chances of long term success. "A mentor's many years of experience can save a business from major errors and costly mistakes" (Cull, 2006, p. 9).

### 2.2.1 DEFINITIONS

Kram (1983, as cited in Kram & Ragins, 2008, p. 5) initially defined mentoring as "a relationship between an older, more experienced mentor and a younger, less experienced protégé for the purpose of helping and developing the protégé's career". This definition has been expanded on by many, without departing radically from the early version. Bozeman and Feeney (2008, p. 468) have helpfully collated various definitions of mentoring in order to make comparison much easier. Their own definition of mentoring is "a process for the reciprocal, informal transmission of knowledge, social capital and psycho-social

support perceived by the recipient as relevant to work, career, or professional development” (p.469). In an entrepreneurial context the definition has been refined to “a support relationship between an experienced entrepreneur (the mentor), and a novice entrepreneur (the mentee), in order to foster the latter’s personal development” (St Jean & Audet, 2012, p. 122). It is noteworthy that the emphasis has shifted from career development to personal development, although it had earlier been argued that there is also a place for professional development within entrepreneurial mentoring (Cull, 2006). A mentoring relationship may be formally organized by an external organization or an informal evolution of personal relationships. Historically, the latter has been far more common.

### **2.2.2 FEATURES REQUIRED FOR SUCCESSFUL MENTORING**

For a mentoring programme to be successful, certain skills and traits are required by both the mentors and the mentees. This is a two way relationship, and both sides need to participate fully in order to reach the successful outcomes discussed above.

Deakins et. al. (1998) suggest that for maximum benefit, the mentors should be entrepreneurs themselves, but that they require careful selection, training and monitoring. Poorly trained mentors can lead to a lot of time being wasted, having a damaging effect on all involved – the mentors, mentees and the organisations (Kent et al., 2003). In my experience good listening and interpersonal skills are more important than academic qualifications to being a good mentor. Bisk (2002) hypothesized that the mentors did not have to be experts in the field of their mentees’ enterprise in order to be of assistance. On the other hand, in his qualitative study of the Canadian Youth Business Foundation, Cull (2006) found that it was important to have some knowledge of the mentee’s business, in order to have enough insight to develop a good rapport with them.

Successful mentoring requires a good personal match between the mentor and mentee. Where they have differing values, aims and visions for the business the relationship is unlikely to be successful (Cull, 2006). This reiterates the findings of Morrison and Bergin-Seers, in their study of over 400 small business owners in Melbourne which noted that learning interventions are required to be “sensitive and attuned to the contextual factors” (2002, p. 391) of the enterprise, and information presented should be congruent with the core beliefs of the business owner. They suggest that a partnership approach be adopted, with support customized to the local context and environment. It is also pointed out that

mentors should adjust their approach to suit the “culture, communication models and learning style” (St-Jean, Audet, Couteret, & et des Administrations Gestion des Entreprises, n.d., p. 6) of their mentee. These factors are especially relevant for cross-cultural mentoring where the mentor and mentee have very different backgrounds.

Of course, a successful relationship requires input from the mentee as well. A mentee who is open to feedback, articulate, willing to make changes, aware of their own weaknesses and having realistic expectations of how much their mentor can do, will generally have a more positive experience (St. Jean & Audet 2012). Mutual trust is vital to enhance both the quality and efficiency of the mentoring relationship (St-Jean et al., n.d., p. 7).

Building a partnership-based relationship can take considerable time. Indeed it has been claimed that time is a critical factor in a successful mentoring relationship (Barrerra Associates, 2003 as cited in Cull, 2006; Kent, Dennis and Tanton, 2003), although just how long is required will vary in each case. Kram (1985) suggests that maximum benefit will be gained after two to five years. Frequent contact, especially in the early stages is important to the long-term success of the relationship (Waters, McCabe, Kiellerup, & Kiellerup, 2002). While face-to face mentoring is the ideal, with simple technology mentoring over larger distances is quite possible. Where both parties are comfortable with it, e-mentoring (email and Skype) can provide a low-cost, flexible approach to providing support to a new entrepreneur (Perren, 2003), although it is advised that this supplements, rather than replaces, face to face meetings (St-Jean & Audet, 2012).

In a study of small business owners in New Zealand, (McGregor & Tweed, 2002) it was found that women expressed a stronger desire for a mentor than did their male counterparts. Women were more likely to seek advice from more experienced business owners when establishing their own business. As a result they found that 25.8% of female business owners had a mentor, compared with 19.9% of male business owners (p.432). It has also been found that on the whole, men are “generally less satisfied” (St-Jean et al., n.d., p. 4) than women with their mentoring relationships.

### **2.2.3 OUTCOMES OF SUCCESSFUL MENTORING**

That mentoring in the workplace is beneficial, is widely accepted: “mentoring can be a life-altering relationship that inspires mutual growth, learning and development.” (Kram & Ragins, 2008, p. 3). Deakins, Graham and Sullivan (1998) were among the first to research how a mentor could also assist a start-up entrepreneur to avoid common pitfalls. Using a

mix of quantitative analysis and qualitative interviews focusing on 45 start-up entrepreneurs in Scotland, they concluded that a mentor could have a positive effect on the formation, survival and growth of a new company. Start-up businesses often fail due to the “lack of experience and competency on the part of the new entrepreneurs” (St. Jean & Audet, 2012, p. 119). This is a gap which a skilled mentor can help to fill. Passing on knowledge from their own experience can save a new entrepreneur from making costly mistakes.

This review of mentoring literature shows that by its very nature, mentoring is a versatile, personalized form of assistance which has been found to facilitate a transfer of one person’s experience to another’s learning, to smooth the development and expansion of an entrepreneur’s business (Bisk, 2002; St Jean & Audet, 2012; Sullivan, 2000). A mentor can act as a leader, coach, teacher, counsellor or buddy. Mentors provide a sounding board for the new entrepreneur, challenging their assumptions and widening their thinking (Kent et al., 2003). Sullivan (2000) suggested that the role of the mentor was to “enable the entrepreneur to reflect on action and perhaps to modify future actions as a result” (p. 163), that is, the mentor helps the entrepreneur to reflect and learn, rather than to proscribe solutions. Like Sullivan, Cull found that the most effective style of entrepreneurial mentoring was “less directive and more empowering” (p. 8), especially as the mentee’s business grows. The goal of the mentor should be to reduce dependence on their support and increase self-confidence of the entrepreneur (Cull, 2006).

In Kram’s earlier works (1985, 1988), she suggests that a mentor leads to two sets of outcomes: one is related to career development (coaching, protection, challenge setting and integration into the local business networks) while the other is related to psychological development (building self-confidence, giving advice, providing friendship). Noe (1988) expresses these two functions as “job related outcomes” and “interpersonal outcomes”, while Ramsden and Bennett (2005) refer to these outcomes as hard (e.g. increased turnover) and soft (e.g. increased self-confidence). Clutterbuck (1991, as cited in Sullivan, 2000, p. 169) focuses more on the career development functions of a mentor, listing them as coach, coordinator, supporter, monitor and organizer. St-Jean (2011, p. 79) adds a further function of the mentor, namely that of being a role model, giving stories from their life as inspiration. Despite the more recent models, it is Kram’s two classifications (career development and psychological development) which pervade the literature.

Waters and Birrell (2007) then went on to test whether these two theoretical functions applied equally to entrepreneurial mentoring as they did to the intra-organisational,

corporate context. Using a mix of qualitative and quantitative methods to research Small Business Incubators in Australia, they concluded that the psychological function of mentors was especially valuable for new entrepreneurs. St-Jean (2011) concluded that the functions of an entrepreneur mentor were distinct from those of a corporate mentor and that their relationship was quite different given that the mentor has no hierarchical position above the entrepreneur they are supporting.

In reviewing the literature about mentoring it has become clear that there are many opinions regarding the requirements of a successful mentoring relationship and what the expected outcomes can be. Bringing some order to these views will aid understanding of the process. The next section will collate the most commonly recurring views in a concise framework for this purpose.

#### **2.2.4 CREATING A FRAMEWORK**

This discussion demonstrates that evaluating the success of a mentoring programme is not straightforward. It is quite possible that an entrepreneur who is more likely to be successful, will seek a mentor, thus an element of self-selection comes into play before the programme even begins. Furthermore, accurately measuring changes to the financial health of a business is made difficult due to the reluctance to maintain accurate records typically found amongst indigenous entrepreneurs (Hailey 1987). Attribution is a further issue, as a business may improve following participation in a mentoring programme, but the improvements may have been caused by any number of factors, not the mentoring alone. Cull (2006) suggests that success is measured by an entrepreneur being able to grow, sustain and ultimately sell their business. Waters et al. (2002) measure objective factors (such as profitability) and subjective factors (such as how successful the entrepreneur believes their business is and how strong their own self-esteem is). St-Jean et al. (n.d., p. 13) focus primarily on the mentee's satisfaction with the programme, to verify its success or otherwise.

This diverse range of approaches to assess the worth of mentoring, are captured in Figure 1 on page 14 and Figure 2 on page 15 which summarise the key inputs and outputs required for a successful mentoring programme. Both the mentor and the mentee require certain attributes to create a productive working relationship which results in improved business operations as well as the personal development of the mentee. The framework summarized in these diagrams will form the structure used to review the PMBP in Samoa,

described in more detail in chapters 6 and 7. Ultimately the stories told will give a more complete picture of the success or otherwise of the mentoring relationship (Megginson, 2000, as cited in Kent, Dennis and Tanton, 2003). With the PBMP, there is the added complicating factor that the mentor is a visitor to the mentee's country. Hence the following discussion regarding inter-cultural communication is relevant in evaluating the PBMP.



Figure 1 A Framework to Evaluate an International Mentoring Programme with Academic References

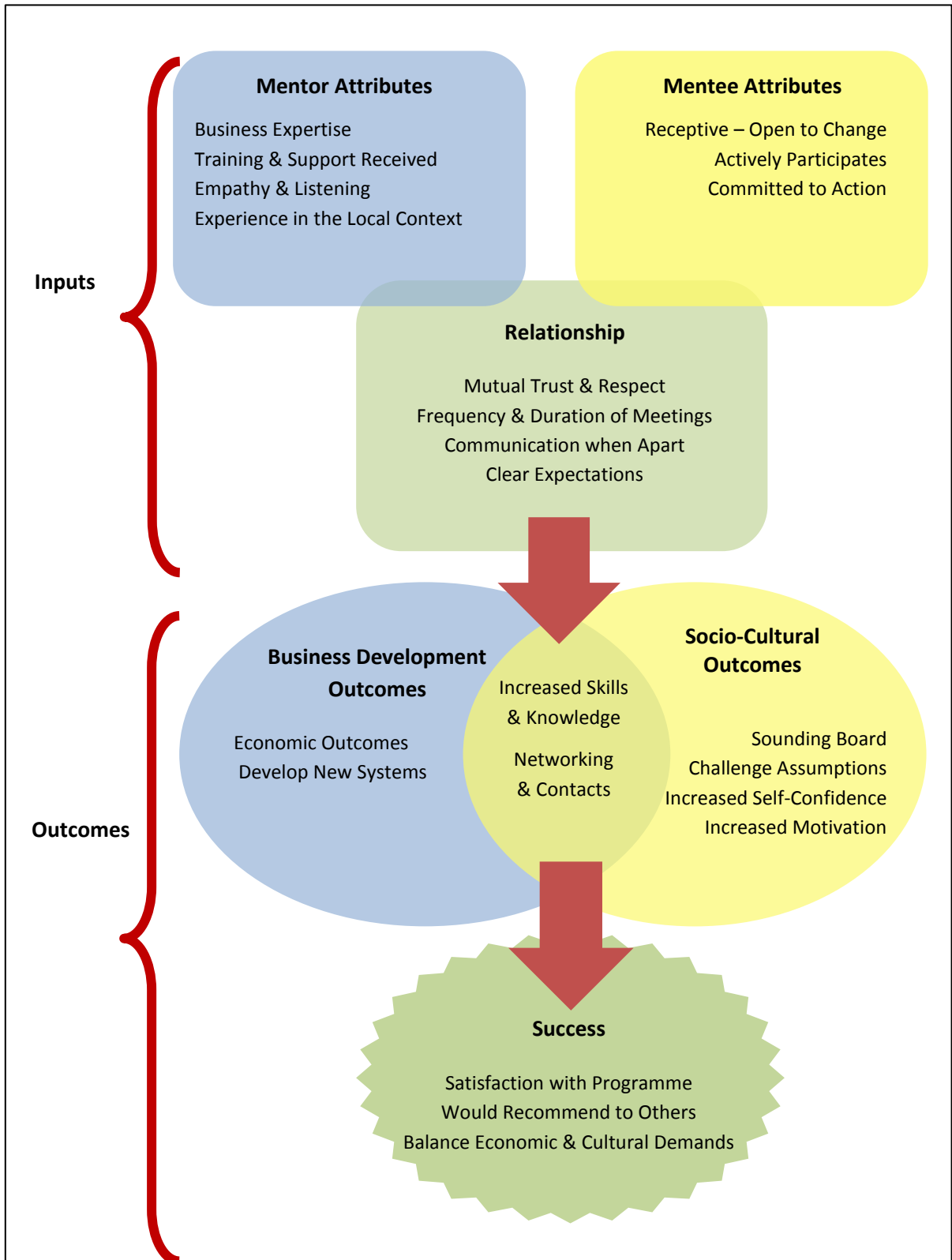


Figure 2 A Framework to Evaluate an International Mentoring Programme: Summary

## 2.3 CROSS-CULTURAL COMMUNICATION IN THE WORK ENVIRONMENT

A good understanding of the specific context of the new entrepreneur's business is vital for a successful mentoring relationship (St Jean & Audet, 2012). Where the mentoring takes place across different countries quite distinct challenges will arise. The most obvious hurdle is that the mentor and mentee speak different languages. Equally important, but often less obvious, is the need to communicate in a style understood by all parties as well as understanding local challenges and personal priorities. The skill to impart knowledge across a cultural divide is of vital importance when the mentor is from a different country to the mentee.

Cross-cultural communication is an area of abundant research. Hall and Hall (1990) acknowledge that the problems caused in cross cultural-interactions go much deeper than a language barrier, given that much of what is communicated is based on sub-conscious, non-verbal messages and it is these non-verbal messages which vary greatly between cultures. Understanding the type of information sought by people from a particular culture and their ways of classifying it and sharing it, is key to effective international communication.

The propensity for some cultures to embrace entrepreneurial ideas while others shun it has been studied at length. Hofstede's regularly cited work titled "Culture's Consequences" (1980), examined the beliefs, values and work roles of 88,000 employees of IBM in 40 countries. He developed a four-pronged approach to assess a culture and its characteristics: uncertainty avoidance; power distribution; individualism/collectivism; masculinity/femininity. Hofstede concludes that organisations should not be managed separately from their environmental culture, but rather, they must be managed with reference to the cultural context in which they operate. This work has been criticised for assuming that cultural tendencies remain stable while many anthropologists would argue that cultures and their values are constantly changing (Clark, 2003), but nonetheless, it provides a useful starting point for examining different approaches to entrepreneurial ideas.

Hofstede's (1980) cultural categories have been applied to a study of international entrepreneurial differences by Mueller and Thomas (2001). In an extensive survey of 1800 university students across nineteen countries, they assess how culture conditions the potential for entrepreneurship. The propensity for entrepreneurial activity varies between

countries due to differences in cultural values and beliefs. Some cultures, namely those that foster individualism and have low uncertainty avoidance, were a lot more supportive of entrepreneurialism than more collective-oriented cultures. While mentoring was not specifically considered in this study, Mueller and Thomas (2001, p. 52) conclude that business education can play important roles in providing both technical tools and also helping “to reorient individuals toward self-reliance, independent action, creativity and flexible thinking”, even where the local culture did not foster these attributes. Conducting research on entrepreneurs in Ireland through a written questionnaire, Bisk (2002) found that the Irish culture itself was a barrier to entrepreneurship, but this could be overcome through the use of the government supported mentoring agency.

Very few studies have investigated cross-cultural mentoring. Some studies have researched mentoring for expatriate employees, where the mentor is from the host country (Carragher et al., 2008; Gilbert & Cartwright, 2008; Pervik, Henningson, & Hultman, 2011) or mentoring for international students studying in the US (Sewon & Egan, 2011). In this programme, the student mentors were provided with training in cross-cultural interaction, designed to challenge their own cultural assumptions, which each participant took for granted. The authors suggest that further research on “the cultural dynamics in the mentoring practice” (p.102) is required. Indeed, differences in business culture, communication methods and learning styles can lead to the breakdown of the mentoring relationship (St-Jean et al., n.d., p. 7).

Despite this mutual understanding being so important to the mentoring relationship, I am not aware of any academic studies where the mentor is the “visitor” to the mentees’ country. This reversal of roles appears to be an area devoid of any academic study. In practice however, there are several examples of international mentoring, where mentors from an industrialized country are sent to assist entrepreneurs in developing countries. These will be discussed briefly in the next section, based on their own websites and publications.

## 2.4 EXAMPLES OF INTERNATIONAL MENTORING PROGRAMMES

Many countries view entrepreneurs as the lifeblood of their economy and have systems in place to support their growth and adaptation to evolving markets and changing technology. It has been recognized in many industrialised countries that one way in which they can

provide support, is through sharing their personal expertise in business development. As discussed already, these mentors must be sensitive to the various challenges facing entrepreneurs in different communities in order to tailor their advice appropriately.

In developing countries or “emerging market economies” (United Nations Economic Commission for Europe, 2002, p. 1) some of the greatest issues include “the transition to the culture of entrepreneurship, the acquisition of business and management skills and technical awareness of the product and service quality demanded by market driven economies” (United Nations Economic Commission for Europe, 2002, p. 1). The United Nations Economic Commission for Europe organized the Expert Meeting on Best Practice in Business Advisory, Counselling and Information Services in Geneva, 2000, attended by 150 senior policy makers from 33 countries. At this meeting it was emphasized that governments in transition economies should orient their policies and programmes to foster entrepreneurship. Delegates concluded that business advisory, counselling and information services are among the most effective ways to assist entrepreneurs in becoming more competitive (United Nations Economic Commission for Europe, 2002). They agreed that business services need to be tailored to the different needs of diverse clients and they are most effective when they are brought geographically close to the entrepreneurs they are supporting. A mentoring arrangement would meet both of these requirements.

Some examples of organisations providing this international business support to entrepreneurs in developing countries are the TAM/ BAS programmes funded by the European Bank for Restructuring and Development; PUM, the Dutch organization which links retired business people with businesses in many developing countries; and SES the German Senior Expert Service offering similar services. These organisations have a much longer experience of international mentoring, compared with the Pacific Business Mentoring Association and are thus worth considering briefly in order to learn from their experiences, although all information is taken from their own reporting and documentation, due to the lack of any external academic analysis.

#### **2.4.1 TURN AROUND MANAGEMENT GROUP AND BUSINESS ADVISORY SERVICES**

Two services designed to support entrepreneurs in emerging market economies are the Turn Around Management Group (TAM) and the Business Advisory Services (BAS), both supported by the UNDP and EBRD (European Bank for Restructuring and Development).

The mission of TAM and BAS is to “promote economic transition through advice and mentoring at the enterprise level and to develop a sustainable infrastructure of business advisory services” (EBRD, 2008, p. 3). Both programmes work directly with individual enterprises, providing industry specific advice, in south-eastern Europe, the Caucasus and Central Asia.

TAM contracts Senior Industrial Advisors who have a minimum of 15 years’ experience as a CEO in a free market economy to provide technical and commercial know-how in local SMEs (small and medium enterprises). Projects usually last around 18 months, during which time the TAM advisor will visit the company approximately 15 times for a total of about 60 days. The goal is usually to transform the local enterprise into an efficient well-run company often with a total restructuring. Their own research indicates that TAM projects have on average increased productivity by 40%, increased turnover by 22%, reduced staff by 13% and 84% of clients rate their service as satisfactory or better (EBRD, 2008 p.7).

The BAS programme works with micro businesses and provides 50% grants for them to contract private sector consultants, usually for about four months. They have small local offices and also aim to up-skill the local consultancy staff base. They focus their support on rural areas and they have prioritized women in business. Their own research indicates that BAS has made a positive difference in 96% of their projects (EBRD, 2008 p.9). Both TAM and BAS carefully select the entrepreneurs who they will work with based on their ability to demonstrate potential for business growth. A more recent report (EBRD, 2011) indicates the new strategy will see these organisations work only with clients approved by the EBRD’s banking teams in areas that are consistent with the EBRD priorities.

TAM/BAS appears to be a very top-down, Euro-centric approach. Nowhere in their own documents do they say they consider the priorities of the country or company they are assisting. No information is provided about the cultural-training offered to the senior advisors, possibly because no training is offered to them at all. Their approach is very clearly to change local enterprises to fit the ‘efficient Western model’ and there does not appear to be much, if any, leeway for local considerations. Indeed the EBRD has been described as the implementing the “fourth wave of neoliberalism” (Shields & Wallin, n.d., p. 9) because of its tendency to dogmatically apply its favoured economic models with little sensitivity to local conditions.

Through their selection criteria, it is likely that they will only work with businesses that align with the values of the EBRD, rather than a wider cross section of companies. Their high success rate is probably determined at the selection stage, before the mentoring has even begun. The information provided would indicate that regular face to face meetings (approximately three days per month) are the corner stone of this support programme, and in-line with or even more than that recommended by mentoring researchers (Waters et. al.2002; St Jean & Audet, 2012). While the Senior Industrial Advisors are likely to be experts in their field, no mention is made of their knowledge of the local context in which they are providing their services. As many researchers have identified, this is a crucial component of the success of a mentoring programme (Bisk, 2002; Cull, 2006; Morrison and Bergin-Seers, 2002; St. Jean, Audet & Couteret, n.d.), but it seems to be missing from the TAM/BAS programmes. Further objective research would be required to identify if a lack of contextual understanding is indeed an issue with the TAM/BAS programmes.

#### **2.4.2 THE CONFEDERATION OF EUROPEAN SENIOR EXPERT SERVICES**

The Confederation of European Senior Expert Services (CESES) has 21 member organisations from the European Union who have provided voluntary short-term assistance in 158 developing countries. They aim to assist small and medium-size enterprises by providing expertise from retired professionals. The member organisations operate in a similar manner. I will focus on the Dutch organization, namely PUM Netherlands Senior Experts and SES, as an example. CESES and PUM both provide technical assistance to businesses in developing countries and they consider mentoring to be one component of this assistance. While their programmes thus include mentoring, that is not necessarily their main focus (CESES, 2011).

Operating since 1978, the PUM Netherlands Senior Experts programme connects retired business people from the Netherlands with entrepreneurs in developing countries and emerging markets. The senior experts must have at least 30 years' experience in a business environment and they volunteer their time to execute short-term consultancy projects. Through sharing their knowledge and experience, they aim to help the local business grow. In 35 years, they have grown to 3200 volunteers who advise 2000 entrepreneurs annually in Africa, Asia, Europe and Latin America. Their mission is to promote "self-sufficiency, entrepreneurship and the sustainable development of small and medium sized enterprises in developing countries and emerging markets" (PUM, n.d.). The senior experts usually visit

their partner entrepreneur for two weeks and then they continue to provide support via email and a follow up visit where appropriate. They provide individual mentoring services, in country-seminars, training for local tertiary providers, and small grants for training in the Netherlands. They also run a business link programme which aims to build trade between Dutch companies and the entrepreneurs in the developing country. As with the TAM/BAS programmes they have a thorough selection process focusing on the entrepreneurs with good growth potential but who do not have the means for pay for private consultancy.

In 2011 an independent evaluation of PUM was commissioned (PUM Netherlands Senior Experts, 2011). The evaluation team visited six countries to look at 57 projects. They considered policy relevance, effectiveness, business links and cooperation with local organisations. Unsurprisingly, they found that the average PUM client operates in a “suboptimal institutional environment” (p. 18), which offered challenges to the usefulness of PUM services. Limited access to capital meant advice could not always be carried out. They acknowledge that measuring the results and long term effects of their impact is very difficult. Where a mission was unsuccessful, they are careful to not lay full blame with the PUM experts, rather, “recipients may lack the ambition to carry out the advice, or the company may not have access to the financial means to carry out the advice” (PUM Netherlands Senior Experts, 2011, p. 23).

The report acknowledges that the PUM experts may have great knowledge and experience in their specific field, but they are not necessarily experienced in consulting, nor are they always aware of the specific aspects and limitations of the receiving country. Providing advice which is “realisable in the local context” (PUM Netherlands Senior Experts, 2011, p. 25) can be quite a challenge and very different to providing advice in the Netherlands. In his thesis looking at how demand-driven Dutch private-sector-development instruments are, Franken (2013) concludes that PUM must be meeting local priorities, as the local enterprises contribute to the cost of having a senior expert visit them. He does however acknowledge, that there is “no empirical evidence that a more demand-driven program leads to more impact” (Franken, 2013, p. 54). As measuring the impact of the PUM’s programme has been a very difficult exercise, management have taken on a new approach together with the Universities of Wageningen and Rotterdam. The planned Learning Impact Evaluation will combine questions of accountability (did it work?) and learning (why or why not?). The emphasis on learning is deemed to be more appropriate when working in such complex and often unpredictable environments of emergent market economies. This

research program will be the first of its kind to apply these principles to Private Sector Development Interventions (Meerkerk, 28 March 2013).

Unlike the TAM/BAS programmes, the PUM Netherlands Senior Experts acknowledge that understanding the local context can cause challenges for their mentors. They note that not all business practices from the Netherlands are directly transferable to the countries they are working in. While they have not yet identified a solution to this issue, they are making steps to improve this, through the proposed Learning Impact Evaluation. Like the Pacific Business Mentoring Programme, which will be discussed in the following section, their experts visit the local market for two weeks, and then offer long-distance follow up support where appropriate. This is a lot shorter than the time frames recommended by academic researchers of mentoring programmes (see Kram, 1985 and Waters et. al., 2002), but it is a system which suits the Dutch volunteers. The PUM Netherlands Senior Experts appears to be a very self-reflective organization, looking for innovative ways to assess their impacts and to improve their practices.

#### **2.4.3 THE PACIFIC BUSINESS MENTORING PROGRAMME**

The Pacific Business Mentoring Programme (PBMP) was established by Business Mentors New Zealand (BMNZ) in 2010 and funded by the New Zealand Aid Programme. The aim of this programme is to strengthen the economy of the countries concerned, by supporting their private sector. “The programme aims to assist small and medium sized businesses in the Pacific to manage and grow their businesses in a way that supports sustained increases in production and employment over time” (Schofield, 2010, p. 68). The overarching goals are wealth creation, economic development and employment generation (Atkinson, 2012, p. 4). The PBMP does this by sending experienced business people from New Zealand to ten Pacific Island countries: Cook Islands, Samoa, Tonga, Vanuatu, Papua New Guinea, Fiji Solomon Islands, Kiribati, Niue and Tuvalu. In the first two years of operation they assisted 320 small and medium sized businesses in a wide variety of sectors including tourism, agriculture, horticulture, marine industries, service industries and manufacturing. It is anticipated that the number of clients assisted will increase to 600 by 2013 (Atkinson, 2012, p.15). The PBMP is managed by BMNZ from its head office in Auckland. The budget in its first year of operation was NZ\$953,000. By its third year in operation this figure had increased to \$2,384,826.

The criteria for a business to participate seem a lot less stringent than those expected from the TAM/BAS or PUM programmes. The business must have a minimum of six months trading history, be owned by the person requesting mentoring, and be committed to participate in the mentoring programme for twelve months. There is no mention of “being most likely to achieve success” which is a requirement of other programmes. In Samoa businesses must be a member of the local Chamber of Commerce, who perform the function of spreading awareness of the mentoring programme and recruiting participants. (Pacific Business Mentoring Programme, n.d.).

Unlike the TAM/BAS and PUM programmes, the New Zealand volunteer mentors first attend a Mentor Accreditation Programme before they travel to their host country. This accreditation programme is run by Business Mentors New Zealand and is not tailored to the Pacific Island Countries. The mentors are not paid for their time on this programme, but their expenses are reimbursed and they receive a small honorarium. The mentors stay in country for two weeks initially where they usually assist between five and eight client companies each. Support then continues after they return to New Zealand, utilizing Skype, email and phone contact. Six months later the mentors return to their respective countries to offer further face to face mentoring (Schofield, 2010). Between the mentors’ visits in-country training workshops are held, led by two trainers from New Zealand. These workshops last for between one and five days, made up of half day seminars focussing on a particular aspect of running a business such as financial record keeping or marketing. They are open to the mentees and their employees. Attendance is voluntary, and no formal assessment of their learning is provided. Attendees complete a survey immediately following the workshop which has indicated a very high level of satisfaction. A further aspect of the PBMP is a recently established pilot scheme in Cook Islands and Samoa to mentor Chief Executives of State Owned Enterprises.

Reports to date, focusing on the economic impact of this programme, indicate that it has been very successful and funding has been extended for a further three years. The programme evaluation commissioned by MFAT in 2012 (Atkinson, 2012) found that the PBMP had reached all its targets with regards to growth in the number of clients and number of target countries. The key performance indicators of the PBMP are increases in the number of employees, in annual sales revenue, improved business plans and reports, growth in export sales and client satisfaction. These KPIs are measured by an online survey which clients complete every 6 months. The programme evaluation report notes some fundamental flaws with this survey (Atkinson, 2012, p.23) namely, there appears to be

confusion with regards to what currency the mentees use for their responses. Dramatic increases in exports have been reported in many cases, but “these should be treated with considerable caution before attributing them to PBMP” (Atkinson, 2012, p.24). Counting the number of employees is also not a straightforward concept, open to different interpretations. For example some did not include their husband or wife as an employee, even though they worked long hours in the business. The evaluation research found discrepancies in the baseline data provided by mentees, meaning that the reported changes were also giving a skewed picture of the impact of the mentoring. In several cases, the entrepreneur received assistance to complete the survey which may result in overly positive responses being reported as the local culture will encourage them not to offend the local coordinator who is assisting them. Thus, while the PBMP have attempted to measure quantitative changes to the businesses, there are very real issues with this approach. “Measuring quantifiable impact is more problematic [than measuring client satisfaction] and while over time is an essential indicator the programme does not as yet have a fully verifiable means of achieving such measurement” (Atkinson, 2012, p. 30). Given the issues with collecting accurate and verifiable data regarding the business mentoring, it is the individual stories and anecdotes from those involved in the programme which provide valuable qualitative information.

## 2.5 CONCLUSION

This literature review indicates that mentoring is widely accepted as a practice which is beneficial to entrepreneurs. By its very nature it is a personalized service, which will vary from case to case. Where there is a good match between the mentor and mentee it has the potential to be a life-altering relationship, which can help an inexperienced entrepreneur expand their business, avoiding costly mistakes along the way. Mentoring can result in both improvements to the business and the personal growth of the mentee. However, measuring the full impact of mentoring is fraught with difficulties. Quantifiable measures such as increases in turnover, exports and employees are difficult to verify and may be caused by many factors other than the mentoring alone. Any quantitative data needs to be supported by the mentee’s stories of their experiences.

There is very limited research on international mentoring, especially where the mentor is the visitor to the mentees’ country. The reported client satisfaction rates with the PBMP

are very high and would indicate that the programme is working well. There is however, the danger that mentoring can be used as just another form of subtle Western domination, if the focus is to change businesses to fit one particular mould at the expense of local values and priorities. While mentoring is used as a means to assist entrepreneurs in developing countries, the lack of rigorous academic research on the topic makes it difficult to evaluate its true impact. This chapter has answered the first research question: *How can the effectiveness of international business mentoring be evaluated?* by creating a model based on academic literature (Figure 1 and Figure 2 on pages 14 and 15) which summaries the key components. This model will be used to assess the PBMP in chapters 6 and 7 but first it is necessary to understand the culture within which it is operating. Therefore the next chapter will provide an overview of the indigenous entrepreneurship and how it differs from the widely accepted Western capitalist model of business.

# 3. INDIGENOUS ENTREPRENEURSHIP

## 3.1 INTRODUCTION

There is no universal standard of entrepreneurial practice, but rather it is “shaped by and profoundly effects, the culture within which it operates” (Schaper, 2007, p. 526).

Entrepreneurship and indigenous values have at times been presented as incompatible (Ingram, 1990; Williksen-Bakker, 2002), but in fact many indigenous people carried out entrepreneurial practices long before Western colonization. They have since developed their own styles of entrepreneurship, blending traditional culture and values with modern economic practices (Dana & Anderson, 2007; Farrelly, 2009). Entrepreneurship can bring independence, pride and new opportunities to communities, but it will only be sustainable if done in a manner congruent with their social norms (Hailey, 1987). In some cases, the price of following modern, free-market capitalist practices can result in social ostracism and ultimately the failure of the business (Hailey, 1987; Saffu, 2003). Gegeo (1998) argued that many development projects continue to be based on Anglo-European models, ignoring and overriding indigenous knowledge. Recent shocks to many neoliberal economies, demonstrate that not all the answers lie with the practices of the developed West. It is worthwhile to consider whether it is possible to harmonize capitalism with traditional cultural practices in order to increase the stability and resilience of local communities.

In this chapter I will consider what makes indigenous entrepreneurial practices different to those of standard capitalist entrepreneurs. I will review the literature on socially embedded economies which create hybrid systems unique to their own cultures. I will then focus on indigenous entrepreneurship in the Pacific Islands, looking at the key challenges they face as well as their strengths and opportunities. I will conclude with a critical reflection of the current practice in development aid to focus on the private sector. While this has a lot of potential to support sustainable livelihoods, it can also become yet another Western imposition if local practices, values and priorities are not allowed for.

## 3.2 INDIGENOUS ENTREPRENEURSHIP: DEFINITIONS AND VALUES

### 3.2.1 DEFINITIONS

The term indigenous refers to people whose ancestors were “living in an area prior to colonisation or within a nation-state prior to the formation of a nation-state” (Dana & Anderson, 2007, p. 4). Indigenous entrepreneurship is widely accepted as a positive way to assist with national economic development (Dana & Anderson, 2007; Hindle & Moroz, 2010; Lorrain & Laferté, 2006), however definitions of entrepreneurship and indigenous entrepreneurship vary widely. Hailey (1987, p.18) provides a brief overview of definitions of entrepreneurship from the 1800s. These definitions emphasize different aspects of the entrepreneur’s role, including being the provider of capital, the creator of profits, a risk taker and an innovator. Adam Smith described the entrepreneur as “a supplier of capital and a manager who intervenes between labourers and consumers” while, in the same century, Jean Say described the entrepreneur as someone who “brought together the factors of production in such a way that new wealth was created” and Mill, in 1848, focused on risk taking as the key distinguishing feature of an entrepreneur. In 1928 Schumpeter saw the entrepreneur as an innovator and a driver of change (as cited in Dana & Anderson, 2007, p. 3). Over a hundred years later, in the 1980s, Drucker, similarly to Schumpeter, highlighted the role of the entrepreneur as a “change agent seeking out and exploiting new opportunities” (as cited in Hailey, 1987, p. 18). Hailey himself described entrepreneurs as catalysts for change with “a creative force able to coordinate business resources profitably” (1987, p. 18). The most simple definition of an entrepreneur is someone who is “running a business” (Moore and de Bruin, as cited in Farrelly, 2009, p. 313) which is broad enough to allow for local variations.

There is not one universal method of being an entrepreneur; rather the form it takes will be shaped by the culture within which it operates (Dana & Anderson, 2007), and simultaneously entrepreneurs will influence their local culture (Brook & Luong, 1999). Most writing about entrepreneurship is taken from a Eurocentric point of view, emphasizing individuality and monetary success. Historically entrepreneurs have at times been perceived negatively, as greedy and exploitative. As entrepreneurship in other cultures is being more widely recognized, the term indigenous entrepreneurship has come to mean a style of operating, quite distinct from mainstream entrepreneurship. Hindle and Lansdowne (2002, p. 18) define indigenous entrepreneurship as “the creation, management and development of new ventures by indigenous people for the benefit of indigenous people”. On the other hand, Morris (2004 as cited in Peredo and Anderson, 2006) looked at societies in South Africa and Hawaii, arguing that the principles of entrepreneurship are basically the same across cultures. He does, however, concede that the values and goals motivating indigenous entrepreneurs will be different to those of non-indigenous entrepreneurs, noting that the creation of wealth was not the driving force in his two case studies. Peredo and Anderson (2006) consider indigenous entrepreneurship to differ conceptually from mainstream entrepreneurship, with intangible culturally-based outcomes being aspired to, as well as cash profits. They note that environmental awareness and collective organisation are the hallmarks of indigenous entrepreneurship. In his study of indigenous entrepreneurial people in Canada, Anderson (2004, as cited in Peredo and Anderson, 2006) observed that they had a much larger agenda of rebuilding their communities and reasserting control over their traditional territories. Hindle and Moroz (2010, p. 363) take this a step further, arguing that the cultural norms associated with indigenous entrepreneurs are so important that “much of the received wisdom of mainstream entrepreneurship may well be inapplicable in indigenous circumstances”. It is thus clear, that there are many different ways of operating as an entrepreneur. The perception of an opportunity and the measurement of success is strongly influenced by the local culture and will vary tremendously between different communities (Dana & Anderson, 2007). Western entrepreneurial concepts, values and motivations may be quite different from the driving forces in other cultures.

Indigenous entrepreneurs need to balance two often conflicting principles – business and tradition. Hindle (2005) considers Whetton’s hybrid theory to explain how indigenous entrepreneurs foster coherence among these apparently incompatible elements. The traditional focus on community sharing, gifting and reciprocity must be balanced with

individual profiteering; the respect for customs must be balanced with innovation; working together with working in competition; living sustainably with maximising benefits from local resources. Ultimately all entrepreneurs must balance multiple values and carve their own unique style of entrepreneurship which meets their needs. Economic activities are interwoven with their social activities creating a diverse range of business structures and outcomes, which will be discussed further in the next sections.

### 3.2.2 SOCIALLY EMBEDDED ECONOMIES

People in different cultures and times have very different systems of value. Various systems of exchange are created, quite different to the generally accepted Western economic models. Economic activities are shaped by their contextual social relations. In the 1950's Karl Polanyi argued that reciprocity, redistribution and exchanges are "socially embedded modes of economic activity, that might be expressed or conducted through kinship, religious, political or other relations" (Scott & Marshall, 2009). Personal social networks impact on trading activity and informal exchanges between households. Both Pieterse (1994) and Jones (2008) argue that globalization has led to an increased complexity in society, with many cultures creating their own unique hybrid combination of economic and social systems. This is not something happening only in developing countries, but throughout the world.

The value of social networks is a well-accepted concept in modern capitalist societies, with economic transactions often also involving a "welfare enhancing" aspect (Shorthose & Strange, 2004, p. 47). As early as the 1920s, Malinowski wrote about this in his study of trade and exchange systems, known as *Kula*, in Papua New Guinea and other islands in the Pacific Ocean (Malinowski, 1920). *Kula* was a complex system of gifting and counter-gifting, including both useful goods and other items which were highly prized but of no practical use. Lifelong relationships were always established between participants in *Kula*, linking people who were living on far flung islands and this was probably the main purpose of apparently non-economic exchanges.

Curry spent many years studying societies in Papua New Guinea, looking especially at village trade stores (1999) and small-holder palm oil production (2003). While both appeared outwardly to be a capitalist construct, they were run in a way which reflected the local community's values. The capital required to establish a trade-store could come from a mix of community members and the returns on this were determined more by kinship than

by the investment amount. Payment of labour for work with palm oil production was not usually related to the hours worked, but rather depended on other logics, primarily that of kinship. Giving and receiving labour is a component of the gift exchange system, so integral to social relationships (Curry & Koczberski, 2012). With kinship also being the primary determinant of trade-store patronage, these stores demonstrate an entangled blend of economic, social and cultural relations straddling both market and indigenous economies. Indeed, Curry observed that “market imperatives were often subordinated to the needs of the social and cultural” (1999, p. 296), with the trade stores becoming a means to facilitate gift exchange and a source of status, rather than to generate financial profits.

While successful development has long been defined to include the creation of Western-style economic institutions, Gibson-Graham (2005) strived to create a pathway for post-development interventions with their “diverse economies” approach. Rather than seeing people as barriers to development, they follow Escobar’s (1997) argument that a bottom up approach, determined by the local community will be more effective. They emphasize the importance of non-capitalist practices within the household and informal economies. The most common form of labour is the unpaid work carried out in the home and community while capitalist transactions make up only a very small percentage of the “plethora of exchange transactions” (Gibson-Graham, 2005, p. 62). Many non-market transactions take place every day: goods and services are shared, exchanged or given away. These transactions are not measured formally but they fulfill cultural and social norms. Gibson-Graham (2005) look at three aspects of the economy which have both capitalist and non-capitalist components: transactions, labour and enterprise. All components combine to make up what they term a “community economy”. They describe this diverse economy as being “made up of a thin layer of capitalist economic activity underlaid by a thick meshwork of traditional practices and relationships of sharing, borrowing, volunteering and individual and collective work” (Gibson-Graham, 2005, p. 171).

Their approach has however come under considerable criticism for failing to recognize “the extent to which indigenous non-market economies . . . are now subsidised . . . by surpluses generated in the capitalist economy” (Curry, 2005, p. 129). For example it is common practice, and a social expectation, that Pacific Islanders living abroad will send home remittances on a regular basis. A further criticism of Gibson-Graham’s work is that they seem to view all non-capitalist relations as something positive, yet it is important to note that they too can involve exploitative interactions. Non-market economies and capitalist practices are two systems, neither of which is perfect. Today’s indigenous entrepreneur can

intertwine the two, creating a way of operating based on their unique opportunities, resources and values.

McKay (2009, p. 333) together with Gibson and Cahill worked with a community in Jagna in the Philippines to “create a different understanding of economy by building on the existing diversity of local economic practices”. They recognized that even though capitalist companies, economic institutions and salaried jobs were a part of this society, people’s lives “continued to be shaped by gifts, reciprocal exchanges and non-capitalist organisational forms” (McKay, 2009, p. 331). They chose not to simply impose a Western model of economics on this society but instead they took the “diverse economies” approach, looking at what assets and knowledge could be drawn upon. They aimed to create group enterprises which could draw on their kinship networks, traditional exchange relations and social practices. In a follow up report on this exercise in ‘applied economic anthropology’ they recognise that the diversity of practices in this community adds to its stability: “A local economy is likely to be more resilient to the devastating impacts of pricing fluctuations and boom-bust trade and investment cycles if it contains a diverse range of economic activities supporting well-being” (K. Gibson, Cahill, & McKay, 2010, p. 245).

Today’s indigenous entrepreneurs can combine their culture with their business practices. These are not two mutually exclusive concepts, but rather they can be adapted to support each other. Foley’s research in Australian aboriginal communities concluded that “the indigenous entrepreneur can remain true to their indigenous beliefs in a modern urban environment and be successful in business (2004, p. 266). Hindle (2005) takes this idea further, suggesting that the empowerment created through entrepreneurial activities can repair past damages done to indigenous cultures.

This discussion of socially-embedded economies has shown that indigenous practices are not necessarily destroyed on contact with capitalist practices. Rather, more complex arrangements evolve, embedding the economic within social and cultural constructs, more appropriately reflecting the diversity of local reality. Indigenous entrepreneurs can be very successful in the modern global economy, but they must do so in their own way; to impose a rigid Western system of entrepreneurship is simply another form of domination (Hindle & Moroz, 2010). There is a general agreement that entrepreneurial activity should not try to follow supposed ‘universal laws’, but should adapt to different cultures and situations (Cahn, 2008; Foley, 2004; Hindle & Moroz, 2010; Peredo & Anderson, 2006). Indigenous entrepreneurs can utilise their heritage, their knowledge and their community to create a successful venture. There does not need to be a contradiction between tradition and

innovation. Cultures are not static, but constantly evolving and history is full of examples of people seeking new ways of doing things, to improve their lives.

The next section will focus on how Pacific Islanders are combining entrepreneurial practices with their local customs.

### 3.3 SMALL BUSINESS IN THE PACIFIC ISLANDS

Indigenous entrepreneurs in the Pacific Islands have quite different strengths and challenges compared with many other indigenous entrepreneurs around the world. Many indigenous entrepreneurs elsewhere in the world are living in a society where they are in the minority, dominated by a colonizing culture, suffering racism on a daily basis and living disadvantaged lives. (This includes for example Australian Aborigines (Foley, 2004), Native Americans (Hindle & Lansdowne, 2002) and indigenous people in Canada and Peru (Dana & Anderson, 2007)). In Samoa and several other Pacific Island countries, this situation is quite different, with indigenous people making up the majority of their relatively homogenous population. They do, however, still face many challenges to their entrepreneurial pursuits. A general lack of cash-earning opportunities pervades the Pacific Islands, especially in rural areas. Agriculture, fisheries and tourism form the base of their economies and subsistence agriculture is a primary source of livelihood for many (Fairbairn, 2006). Entrepreneurial activities can add much needed diversity to this base as the need for cash is becoming increasingly important, primarily for education, medical support and to meet desires for material goods (Cahn, 2008). There are examples in the Pacific of indigenous societies who have successfully accepted new types of economic activities while still retaining their traditional cultural integrity (Cahn, 2008; Finney, 1987). Nevertheless, although the growth of small businesses in the Pacific is encouraged, they face unique challenges which need to be recognized by any organisations charged with providing business assistance.

#### 3.3.1 PHYSICAL CHALLENGES TO PACIFIC ISLAND ENTREPRENEURSHIP

A landmark study in the late 1980s was carried out by the East-West Center in Honolulu, Hawai'i to research the economic contribution of entrepreneurs in the Pacific region (Hailey, 1987). Some 200 entrepreneurs in each country were interviewed using standardized questionnaires and regional workshops were held, providing some of the

earliest insights into the challenges faced by indigenous business owners in the Pacific. The most significant challenge is geographic isolation and fragmentation which makes it more difficult to get a consistent supply of raw materials, increases freight costs and can make marketing more complex. Indeed Gibson (2007, as cited in J. Gibson, 2010, p. 7) has ranked Samoa as the 207<sup>th</sup> least economically accessible country out of 219 countries. This is calculated in terms of distance to other countries and weighted in terms of GDP. A small domestic market with little available cash, means entrepreneurs need to look further afield for potential customers. Under capitalisation, limited assets, low turnover and poor cashflow result in little opportunity for capital accumulation and reinvestment (Hailey, 1987, p. 35). Further studies have reiterated the significance of these issues (Briscoe, Godwin, & Sibbald, 1990; Cahn, 2006; Croulet, 1988; Saffu, 2003; Shadrake, 1996). Croulet (1988) added that the government was regularly cited as the biggest obstacle to success, often overlooking indigenous entrepreneurs altogether and implementing restrictive policies such as high import tariffs, export levies, and pricing regulations. Briscoe et al. (1990) completed this list with further challenges being a lack of information and data, coupled with a lack of technical know-how.

Many recognized that these issues are compounded in more remote and rural areas (Cahn, 2006; Hailey, 1987) where it can be virtually impossible to receive any support or training. Warehouses, repair technicians and regular transport services simply do not exist. A lot of lateral thinking is required to make an economic enterprise successful in a rural area where locals have little cash to spend and getting your products closer to a market is very costly.

Natural disasters in recent years have highlighted the environmental vulnerability faced by Pacific Island countries. The devastating tsunami in 2009, followed by the cyclone in 2012, caused unprecedented destruction of Samoa's infrastructure and damaged its reputation as a safe tourist destination. However this vulnerability is matched by high levels of community resilience (Bird, Chagué-Goff, & Gero, 2011). Strong family and community networks meant that people looked after each other following these disastrous events (Murphy, 2013). Remittances from family members overseas increased, with many family members returning to Samoa to assist with rebuilding. The customary land tenure system also provided a source of resilience for Samoan families, many of whom were able to relocate onto family land away from the coast which also provided a new supply of building materials. Providers of business assistance to the Pacific Islands need to be wary not to undermine the very factors which make the societies resilient, given their environmental vulnerability.

### 3.3.2 CULTURAL CHALLENGES AND OPPORTUNITIES TO PACIFIC ISLAND ENTREPRENEURSHIP

Even more important than the physical barriers listed above, several inherent contradictions between contemporary business practice and Pacific Island cultures have been identified (Baldacchino & Fairbairn, 2006; Cahn, 2006; Croulet, 1988; Duncan, 2008; Hailey, 1987; Pervik et al., 2011; Saffu, 2003; Shadrake, 1996). These authors concur that the collective nature of Pacific Island cultures does not foster the individualism usually regarded as necessary by Western entrepreneurs. The expense of meeting communal commitments and expectations can be a very real drain on a business (Finney, 1987). There is pressure to distribute any surplus amongst family, school and the church, making it difficult to reinvest in the business. The expectation that credit will be provided with no consequences when repayments are not met can fatally damage a small business' cashflow, however, refusing to provide such credit arrangements can fatally damage a business' and an individual's reputation. A lack of land ownership by individual freehold title, hinders long term planning and arguments over land usage are common (Duncan, 2008). It also means that most people do not have any collateral which a bank would accept to provide a loan.

Interestingly, both Duncan (2008) and Saffu (2003) utilise the four classifications of cultural dimensions which Hofstede (1980) had developed 20 years earlier (and which were discussed in the previous chapter), in order to better understand the propensity for entrepreneurship in the Pacific:

1. Traditional Pacific cultures value collectivism over individuality;
2. The hierarchical social structure means power inequalities are magnified;
3. A preference to avoid risk taking is not conducive to establishing a new venture, and
4. Assertiveness is seen as having a dysfunctional effect (Hofstede, 1991 as cited in Saffu, 2003).

While these four dimensions have been criticised for over simplifying complex cultural values (Tayeb, 2001 as cited in Saffu, 2003), they do provide some useful insights into core differences in Pacific Island and New Zealand pakeha ways of thinking.

These differences between Western and indigenous business values, are highlighted by Van der Grijp (2004) in his study of the Tongan culture and economy as it incorporates world systems into its own. A conflict is created as Tongans sell their goods via a capitalist

structure while still embedded within non-capitalist relations of production. These cultural differences were also emphasised by Imbun's (2000) study of tribesmen working in the Porgera Gold Mine in PNG. They embraced the concept of monetary employment but in reality it created many challenges. Their customary diet made a full day of hard labour nearly impossible, they lacked economic motivation and the formalisation of a hierarchy conflicted with their own values. Finney (1987) also studied entrepreneurs in Papua New Guinea concluding that a prerequisite for success was for entrepreneurs to respect their cultural obligations. Some of the entrepreneurs who he investigated found they needed to move away from the local communities of their birth in order to run their businesses in an area where their new arrival meant they had a lower status and therefore fewer immediate demands from the village. An alternative way that entrepreneurs in Papua New Guinea coped with the expectations of their community was to employ expatriate managers who were "better able to resist the demands of customary obligations" (Finney, 1987, p. xi) while the entrepreneur's reputation would remain intact.

Further to these cultural challenges, many indigenous entrepreneurs are hindered by their own beliefs that "the role of the entrepreneur belongs to foreigners" (Hailey, 1987, p. 66). Indeed, many Pacific languages do not have the vocabulary to describe Western entrepreneurial concepts. Hailey (1987, p. 20) notes that there are no Fijian words to describe the concepts of risk taking or innovation. There is a general unwillingness to prepare a realistic business plan or keep detailed records, and thus it is often not really known how well (or poorly) a business is doing (Hailey, 1997). Cahn (2006) emphasises the dilemma that an unsuccessful business brings ridicule, while a successful business can result in strong feelings of jealousy and resentment among community members.

Women in Pacific Islands have been disadvantaged economically (Ragins & Scandura, 1994; Ritterbush & Pearson, 1988; Shadrake, 1996). Ritterbush and Pearson (1988) found that in most Pacific Island countries, women played a very traditional role, with fewer land rights than men, lower skills, and they were not taken seriously by banks and other institutions. There is some evidence that this is changing, with women now regularly taking the lead in establishing businesses (Cahn 2008). Running a business can require that women undertake very different tasks to those traditionally expected of them; tasks which are sometimes seen as inappropriate for women. Men have been reluctant to change their roles, to assist with household activities, in order that their partners could spend time on an entrepreneurial enterprise. Shadrake (1996) pointed out that attitudes are changing gradually, with the desire for cash stimulating an acceptance of changes to a woman's role

and, by implication, change to men's roles as well. In Hailey's 1987 study, 80% of the 600 entrepreneurs interviewed were men, but Ritterbush and Pearson (1988, p. 195) concluded that while small in number, "women were emerging as some of the most successful entrepreneurs in the Pacific region". Indeed, there are cases of indigenous women who have been outstandingly successful as entrepreneurs, notably Aggie Gray, the founder of the largest resort in Samoa (Baldacchino & Fairbairn, 2006). Fine mat weaving is another success story for women in Samoa (Cahn, 2008). This enterprise fits well with their culture as fine mats are high prized both culturally and economically. Men have increased their share of domestic chores, enabling their wives to carry out additional fine mat weaving which brings both a financial income and increased social status to the whole family.

A similar pattern has been found to occur in some beach fale tourist accommodation ventures in Samoa, in which women take a leading role, supported by men (Scheyvens, 2005, p. 7). Beach fale tourism has increased livelihood options for the wider community and added considerably to local incomes, especially in rural areas. Villagers can earn additional income through the sale of food and handicrafts, construction work and increased custom at the local store. But the beach fale tourism continues to be successful because it does not undermine the local culture. Indeed it has encouraged villages to take pride in the appearance of their surroundings and given them the ability to earn an income through sharing their culture with interested visitors. This form of tourism has enabled villagers to learn new skills as well as to apply old skills in new ways (Scheyvens, 2005, p.7). "The beach fale industry is about Samoan people owning and manipulating tourism to fit in with their practices and tradition, not the other way around" (Park, 2003 p.44 as cited in Scheyvens, 2005). It is a logical conclusion that enterprises have the most chance of success where there are both in keeping with the local culture and financially viable.

While traditional practices can challenge standard business practices, other authors have pointed out that traditional culture can also provide benefits to entrepreneurial practice. Historically, there was regular trading between Pacific Islands, well before European arrival (Baldacchino & Fairbairn, 2006; Foley, 2004; Hailey, 1987). In the nineteenth century, New Zealand Maori were successful entrepreneurs, "involved in the control and trade of many earth-based commodities" (Wilkins, 2007, p. 583). Foley (2008, p. 212) notes that still today New Zealand Maori have strong networking skills, which are a "natural extension of their cultural life skills". Many indigenous people have access to natural resources through their kinship system, opening up business opportunities which they otherwise would not have had. Family and relatives often provide a cheap or even free source of labour (Cahn, 2006;

Hailey, 1987), however this is not always reliable or skilled and quarrels in family businesses are common. Businesses who give generous donations to their community events generate goodwill towards their products and services. Gifting can be a form of saving, safe in the knowledge that in times of need, it will be reciprocated. Thus traditional cultural practices add to the resilience of many communities.

It is important that development assistance to the private sector does not undermine the strengths of the local culture. The next section will look at the role of the private sector in international development strategies and, in particular, the focus of the New Zealand aid programme in the Pacific.

### 3.4 DEVELOPMENT ASSISTANCE AND THE PRIVATE SECTOR

The ultimate goal of development is often claimed to be the alleviation of poverty and economic growth is widely viewed as a tool to achieve this (Bridgman, 2011; Schulpen & Gibbon, 2002). Development of the private sector is increasingly recognized as a means to this end (Kragh, Mortensen, Schaumburg-Muller, & Slente, 2000). One author has gone so far as to claim “all modern schools of political thought, from Marx and Lenin to Hayek and Friedman, agree on at least one thing: the private sector is the driver of modern economic development” (Mbeki, 2005, p. 12). This belief is so wide spread that it has been described as “the general Consensus” (Schulpen & Gibbon, 2002, p. 2). Development thinking has shifted from the 1960s and 70s when the state was seen as the main driver of economic development, to the 1980s when neo-liberal policies focused on downsizing the government and building up an efficient private sector driven by market forces. The 1990s saw a merging of the two views with the state and private sector having “distinct but complementary roles to play” (Schulpen & Gibbon, 2002, p. 2). This view consider that the role of the state is to provide the background, macro-economic conditions which will allow the private sector to flourish.

With this in mind, it is no surprise that development aid to the private sector has been increasing throughout the world, most notably since the 1990s (Kragh et al., 2000). Although it still accounts for only a small proportion of all foreign aid, private sector development (PSD) has become a key component of development strategies, accepted by institutions such as the OECD, USAID, the UK DFID and the European Commission (Langan, 2011, p. 83) as well as by the New Zealand Aid Programme (MFAT, 2011). The OECD claims

that “private sector development is an essential component of economic growth and poverty reduction in developing countries, as it is a very important source of innovation and employment generation. A vibrant and competitive private sector can also empower poor people by providing them with better goods and services at more affordable prices” (OECD, 2007, p. 11).

The Samoan government is also promoting that the private sector is integral to the development of Samoa with the government’s Strategy for the Development of Samoa (SDS) stating that the private sector is the engine of growth of the country’s economy (UNDP, n.d.). The Minister of Finance has reiterated this in a speech to the local Chamber of Commerce: “Government can only do so much. The private sector has to play its part in the development of Samoa. The two together will ensure that Samoa is not left behind.” (Speech by Hon Minister of Finance 3 September 2012 as cited in Samoa Chamber of Commerce and Industry Inc, 2012, p. 77).

The private sector has been defined as “a basic organizing principle for economic activity where private ownership is an important factor, where markets and competition drive production and where private initiative and risk taking set activities in motion” (OECD, 1995 as cited in Kragh et al., 2000, p. 313). The theory is that aid is provided directly to entrepreneurs and benefits will trickle down to the rest of the population primarily through the creation of jobs and increased cashflow within the community (Kragh et al., 2000; Langan, 2011). It has been argued that strengthening the state, notably in African countries, has the opposite effect, leading to increased oppression and less development (Mbeki, 2005), but the government is still seen to play an important role in creating a stable macro-economic environment and supportive conditions enabling the private sector to flourish (Schulpen & Gibbon, 2002).

Financial aid to the private sector can include microloan programmes to individual enterprises and grants or loans at a macro level to support infrastructure and education (Schulpen & Gibbon, 2002). Governments are also supporting their own indigenous entrepreneurs themselves, as they recognize the value of this self-empowerment which can ensue. One example is the recently created Indigenous Business Council in Papua New Guinea, which has received a stimulus package of \$500 million to train and encourage indigenous Papua New Guineans to set up businesses in the formal sector (Pacific Beat, 2013). Private sector development programmes also include non-financial assistance such as vocational training, export training, investment advice and technical assistance at a

governance level (Schulpen & Gibbon , 2002) as well as product development, technological upgrading and marketing strategies (Langan, 2011).

In line with this international thinking, the New Zealand Aid Programme is focusing on achieving sustainable economic development (MFAT 2011). The alignment of New Zealand's foreign aid programme with its foreign policy goals was made explicit in 2009, when the New Zealand Aid Programme was re-integrated with the Ministry of Foreign Affairs and Trade. The New Zealand Government's current policy document on international development assistance states "in order to accelerate economic development in our developing country partners, the New Zealand Aid Programme will strengthen its working relationship with the private sector" (MFAT, 2011). The focus is on development of agriculture, fisheries and tourism industries to promote food security and international trade. The New Zealand Aid Programme aims to provide both business and technical training which includes the mentoring of small and medium enterprises.

This approach is not without contention and in her thesis about the efficacy of New Zealand Aid, Bridgman questions "whether sustainable economic development is a suitable central means for achieving its goal" (Bridgman, 2011, p.32) of poverty elimination. Sen (1999) reminds us not to treat economic growth as an end in itself, but to remain more concerned with enhancing lives and human freedoms. Bridgman (2011, p.32) lists the risks of focusing on economic development as potentially increasing inequalities in society; overlooking the needs of disadvantaged groups; ignoring growing environmental issues; and causing a conflict between long term goals and short term incentives. She notes that an economic focus of development aid might not be realistic for a small Pacific Island country, facing capacity and resource issues. Langan (2011, p.83) goes further to claim that much private sector development is motivated by the donor's "pursuit of lucrative commercial opportunities in emerging economies"; that is, Private Sector Development is driven by a goal to develop the donor's own economy first and foremost.

Whether or not the New Zealand Aid Programme is motivated by the pursuit of new export markets for itself is beyond the scope of this thesis, but it is clearly not alone in its focus on economic development and support of the private sector is a core component of this policy. However, in supporting the private sector in the Pacific Islands, the New Zealand Aid Programme must account for cultural differences. While some economic principles are directly transferable, others are not. Determining the difference is a challenging task.

### 3.5 CONCLUSION

This chapter has provided a wide overview of entrepreneurship and the private sector in developing countries and how this differs to the dominant business practices in the Western world. While many donors are keen to support these areas, indigenous entrepreneurs are demonstrating that they can take this support and mould it to fit their own values. To be sustainable in the long term, an indigenous entrepreneur needs to adapt Western business principles to fit within the local culture. Contemporary business principles are not universal and need to be adapted to suit different societies. Indigenous entrepreneurship is based on values, priorities and goals unique to the local context. Entrepreneurs in the Pacific Islands face both cultural and physical challenges to running a successful business, but they also have unique opportunities. Local cultural practices can be viewed from the outside as hindering an efficient business, but they also provide a stabilising influence which is crucial to the resilience of communities living in a vulnerable environment. Where a rigid imposition of Western principles on the local private sector occurs, this is simply another form of “modernization disguised” (Gegao, 1998, p. 289). However, where a donor country’s policies allow for flexibility and adaptation to the local environment, long-term sustainable development may occur (Briggs, 2008).

Having discussed both mentoring and indigenous entrepreneurship in general, the following chapter will investigate the private sector in Samoa. Identifying the features which are unique to local entrepreneurs will provide important contextual information for mentors who are advising Samoan entrepreneurs.

# 4. BUSINESS, CULTURE AND LIVELIHOODS IN SAMOA

## 4.1 INTRODUCTION

Having recently celebrated 50 years of independence, Samoa is considered the “model state” of Oceania (Holtz, 2012, p. 22). The positive development of Samoa has been attributed to its political stability, which successfully incorporates “traditional regulatory mechanisms into the modern state” (Holtz, 2012, p. 22). The Samoan economy strives to combine principles of free capitalist enterprise, with the cultural principles of reciprocity and subsistence living whereby daily needs are met through exchange rather than being purchased with cash (So'o et al., 2006). But Samoa is dependent on a narrow economic base and is “highly vulnerable to fiscal shocks and natural disasters” (MFAT, 2013).

This chapter will set the scene for the PBMP in Samoa, describing the cultural and economic environment in which businesses operate. It will begin by looking at the macro-economic context and then describe the Samoan way of life, *Fa'a Samoa*. As the cornerstone for everybody living in Samoa, *Fa'a Samoa* also influences the way in which businesses in Samoa can operate. It is a factor which business mentors cannot ignore. How Samoans create and shape their livelihoods, based on their unique culture, resources and opportunities will be discussed before reviewing the business support services available to Samoan entrepreneurs.

## 4.2 THE MACRO ECONOMIC CONTEXT

The Independent State of Samoa is located in the Pacific Ocean approximately halfway between New Zealand and Hawaii. Samoa has the population of a small city in the industrialised world - just 187,820 (Samoa Bureau of Statistics, 2013, p. 1) with a further estimated 131,000 Samoans living in New Zealand (MFAT, 2013). The population is almost entirely Polynesian, with a handful of Chinese and Europeans (Samoa Bureau of Statistics & UNDP Pacific Centre, 2010), spread over two main islands, Upolu and Savai'i and seven small islands, which are mostly volcanic and fertile but rugged in nature (Figure 3). The land area covers just 2820sq kms, however the Exclusive Economic Zone covers a much larger 98,500sq km. The tropical climate with regular rainfall, allows for crops to be grown all year, including bananas, coconut, cabbage, tomatoes, cucumber, pumpkin and taro. This combined with abundant fishing provides relatively good food security.



Figure 3 Map of Samoa (www.vidiani.com Maps of the World 2013)

Samoa has a small, fairly liberalised economy with a GDP of NZ\$815 million (SAT\$1.562 billion) for the year ending 2012 (MFAT 2013)<sup>2</sup>. Levels of debt have risen since the 2009 tsunami and are currently just above 50% of GDP (Speech by Hon Minister of Finance 3 September 2012 as cited in Samoa Chamber of Commerce, 2012, p.74). About 70% of GDP is generated in the Apia urban area and North-West Upolu (SBS and UNDP, 2010). It is heavily dependent on agriculture, fishing, tourism, family remittances from overseas and

<sup>2</sup> Conversion rate as at 30 December 2013: SAT\$1 = NZ\$0.5269

development aid. Exports totalled SAT\$78 million in 2012, made up of fish, coconut products, taro, nonu fruit products, beer and automotive parts. Imports of machinery and industrial supplies and foods stuffs were valued at almost ten times that of exports, SAT\$792 million in 2012. Tourism is a significant industry making up 20 – 25% of GDP, worth SAT\$332million in 2011/12. As a percentage of GDP Samoa is one of the most heavily dependent countries on remittances, which make up 25% of GDP or SAT\$391million (Speech by Hon Minister of Finance 3 September 2012 as cited in Samoa Chamber of Commerce, 2012, p.75). This demonstrates how strong the ties with Samoa remain even after emigration to NZ, Australia or USA. Aid is the further key component of the economy making up 15% of GDP (MFAT 2013). The most active donors are New Zealand, Australia, the European Union, Asian Development Bank, the World Bank and China (MFAT, 2013). In 2011 Samoa acceded as a World Trade Organisation member country, ten years after lodging its initial application, during which time the government implemented “an array of reforms and applied policies to create economic stability and an enabling environment for investment and growth” (Samoa Chamber of Commerce and Industry Inc, 2011, p. 3). Samoa has been classed as one of the world’s 43 Least Developed Countries (LDC) but next year it will graduate from this status to a Developing Country. To date it is unclear what impact this will have on the private sector in Samoa.

Despite these significant steps and being seen as “an economic model for the region” (Asian Development Bank, 2011, p. 6), recent economic and environmental events around the world have been strong reminders about just how vulnerable the Samoan economy is. After severe cyclones in 1990 and 1991, the Samoan people showed remarkable resilience, with export figures returning to their pre-cyclone level within a year (Paulson & Rogers, 1997). Taro blight the following year in 1992 wiped out virtually the entire crop of this staple food source. It took several years to fully recover from this, but some hard lessons were learnt, and the resulting diversity and intercropping, should prevent such rampant spread of the blight in the future (Paulson and Rogers 1997). The Tsunami on 29 September 2009 killed 143 people, wiped out homes and infrastructure along large stretches of coastline and destroyed 25% of the tourist accommodation (MFAT 2013). Cyclone Evan in 2012 caused further damage to the Samoan economy, destroying much infrastructure in and around Apia, and affecting tourism, transport, agriculture, electricity and housing. The global economic crisis of 2008-2009 impacted Samoa as well, reducing demand for its exports and reducing family remittances. Being so dependent on tourism, remittances and aid, means that Samoa is strongly influenced by the economic situations in

other countries, especially New Zealand, Australia and USA (Asian Development Bank, 2011, p.6).

Growth of the private sector has been identified as a key focus by the Samoan Government (Samoa National Human Development Report, 2006; SBS and UNDP, 2010) but, like other Pacific Islands it is constrained by limited resources and infrastructure, geographic isolation, lack of skilled labour and a small, cash-poor domestic market. Only 12% of Samoa's total population is engaged in formal paid employment (MFAT, 2013). The largest private employer is Yazaki Eds producing automotive components for Toyota Australia. They currently employ more than 900 Samoans, although at one point this figure was over 2000 (Holtz, 2012, p. 23). This dependence on one employer compounds further vulnerability of the economy. The demand for these components decreased with the global economic crisis in 2008-2009 and was further hit by the tsunami in Japan in 2011. The Samoan Bureau of Statistics and the UNDP emphasize that private sector investment must be promoted and access to financial services be made more readily available to create new employment opportunities (SBS and UNDP, 2010, p.40). In addition, technical and vocational training opportunities which meet the skills and needs of the private sector should be encouraged. The ADB concurs that "the fundamental challenge for Samoa is to generate sustained and equitable private-sector led growth" (Asian Development Bank, 2011 p. 6), arguing that this is vital for creating employment and generating government revenue. In line with this thinking, NZ's major aid activities in Samoa for 2012 and 2013 revolve around private sector development (MFAT, 2013) as has already been outlined in chapter three.

An inseparable influence on the Samoan economy is the Samoan culture. It is very important to have an understanding of the context within which the economy operates in order to appreciate the different motivations and priorities local people will experience. The next section will give a brief overview of *fa'a Samoa* to provide an appreciation of how this guides daily life.

### 4.3 THE INFLUENCE OF *FA'A SAMOA*

Tradition is extremely important in Samoa with *fa'a Samoa* (the Samoan way of life) pervading virtually all social, political and economic realms and having survived various attempts at colonisation. The first Europeans arrived in the 1830s, creating settlements for

missionary work and trade and in 1899 Samoa became a German colony (MFAT, 2013). New Zealand assumed control of Samoa after the outbreak of World War 1 but by 1962 Samoa had become the first Pacific Island country to gain independence. This desire for self-determination continues today and makes a paternalistic approach to aid inappropriate. Despite Western influences, *fa'a Samoa* has remained at the core of Samoan society pervading all aspects of daily life. Samoan culture is evolving incrementally while retaining threads of continuity which provide a uniquely Samoan way “for understanding the world... relationships... the church, outsiders and the environment” (Cahn, 2008, p.4). Community values of “equity and lack of poverty” (Morrinson, 2008, p. 240) underpin social relations.

*Fa'a Samoa* has been described in detail by several authors (see for example Shadrake, 1996; Cahn, 2006; Thornton, Kerlake & Binns, 2010; Murphy 2012), so I will only provide a brief overview here. Kinship, the church and social networks form the foundations of Samoan society. The extended family (*aiga*) is headed by a *matai* who controls all resources, labour and the customary land. The *matai's* role has been likened to an entrepreneur, ensuring the economic viability of their family and enhancing the capital base (Morrinson 2008), however the *matai's* responsibilities are also social, cultural and political. This is not a hereditary role, but each *matai* is appointed by members of their *aiga*. Today Samoa has 362 villages, or *nu'u*, each with several *aiga*, and a total of about 25,000 *matai* of whom only 5% are female (Holtz, 2012, p. 23). Each village has a *fono* or council, run by the *matai*, as well as several influential committees such as the *komiti tumama* (the women's committee) and the *aumaga* (council of untitled men). Status (*pule*) is a key goal for most, that is established through *aiga* (extended family) and *tautau* (service) (Lilomaiva-Doktor, 2004; Maiava, 2001).

Nearly all land in Samoa is communally owned. Just 4% is freehold, 16% is owned by the government with the remaining 80% under customary ownership (MFAT, 2013). This system has been criticised for preventing economic growth as land cannot be used as collateral to secure a loan, and the shared ownership is a deterrent to maximising land usage (Duncan, 2008; Hindle & Moroz, 2010). In contrast, it has also been argued that the land tenure system gives subsistence security (Paulson & Rogers, 1997) as all Samoans who have retained their family ties have access to land which can be cultivated. It has also added to resilience following natural disasters, as it was possible for many families to relocate further inland when a coastal region became uninhabitable. In his fourteen years of participatory action research in two Samoan villages, Morrinson (2008, p. 241) noted

that the inherited land rights form an “inalienable natural capital base for the family”, giving every one access to natural resources. Customary land ownership does give people the “freedom not to trade” (Paulson & Rogers, 1997, p. 180); that is, people are not forced by desperation to engage in socially and environmentally destructive trade for a short-term economic gain.

Gifting and sharing are integral to Samoan culture and there is the mutual understanding that all gifts will be reciprocated at some time in the future. *Fa’a lavelave* are communal events, usually centered around rites of passage such as funerals, weddings, formal welcomes, church dedications or bestowing of a title. One has a duty to give generously to such events, and attending *fa’alavelave* is an important component of *tautua* (service). Gifts are usually made very publically and can add significantly to one’s *pule* (status), sometimes resulting in what has been described as a “cycle of competitive giving” (MacPherson & MacPherson, 2011, p. 325). Labour, as well as material gifts are generously provided to *fa’alavelave*, which can put a strain on resources that could otherwise be used for cash-generating activities, but this approach does result in “family and community cohesion and security that is rarely observed in fully commercialized societies” (Fairbairn-Dunlop 1993 as cited in Paulson & Rogers, 1997, p. 180). For Samoans living overseas, *fa’alavelave* usually require supporting the extended family financially. This is done with the knowledge that they have a home and resources to return to in Samoa if they ever choose to do so (Morrison, 2008). The concept of reciprocity goes hand in hand with generosity.

The Church is another pillar of *fa’a Samoa* with 99.9% of Samoans identifying with a Christian denomination (Macpherson & Macpherson, 2011). Indeed the national motto is “Samoa is founded on God” (*Fa’avae i le Atua Samoa*). Introduced by European missionaries in the 1800s, Christianity has been embraced whole heartedly by Samoans, and the church now plays a central role in social, political, educational and economic realms of Samoan life. This does come at a cost, with all families having a significant financial commitment to their church. It can be difficult for an outsider to understand why families would give so much to their church that they need to borrow money to purchase essentials. However, it is apparent that in Samoa, “the social and spiritual security that donors derive from their support for the Church is more important to them than the returns that might be derived from the investment of the same amount of money in, say, a financial institution” (Macpherson & Macpherson, 2011, p.308). There is also a cost to the whole village, which contributes to the pastor’s tax-free income, providing the pastor with

a house, utilities and education for his children. Some cases of resentment towards this are reported (Macpherson & Macpherson, 2011; Murphy 2013), and it has even been described as a “spirituality tax” (Thornton, Kerslake, & Binns, 2010, p. 7), however the costs of withdrawing from these commitments appear to outweigh the benefits of continuing with them (Shadrake, 1996).

Political stability is a feature of Samoa, blending a Western democracy with *fa’a Samoa*. Samoa has a parliamentary democracy, with two major parties and a head of state and head of government elected separately. Universal suffrage was introduced in 1991, following a referendum (previously only *matai* had the right to vote), but only *matai* can stand for parliament. Critics argue that this system only serves to maintain the power of the *matai*, rather than to improve democracy (Holtz, 2012).

Of course, no culture is static. While Samoa appears to have created a unique blend of traditional and newer systems, this creates tension as well as stability. The increased monetarisation and urbanization of society makes subsistence living more challenging. As Samoa becomes more and more integrated with the global economy, it is also increasingly vulnerable to external fluctuations. Within this social construct, Samoans must create their livelihoods, in a way which also blends traditional expectations with modern demands. This will be discussed further in the next section.

#### 4.4 MODERN LIVELIHOODS IN SAMOA

Traditionally, Samoans have had a subsistence based livelihood where families and communities exchanged the goods and services they needed. As society has modernised the need for cash has increased. While reports claim that there is virtually no extreme poverty in Samoa, inequality is increasing and more people are facing hardship and struggling to meet their basic needs (SBS and UNDP, 2010). The Samoan Bureau of Statistics carried out extensive Household Income and Expenditure Surveys in 1997, 2002 and most recently in 2008. These surveys cover a period of steady economic growth, but show increasing social inequalities, suggesting that the economic growth has not resulted in benefits trickling down to the most disadvantaged in society. As already discussed *fa’a Samoa* plays a central role in society, providing a social safety net for the most vulnerable members. Households produce about 30% of their food requirements (SBS and UNDP, 2010, p.9), even more in rural areas. This implies that while household incomes may be

very low, food security is relatively good. However the increasing cost of living and rapid monetarisation of the economy have adversely affected the overall living standards and increased the need for a regular cash income (SBS and UNDP, 2010, p.10).

A general lack of cash-earning opportunities pervades Samoa especially in rural areas. Agriculture, fisheries and tourism form the basis of the Samoan economy, and subsistence agriculture is a major source of livelihood for many (Fairbairn, 2006). Only 27% of people aged 15 years and over are formally employed full time, part time or self-employed (SBS, 2008, p.13), while two thirds of the labour force work in subsistence village agriculture combined with some cash earning activities such as casual labour or selling produce and handicrafts (MFAT 2013).

Entrepreneurial activities can add much needed diversity to this base as the need for cash is becoming increasingly important, primarily for education, medical support and to meet desires for material goods (Cahn, 2008). Indeed, in contrast to contemporary Western cultures, every extended family has the opportunity and expectation to engage in some form of entrepreneurship to support themselves (Morrinson, 2008). While the growth of small businesses in the Pacific is encouraged, they face unique challenges, namely geographic isolation, weak domestic market, under capitalization, limited assets, low income, low turnover, poor cashflow and little opportunity for capital accumulation and reinvestment (Briscoe et al., 1990; Cahn, 2006; Croulet, 1988; Hailey, 1987; Saffu, 2003; Shadrake, 1996). Furthermore, it is widely claimed that the collective nature of Pacific Island cultures does not foster the individualism required by entrepreneurs (Baldacchino & Fairbairn, 2006; Cahn, 2006; Croulet, 1988; Duncan, 2008; Hailey, 1987; Saffu, 2003; Shadrake, 1996). In contrast to this view, the communal nature of Samoan society is one of the corner stones of creating a sustainable livelihood (Hindle, 2010; Morrinson, 2008).

A dilemma for Samoan business owners is that the very factors cited as being an impediment to business development are often the same factors that are the basis of *fa'a Samoa* providing "identity, a sense of belonging, independence, dignity and security" (Cahn 2006 p.157). The struggle to increase status has "paradoxical implications for business" (Shadrake, 1996, p. 55). While giving generously to *fa'alavelave* can increase the status and popularity of a business, giving too generously in order to maintain this status, can put a business in jeopardy. In order to be successful in a Samoan business it is vital to balance cultural expectations with the requirements for business survival. Cahn (2006) recognizes that trade-offs are constantly required between accepted business principles and *fa'a*

*Samoa*, with indigenous entrepreneurs regularly favouring their traditional obligations even if they are to the detriment of their business.

Traditional culture can provide some benefits to entrepreneurial practice for example family and relatives can be relied on as a cheap or even free source of labour (Cahn, 2006; Hailey, 1987). Businesses can use donations to generate goodwill towards their products and services. Gifting can be a form of saving, safe in the knowledge that in times of need, it will be reciprocated. Many people have access to natural resources through their kinship system, opening up business opportunities which they otherwise would not have.

Cahn's (2008) research demonstrated that unique, community-oriented styles of entrepreneurship are possible, leading to more sustainable enterprises. It is vital that this duality is appreciated by all business support organisations although Duncan's (2008) research concluded that this duality is not well recognized. As long ago as 1987, Hailey (p. 58) stated that "trainers need to forsake the myopia of mainstream management thinking for a more appropriate, culturally sensitive management style". Saffu (2003) argued that Western theories could not be easily transferred to vastly different contexts, such as a small developing island nation and training should therefore be tailor-made to fit the specific needs of these nations, possibly including the whole family rather than just the lone entrepreneur. Successful Samoan entrepreneurs have learnt to balance business commitments with traditional demands. Indeed many researchers, including Hailey (1987) and Saffu (2003), have found that success should be measured not in economic terms, but by the degree to which the entrepreneur has been able to reach this balance, as a failure to do so would inevitably lead to a failure of the business.

The next section will consider the support which is available to Samoan Businesses in order to help them attain success.

#### 4.5 BUSINESS SUPPORT SERVICES IN SAMOA

Support for businesses in Samoa is centred around the **Samoa Chamber of Commerce and Industry Inc.**, which is charged with "promoting the interests and growth of Samoa's private sector at the national, regional and international levels to improve the economic and social well-being of the people of Samoa" (Samoa Chamber of Commerce and Industry Inc, n.d.). The Chamber gained a full-time secretariat, CEO and support staff as recently as

2011 and they provide the link between the private sector and the Government of Samoa. In 2013 the Chamber had 260 members representing every sector of Samoa's business community (Samoa Chamber of Commerce, 2012, p. 8). The Chamber is Samoa's National Private Sector Organisation (NPSO), incorporating the Samoa Hotels Association (SHA), Samoa Association of Manufacturers and Exporters (SAME), and Women in Business Development Incorporated (WIBDI), (Samoa Chamber of Commerce, 2012, p. 8). Considerable funding for the running of the Chamber is provided by the Pacific Leadership Programme (PLP), an initiative of the Australian Agency for International Development Aid (AusAID). In partnership with the PLP, the Samoa Chamber of Commerce is certified to deliver training programmes from Mango, a UK based programme designed to "take the fear out of finance" (Samoa Chamber of Commerce, 2012, p. 39). These courses are participatory and provide training around budgeting and financial management.

The **Samoa Hotel Association (SHA)** is a Non-Governmental Private Sector Organisation providing support for the whole tourism and accommodation sector, not only hotels. They run training and capacity building programmes, alongside advocacy, research and networking.

**Women in Business Development Inc. (WIBDI)** is a non-governmental organisation whose focus is to assist rural families earn a sustainable income utilising local resources. They currently have over 1300 rural families from 187 villages participating in their projects (Samoa Chamber of Commerce, 2012, p.12). They have achieved some notable success stories, including supplying products to global companies such as The Body Shop. They run successful projects exporting virgin coconut oil, dried bananas, coffee and a fine mat weaving programme. It is worth noting that their three interconnecting principles stated proudly on their logo are tradition, technology and trade. WIBDI recognise that sustainable success depends on developing business opportunities which incorporate the local culture. Their goal is to "strengthen village economies in Samoa in ways that honour indigenous tradition" (Women in Business Development Inc., 2013).

The **Pacific Island Private Sector Organisation (PIPSO)**, established in 2007 is the regional body advocating the interests of the private sector at regional forums. They provide financial support to the Samoa Chamber of Commerce and its members. Together with the NZ Aid programme, they are developing and delivering a "train the trainers" programme aimed to boost trade for Pacific businesses through effective marketing and greater understanding of quality assurance systems for export (Samoa Chamber of Commerce, 2012, p. 39).

First implemented in 1997, the **Samoa In-Country Training Programme** is funded by governments of both New Zealand and Australia to provide practical skills training. Most courses run for between two and five days and some are tailored specifically for the private sector including customer service skills, marketing and communication, accounting and administration and human resource skills.

The **Samoa Business Enterprise Centre** is described on their own website as a “semi-government organisation” (SBEC, n.d.). The SBEC was established in 1994 with the goal of encouraging the development of small businesses in Samoa. They provide small business management training and advisory services and work on improving relations with the banks and key stakeholders. They have assisted entrepreneurs to produce business plans and to gain access to finance up to \$10,000 under the Small Business Loan Guarantee Scheme.

**Business of Salafai Association Inc.**, formerly known as Savai’i Business Association links businesses on “the big island” Savai’i, with the Chamber of Commerce in Apia. In 2012 they had 49 members. They disseminate information from Apia and provide representation from Savai’i at meetings in Apia. They coordinate training opportunities and grant funding resources (Samoa Chamber of Commerce and Industry Inc, n.d.).

The **Private Sector Support Facility**, based at the New Zealand High Commission in Apia, was established by the government in 2008 to support the development of the private sector and enhance trade opportunities. The purpose of this facility is to harmonise donor support, pooling financial resources aimed particularly for small and medium sized enterprises in the rural areas (UNDP, n.d.).

It is within this mix of support providers to the private sector that the **Pacific Business Mentoring Programme** operates. The PBMP stands out as being the only individualised programme, providing support tailored to the individual entrepreneur’s needs. Mentoring support has the capacity to change as the needs of the entrepreneur develop. This programme differs from other support programmes in that it is not only about teaching new skills and increasing knowledge. Mentoring can do this, but it can also go a lot further. As the CEO of the Chamber of Commerce stated in an interview, the PBMP is the only programme designed to change people’s thinking. As already discussed, mentoring provides psychosocial development challenging the assumptions of the entrepreneur and increasing their self-confidence. In this regard, the PBMP has the potential to offer a service very different to that provided by other organisations in Samoa.

## 4.6 CONCLUSION

This chapter has provided a broad overview of the economic, environmental and cultural context within which Samoan businesses operate.

While their country is often described as an economic success-story of the Pacific, Samoan entrepreneurs face a unique set of challenges. Politically stable, the economy has a very narrow base and is thus vulnerable to both economic and environmental shocks. The unique lifestyle and sometimes complicating factors of *fa'a Samoa* provide challenges to businesses, while at the same time increasing the resilience of local communities. The private sector has been identified by the Samoan government as well as international donors, as the driver of development. Many support agencies have been established to assist Samoan entrepreneurs overcome the challenges they face and enable them to maximise the opportunities they have. The success of these organisations has been mixed, but the Pacific Business Mentoring Programme stands out as being quite different, with the potential to offer personalised, one-on-one support. How beneficial this programme has been in reality will be discussed in the next chapters, based on the results of my fieldwork in Samoa.

# 5. METHODOLOGY

## 5.1 INTRODUCTION

This chapter will discuss the methodology used to examine the effectiveness of the Pacific Business Mentoring Programme and to answer the last three research questions:

2. *Do Samoan entrepreneurs perceive that their mentors have provided useful advice which they have been able to implement to improve their businesses?*
3. *Does advice provided by mentors help entrepreneurs to balance cultural expectations with economic demands?*
4. *Is international business mentoring a suitable means of support for entrepreneurs in a developing country?*

For this research project, I was keen to delve beyond financial analysis and get a broader overview of the lived experiences of both the mentors and mentees involved with this programme. While measuring financial data is a quantifiable process, as this research project aims to investigate socio-cultural outcomes, a qualitative approach to the research was found to be appropriate. The advantages and issues with this approach will be discussed, as well as the influence of the researcher's own positionality and ethical considerations. The variety of methods used to collect data from the mentees, the mentors, key informants and related documents will be discussed, before a description of the data analysis process is provided. The limitations of this research will also be reviewed in order to weigh up the value of this research.

## 5.2 METHODOLOGICAL APPROACH

This research project began with an extensive review of existing literature on indigenous entrepreneurship, mentoring and Samoan culture. From this literature, a framework was formed to assess effectiveness of a mentoring programme. This framework includes a discussion of the mentor, the mentee and their relationship with each other, as well as outcomes covering the development of both the business and the entrepreneur (Figure 1 and Figure 2 on pages 14 and 15).

While I had initially hoped to use a sustainable livelihoods framework to guide my research, I soon realised that this was neither feasible nor appropriate. It would simply not be possible to get the far reaching information about the intricacies of their livelihoods from one hour interviews with mentees in Samoa. In reality this would take several days of observations for each participant which would not necessarily be welcomed by the mentees. Even if some mentees were willing to be observed for extended periods, issues with attribution would be paramount. I would not be able to reliably establish that the mentoring had directly impacted on all aspects of their livelihoods. In addition throughout my research, it became clear that the link between culture and business was the key issue that needed exploration. It was more appropriate to create my own framework based on a wide range of measures used to assess mentoring programmes in the academic literature (see Figure 1 on page 14 and Figure 2 on page 15). This framework considers attributes of the mentee, the mentor and their relationship with each other. Outcomes include business development and personal growth of the entrepreneur. If these lead to a balanced situation where a business can combine economic with cultural requirements the enterprise is more likely to be successful and sustainable.

Finding clear indicators with which to measure the impact of mentoring is fraught with difficulties. Pompa (2012) noted that there are extremely few articles citing specific measurable benefits of mentoring, despite it being consistently reported as a valuable tool for both business and personal development: "It is probably due to mentoring being essentially qualitative in nature, not prone to more quantitative research" (Pompa, 2012 p. 9). As discussed in chapter 2, outcomes of mentoring involve both development of the business and socio-cultural development of the entrepreneur. Increased skills, knowledge, self-confidence and motivation are difficult to quantify and measurement usually relies on reporting by the entrepreneurs themselves rather than external, objective measures.

Furthermore, changes are not always immediate and mentoring may initiate very gradual, long term developments.

For these reasons it became clear that a qualitative, rather than a quantitative approach to this research was appropriate. One form of qualitative research uses a phenomenological methodology in order to get a broader understanding of the impacts of this mentoring programme on the lives of the people involved. The phenomenological methodology aims to “provide a description of how things are experienced first-hand by those involved” (Denscombe, 2010, p. 94). Looking at human experiences is bound to be a lot messier than looking at tidy survey data, yet this adds a lot to the whole evaluation of a programme. Phenomenology “embraces the ambiguity and complexity of the world of human beings, focusing on generating findings that capture the vital meaning of lived experience” (Gibson 2004, p. 267). The phenomenological approach allows for multiple, conflicting realities – it rejects the notion of one universal reality but accepts that different experiences and viewpoints can all be valid (Denscombe, 2010). This is important in examining a mentoring programme as it may be very successful for one person and less so for the next. Collecting the wide range of authentic experiences will provide a more complete picture of the impact of mentoring. O’Leary notes that a phenomenological investigation focuses on the “perception ... rather than the supposed reality” (2010, p. 120), leading researchers to conclusions about the value of a programme based on the views of participants. In this regard I specifically wanted to include views of both mentors and mentees.

In addition, in order to make sense of the wide variety of often conflicting perceptions of this programme, some degree of quantification was required. The research data was explored for commonalities and divergences in the experience of the mentoring programme. The percentage of respondents sharing a similar view was calculated in order to identify the strengths and weaknesses of this programme. It has been noted that creating numerical data enables one to “fine-tune... impressions based on ... qualitative observations” (Babbie, 2013, p. 429). Adding quantitative analysis to the qualitative information helps identify trends in the data. The process of data analysis will be discussed further in section 5.6 of this chapter.

Ultimately, it is hoped that this thesis will provide useful research, rather than produce knowledge for its own sake. To be able to make meaningful recommendations, it was necessary to impose some order on the information; to categorise it and count it. This does not conflict with the qualitative approach, but actually serves to make it more meaningful.

This research is, by its nature, subjective. As such the subjectivity of the researcher should also be assessed and is the focus of the next section.

### 5.3 POSITIONALITY

Qualitative research recognises that people bring their own subjective viewpoints to an experience, including the researcher's own biases and experiences. My positionality naturally played a role in this research. I am a female scholar with no work experience in the Pacific Island cultures. This meant I was looking at Samoan culture from an outside perspective, putting me in a position very similar to that of the New Zealand mentors working in Samoa. Prior to conducting fieldwork, my understanding of Samoan culture was limited to what I experienced as a tourist several years ago and what I have read. During my fieldwork I lived in simple, family-run accommodation and attended church and school functions. This connected me with the local community a little, giving me a greater appreciation of the cultural context within which the local businesses operate. Given the natural reluctance of Samoans to discuss the details of their business affairs with members of their own community (as discussed further in chapters 6 and 7), it was in some ways advantageous to be an "outsider". I believe Samoan entrepreneurs were more open with me than they may have been with a local researcher.

I have spent my adult life working in multi-cultural situations and I believe that I am sensitive to different approaches and viewpoints. I have experienced many occasions where people from different countries misunderstand each other without being aware of it. This in turn, increased my awareness that the Samoan interviewees and I may not have always understood each other perfectly, even if we appeared to. Recording the interviews so that finer nuances could be checked was a valuable tool to counter this, as were the discussions with my research assistant following each interview.

I have a decade's experience running my own business which gave me a lot of empathy with the Samoan entrepreneurs and the continual challenges they face. This experience also increased my credibility in the eyes of the mentors and key informants. Furthermore, like many of my research participants, I am a mother involved with many community activities, so I also have empathy with the Samoan entrepreneurs who likewise, were juggling many commitments to their family, business and community. I genuinely enjoy talking to people about their business ideas and found it tempting to offer my own

thoughts and advice during the interviews in Samoa. A small degree of personal input was valuable to build rapport with the interviewees but it was important that the interviews remained focused on the participants' own perceptions and experiences.

I have had many positive experiences with mentoring in New Zealand as both a mentor and mentee but I have also occasionally experienced first-hand that frustrations can arise for both parties. My honest inclination is to believe that mentoring could be a great support for any business. I needed to be careful not to put an overly positive interpretation on the data, due to my own positive experiences with mentoring, and to allow the information speak for itself.

A further point of interest which I discovered while carrying out my fieldwork, is that my surname, Purcell, is quite common in Samoa. On several occasions interviews with the Samoan mentees began on a very positive note as they tried to establish if I was indeed related to people they knew. I believe this apparently small coincidence had a positive impact on the openness of the Samoan mentees.

My positionality was thus clearly not neutral, however I aimed to actively reflect on my personal biases at all stages of the research. My personal experiences led to a natural interest and enthusiasm for this topic and I believe helped me to appreciate the experiences of both the mentors and the mentees.

As well as reflecting on my personal position, in all research there are ethical considerations, but even more so where people are the focus of the study. This is the topic of the following section.

#### 5.4 ETHICAL CONSIDERATIONS

Of paramount importance in all research is ethical integrity. The researcher has a "fundamental responsibility towards the researched" (O'Leary, 2010, p. 40) ensuring their dignity and well-being is respected at all times. Ethical issues may be exacerbated where the research takes place in cross-cultural situations with "power gradients" (Scheyvens & Storey, 2003, p. 139) between the researcher and the participants. However, the key issue with social research is that "ethical considerations are not always apparent to us" (Babbie, 2013, p. 31). A well-meaning researcher may set out with good intentions but it is

important to give due consideration to all potential ethical issues before the research takes place.

In accordance with the Massey University “Code of Ethical Conduct for Research, Teaching and Evaluations Involving Human Participants”, I completed a Development Studies in-house ethics form. This included reflection on obtaining informed consent, privacy and confidentiality, potential harm to participants and the handling of the data and information. The detail of this was discussed via a Skype meeting in April 2013 with both my academic and secondary supervisors. I then submitted a Massey University Low Risk Ethics Notification (See appendix 1).

All participants gave their informed consent before taking part in the research. The Samoan mentees were given a consent form and an information sheet about the research in both Samoan and English (see appendices 2 and 3). Given the business focus of the research, signing this form was an appropriate method of obtaining their consent. All participants read the form themselves and signed it without coercion. They also understood that they could refuse to answer any questions if they did not wish to do so and they could choose to withdraw from the research at any time with no consequences. No one chose to opt out of this research. I requested to audio-record the interviews and all except for one agreed to this. I also needed to ensure that all interviewees understood that I was a university student – not a government representative as some assumed despite the information sheet which clearly explained my status as a New Zealand student.

It was important that all confidentiality agreements between the entrepreneurs and the Pacific Business Mentoring Programme were respected. The management of this programme did not supply me with any names of participants but they did contact the New Zealand mentors who then contacted their mentees to gain permission for me to contact them. Several participants agreed to being identified in this research, but I assured all participants, that if they wished their comments to remain confidential I would utilise their information only in aggregated statistics or in a format which would not identify them. Given the small size of the Samoan communities, this has meant that I have had to be very careful with how much detail has been provided.

Some interview questions were on quite personal topics (such as business turnover and family support) so I was careful not to cause any stress or embarrassment in this regard and I sought advice from my research assistant about how best to phrase some of the more

sensitive questions. In many cases the questions were quite broad, thus allowing the respondents to supply as much detail as they felt comfortable with.

The New Zealand mentors were given background information to this research project before completing the online survey (See appendix 6). They were not given a consent form to sign, however any mentors who did not wish to participate simply did not complete the survey. Again there was no coercion or loss of face if they chose not to be involved. The survey software kept the identity of the mentors confidential, however as I asked when they had worked with the mentoring programme, I was able to identify if they were a current or past mentor. While the Samoan mentees usually disclosed the name of their mentors, I have not included the mentors' names in this thesis in order to protect their confidentiality. As there was only one female mentor, I always refer to the mentors using the masculine pronoun, in order to protect her identity.

A further ethical issue to consider is the security of my data. It was important that all data stored digitally was password protected and kept in my locked room while in Samoa. As a backup all information was stored on an external hard drive and securely online, where it could not be accessed legally by anyone else. Having given consideration to potential ethical issues, it was then possible to begin the process of collecting the data, as will be discussed in the next section.

## 5.5 DATA COLLECTION

In order to get a full picture of the Pacific Business Mentoring Programme, I wanted to include the perspectives of all involved with it. To this end I chose to take a four-pronged approach to evaluating the effectiveness of this programme in Samoa:

1. Semi-structured face-to-face interviews with entrepreneurs in Samoa who had been involved in the mentoring programme
2. Interviews with key informants in Samoa and New Zealand
3. Online survey of the NZ mentors who have worked in Samoa
4. Document review of reports and evaluations of the Pacific Business Mentoring Programme

### 5.5.1 SEMI-STRUCTURED INTERVIEWS WITH SAMOAN ENTREPRENEURS

The primary focus of my data collection was the Samoan mentees who had been involved in the Pacific Business Mentoring Programme. I travelled to Samoa from June to July 2013 and there I was able to meet with 23 entrepreneurs, 17 of whom were in or near the urban area of Apia, and the remaining 6 were on the much less populated island of Savai'i.

#### **Conducting Interviews**

While the PBMP conducts a written survey of the mentees, I felt that interviewing the Samoan entrepreneurs would provide more in-depth responses. Megginson (2000) has argued that for researchers to come to know about people's experiences of mentoring, all we really have are the stories they tell. "Whether you use 22 case studies or 1162 questionnaires ... you are left at the end with having to construct stories" (Megginson, 2000 p.259). Gold, Devins, and Johnson (2003, p. 54) also concluded that story telling can be a more appropriate way to assess the value of a training programme, explaining that "narrative evaluation can provide a rich and illuminating view of the complex lives of small business managers".

This qualitative approach provided more in-depth responses than I believe I would have got from a written survey. Several researchers have used a similar approach in order to get both structured information common to all mentees as well as their individual stories (Broadbridge, 1999; Dymock, 1999; Kent et al., 2003). Through semi-structured interviews, mentees were able to tell me their stories and I was able to ask probing questions in areas relevant to this research. While much more time consuming than sending out a survey, interviews were more in keeping with the oral culture of Samoan society.

Babbie (2013, p. 346) has described semi-structured, qualitative interviews as "a conversation in which the interviewer establishes a general direction". An outline of the questions that I covered is provided in appendix 4. Being semi-structured interviews, the flow of the conversation often took a very different order, but these were the topics which I attempted to cover. I found that most entrepreneurs were happy to talk about their businesses and experience with the mentoring programme. Where they had enjoyed the mentoring programme, several saw this as a way of "giving something back" to a programme that they had benefitted from. Where they were more critical of the programme, they appreciated having the opportunity to talk about their reasons for this.

There were times when the mentee was keen to tell me all about their lives beyond their businesses, providing me with a lot more contextual information than had they simply answered the question. This added greatly to the richness of my data, but sometimes I needed to guide them back to the focus of the interview and not get too sidetracked with an interesting, but unrelated, conversation.

Interviews usually took place on the business premises; sometimes a separate meeting room was available or we simply discussed things over the service counter. Occasionally I was invited to their homes. In one instance the mentee preferred to meet in a local café but he was careful to select a location and time where there would not be many other people around.

Given that I was working with business people in Samoa, I created simple business cards for myself to hand to interviewees where it felt appropriate. About half of the businesses I met with had their own business cards and presented them to me quite formally. It was fitting that I could reciprocate with my details as well and set a professional tone to the interview. Although Samoan people in NZ had suggested to me that the mentees would expect payment for the interviews, this was never raised in Samoa. I did offer a small gift of thanks to each interviewee and this was always very gratefully received – the gifts included USB sticks, t-shirts, solar-powered-torches and hand-cream.

### **Research Assistant**

I employed a research assistant to help carry out the fieldwork in Samoa and she proved to be an invaluable support. Scheyvens and Storey (2003, p. 131) note that a research assistant can provide much more than “nuts and bolts” assistance with data collection, but also provide support with intangible aspects of fieldwork, enabling the researcher to maximise their time in the field. I found it extremely valuable to be able to discuss some of the interviews afterwards and to get her interpretation as a local Samoan. In many respects, my research assistant acted as a cultural mentor for myself, challenging my own assumptions and providing me with a valuable sounding board.

I believe my assistant found the experience to be positive and enriching for herself as well. She was studying business in at the University of the South Pacific in Apia and was therefore interested in the subject matter herself. Fortunately her holidays coincided with my travel to Samoa, so she had the time available to work with me. As she was a mature

student, she was respected by the mentees we met with. My assistant was given an information sheet about my research and also signed a confidentiality agreement.

My assistant's first task was to set up a schedule of interviews. This was not always straightforward as it is very common practice in Samoa to defer and change appointments. My assistant needed to always be extremely polite and respectful, while also being quite persistent. I believe that she was able to confirm appointments with some mentees, where I would have been brushed off. I noticed that she constantly switched between Samoan and English, often mid-sentence, and adjusted her manner to suit that of the interviewee.

I was accompanied to most interviews by my research assistant, which meant that the mentees had the option of speaking in Samoan. For the interviews in Apia this was not necessary – the level of English amongst these interviewees was fluent. Everyone preferred to read the information sheet in English, despite a Samoan version also being offered. In Savai'i however, the respondents were less confident in their English and two respondents chose to have the whole interview conducted in Samoan, while others clarified some points in Samoan. They emphasized to me that they could speak English if they had to, but it was just easier for them to talk about their businesses in Samoan. These interviews were recorded and my research assistant and I then worked together to transcribe and translate them.

### **Identifying Interview Participants**

There were some difficulties in getting the contact details of mentees as they did, of course, have confidentiality agreements with the PBMP. The first contacts were provided to me by the mentors themselves; the New Zealand mentors approached some of their mentees to get permission for me to speak with them. This was then followed up by email from New Zealand (although I never received any email responses from the mentees) and by phone once I was in Samoa. I also contacted mentees who appeared in promotional videos and articles on the PBMP website. I suspected that these mentees would be the more "successful" case studies, but they provided an accessible starting point. Once I was in Samoa, these mentees suggested others who had been involved with the programme. Utilising this "snowballing technique" (Scheyvens & Storey, 2003, p. 43) considerably expanded the variety of entrepreneurs to approach. In each case, my research assistant contacted the mentee to explain my work and ascertain their willingness to be involved in this research.

### **An Unsuccessful Survey**

As part of the interview with mentees, I also conducted a short four-question survey regarding the balance of Samoan traditional values with New Zealand business practice (See appendix 5). I asked these questions (with multi-choice answers) towards the end of each interview. The mentees often found this confusing and had difficulty selecting one response. In many cases they selected all four responses or alternatively said it was not applicable to them at all. In the end I decided that the information it provided was too inconclusive to be included in this research project. While this survey did not generate clear results, it did stimulate some interesting discussions regarding the running of their businesses within the local context and I quickly learnt not to turn my recorder off until after this survey had been completed.

### **Timing**

Ideally the mentees would have been interviewed both before and after the programme in order to ascertain real changes made. This however was not feasible for the purposes of this research. I was able to meet with each mentee only once. They were at a variety of stages with the mentoring programme - some had only recently joined, others had been involved for several years, and some had ceased their involvement with the programme. The interviews lasted for between 30 and 90 minutes with most being about an hour long. Most mentees were very busy people and this was as much time as they could reasonably make available. I believe this was enough time to get a good idea of their personal impressions of the mentoring programme.

### **5.5.2 KEY INFORMANT INTERVIEWS**

I interviewed some key informants in Samoa, notably the Samoan Chamber of Commerce which administers the mentoring programme, the Savai'i Small Business Enterprise Centre and the NZ MFAT Private Sector Support Facility in Samoa. They are all busy people and each interview lasted about an hour. They provided valuable insights to the private sector in Samoa. They were keen to offer feedback and ideas which I would deliver back to New Zealand.

### **5.5.3 SURVEY OF NZ MENTORS**

Interestingly, most research into mentoring only includes the views of the mentees. However, as mentoring is a relationship based on at least two people I was keen to also gather the opinions of the mentors. In all, nine New Zealanders have been mentors in Samoa, five of whom are currently involved with the programme.

I created a survey using the online software Survey Face and tested the questions on three peers to ensure that they did not “confuse, offend or lead them in any way” (O’Leary, 2010 p.190). After making some adjustments I emailed the link to the current manager of the PBMP and to all current mentors whose contact details were provided to me by the PBMP. Obtaining the contact details of the four earlier mentors was not so straightforward, but with the internet and social media I was able to get in touch with them. A referral through Linked In opened the door to one past mentor who then forwarded the link to the other three who had left the programme. In each case, a cover note explained the purpose of the research and all understood that they were free to complete or ignore the survey. The process of informed consent was followed equally with the New Zealand mentors as it had been with the Samoan mentees.

In all, seven mentors completed the survey – a response rate of 78%. Three of the four earlier mentors responded and four of the five current mentors responded. They each spent between eight and fourteen minutes completing the survey online. Most questions included an option to add further comments – while some respondents gave quite detailed responses, others kept it very short. Two mentors chose to phone me to discuss some aspects in further detail. Of course, an online survey does not allow for any probing questions, but it does allow the respondents to take the time they need to think about their replies. Given that the mentors are very busy people – most are running their own businesses and travelling extensively – this was the most appropriate way to gather information from them. An online survey allowed me to obtain a mix of quantitative and qualitative data from them which I could then collate into categories according to my framework.

### **5.5.4 DOCUMENT ANALYSIS**

Initially I had planned to compare my fieldwork with the data from the PBMP. Unfortunately obtaining written feedback about the programme from PBMP was not straightforward. The website of the PBMP provided a good introduction and overview of

the programme as well as articles from the media. The purpose of the website however, is marketing and promotion, so it provides no critical assessment. I did not have access to the members' area of the website. The PBMP undertake written surveys of the mentees and I had initially hoped to be able to compare this feedback with my data. Unfortunately the PBMP claimed they were bound by confidentiality agreements and could not release this information, not even in a collated format.

A very useful document, from the New Zealand Aid Programme website, is the Evaluation Report for Pacific Business Mentoring Programme commissioned by MFAT in 2012 (Atkinson, 2012). This document was the result of interviews with both mentors and mentees in three countries (Vanuatu, Cook Islands and Samoa) and assessed the programme against the PBMP criteria. This report concluded that the PBMP programme should be funded for a second phase but with some changes, the most significant of which is that "quality of impact should take precedence over quantity of clients" (Atkinson, 2012, p.2). While this evaluation is thorough in assessing the PBMP against its own KPIs it also acknowledges that "measuring quantifiable impact is ... problematic" (Atkinson, 2012, p.30). It acknowledges that the economic data gathered by the PBMP is questionable in terms of accuracy and verifiability and ultimately this report relies on anecdotal evidence to ascertain if the PBMP has had a positive impact. This report does not specifically seek to determine if the mentoring programme assists entrepreneurs to align their business with their unique cultural context, a key factor in running a sustainable business.

## 5.6 DATA ANALYSIS

Having recorded many hours of interviews in Samoa, it was necessary to make some order out of all the stories. I re-listened to all interviews and transcribed them word for word. This was a long process but helped me to become very familiar with the recurring themes and different personalities. I then categorised the responses against the key measures of the framework. This generated very large, unwieldy tables in MS Excel, from which I was able to generate some quantitative analysis, calculating the percentage of respondents who shared similar perceptions. Reducing many pages of information to concise graphs gave me a good overview of the broad feelings about the PBMP and this was a useful tool to guide the writing of the results. But reducing "meaning to numbers" (O'Leary, 2010, p. 256) can be incredibly difficult, especially when meanings are complex. It is the personal

viewpoints and stories which add depth to these figures and I have been careful to retain individual nuances within the explanations. I constantly went back to the quotes in each interview transcript, where the individual voices behind the collated data could be heard. I listened to several interviews again, to ensure things were not taken out of context or misconstrued and that all respondents were fairly and accurately represented.

The analysis of the seven mentors' responses was a much simpler task. The smaller number of respondents coupled with the fact that they were written surveys, meant there was less data to handle and it lent itself more easily to some quantitative analysis. Again, I categorised the data according to the framework themes and produced some graphs in MS Excel to summarise it. As each question in the survey allowed for additional comments, even this quantitative approach produced many stories and quotes which illustrated the collated data.

## 5.7 LIMITATIONS OF THIS RESEARCH

Like most studies, I was not in a position to be able to conduct this study in an ideal way. O'Leary (2010, p. 37) noted that it is important to be aware of a study's limitations rather than to downplay the difficulties; this honesty will, in effect, add to the credibility of the data.

The key limitation of this research was in the selection of participants. I could only meet with people who were willing to do so and it is likely that these were the more successful, driven and positive business people. I did get a range of responses from entrepreneurs who were both happy with, and critical of, the mentoring programme but I did not speak with anyone who had "withdrawn" from the programme. This may have resulted in a positive bias to my findings. The concerns which I identified may have been expressed more conservatively than would have been the case had I met with people who had withdrawn from the mentoring.

Timing was a further limitation – I met with the entrepreneurs at whatever stage in the programme they happened to be at when I was in Samoa. Some had been involved in the programme several years ago and were now finished, others were part way through the mentoring programme and others had only just begun. There was only time to meet with each entrepreneur once for about an hour. Ideally, I would have met with entrepreneurs

before and after their participation in the programme, so that changes could be assessed more objectively, however time and financial constraints made this unrealistic for this research. Instead, I was dependent on the mentees reporting changes to their business practices which means they may well have overstated or underplayed actual outcomes.

## 5.8 CONCLUSION

As discussed, this study aims to assess the effectiveness of mentoring for Samoan entrepreneurs. In this chapter the methodological approach guiding the research has been described. I have had to make adjustments to the initial proposal as I have become more aware of what would be feasible. This research methodology places most emphasis on a phenomenological approach supported by some quantitative data analysis. Through semi-structured interviews with Samoan entrepreneurs, I gained a picture of their experience of mentoring. The stories they tell provide more colour and background than a purely financial analysis would be able to do. Through a survey of the mentors I was able to get an understanding of the other side of the coin. By including both mentees and mentors in my research, I was able to examine both sides of the mentoring relationship (St Jean & Audet, 2013). The ethical considerations, the positionality of the researcher and the limitations of this study have also been discussed, in order to provide transparency to the research findings.

Thus, with a clear understanding of how the data was obtained, the scene is now set to describe the findings in the next chapters.

# 6. THE EFFECTIVENESS OF THE PACIFIC BUSINESS MENTORING PROGRAMME

## 6.1 INTRODUCTION

As discussed in chapter 2 evaluating a mentoring programme is not a straightforward process. It is very difficult to measure a direct cause and effect from mentoring to an improved business (Barrett, 2006; Megginson, 2000; Petridou, 2009; St Jean & Audet, 2013). While economic changes to a business can be tracked and measured, there are issues with attribution and many other factors beyond mentoring may cause (or prevent) these improvements. As many authors have already highlighted, some of the key outcomes of mentoring are around the psychosocial development of the mentee (Barrett, 2006; Kent et al., 2003; Kram, 1985). Providing a neutral sounding board and increasing the confidence of the entrepreneur can be hugely valuable, but challenging to quantify.

Taking a broad approach, looking at both the inputs and outputs of the mentoring programme, this research will highlight what is working well and what areas can be improved. Based on the interviews with Samoan mentees and the survey of New Zealand mentors, the results will answer the second research question: *“Do Samoan entrepreneurs perceive that their mentors have provided useful advice which they have been able to implement to improve their businesses?”* In evaluating the PBMP, I will follow the

framework as discussed in chapter 2. This first considers the personal attributes of both the mentors and the mentees based on what they report about themselves and how they perceive each other. The relationship between the mentor and mentee is a vital component in the success of the programme so this will also be examined. I will then look at the reported outcomes before discussing the success factors of this programme. The final measure of a successful business, being able to balance economic with cultural demands, will be touched on in this chapter and expanded on further in the next chapter. A summary of the mentor’s survey responses is provided below in Figure 4. This indicates that the mentors believed the PBMP has had considerable benefits for most Samoan entrepreneurs with whom they worked.

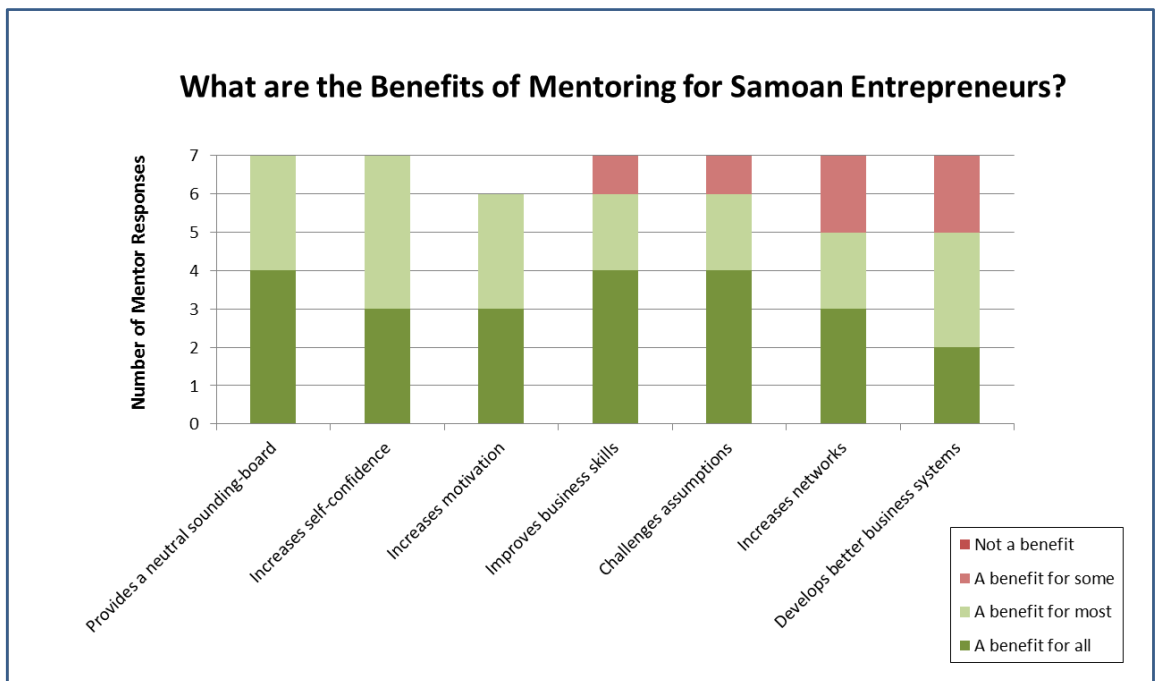


Figure 4 Mentor Responses - What are the Benefits of Mentoring for Samoan Entrepreneurs?

The mentees’ responses are summarised in Figure 5 on page 70. While the entrepreneurs recognised that the main benefits of the PBMP included having a neutral sounding board, and being guided to make practical changes to their businesses, they also expressed concerns regarding the mentors’ lack of understanding about the local culture. These summaries will be looked at in more detail in the ensuing chapters.

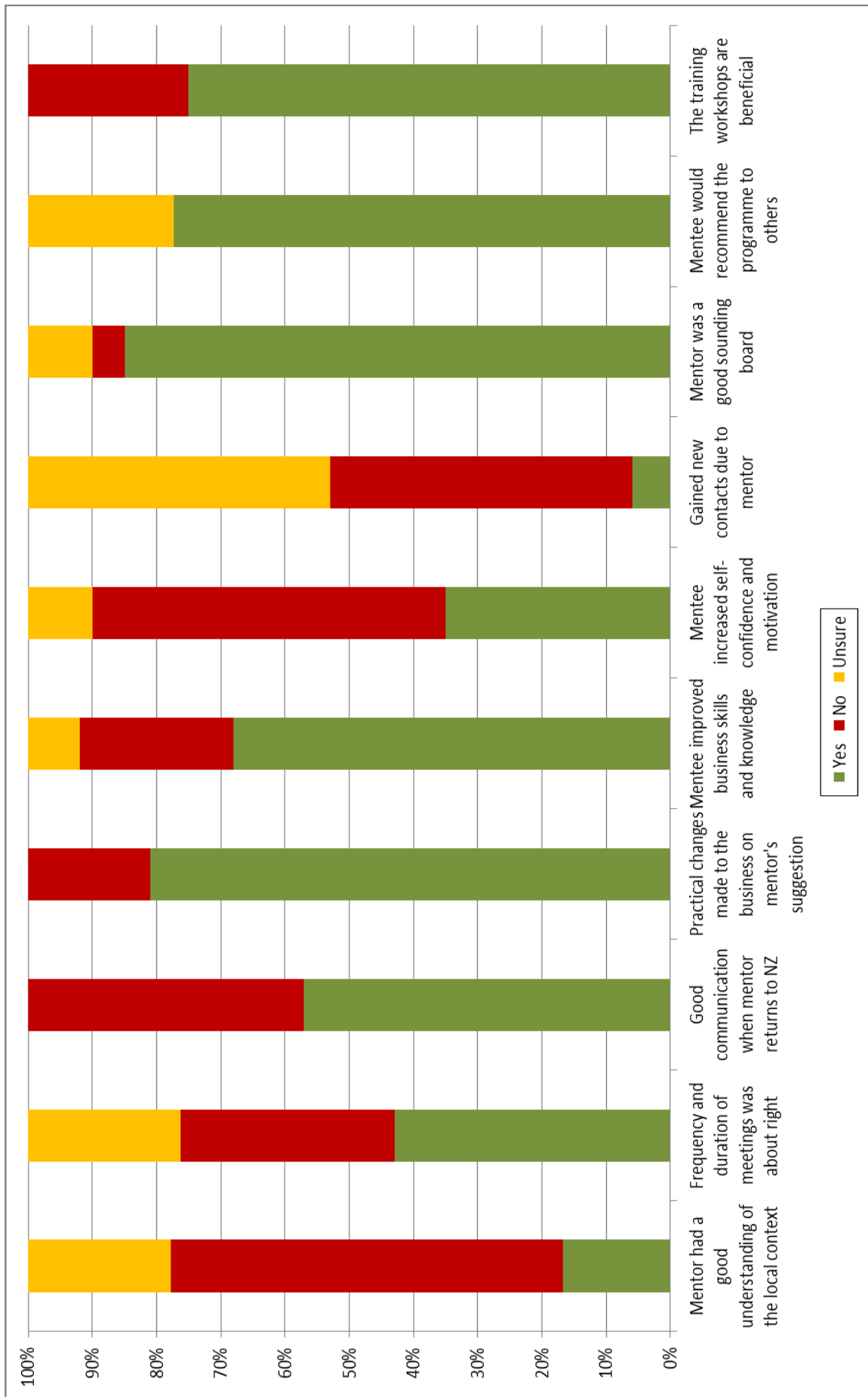


Figure 5 Mentee Responses to the Pacific Business Mentoring Programme

## 6.2 INPUTS – THE MENTOR, THE MENTEE AND THEIR RELATIONSHIP

Mentoring is a two-way partnership with both the mentor and the mentee playing important roles in making it successful. In this section I will look at the ideal attributes of mentors and mentees based on an analysis of literature in Chapter 2, and how these were perceived in the Samoan experience of the Pacific Business Mentoring Programme. Figure 6 summarises these features as well as those of the ideal relationship.

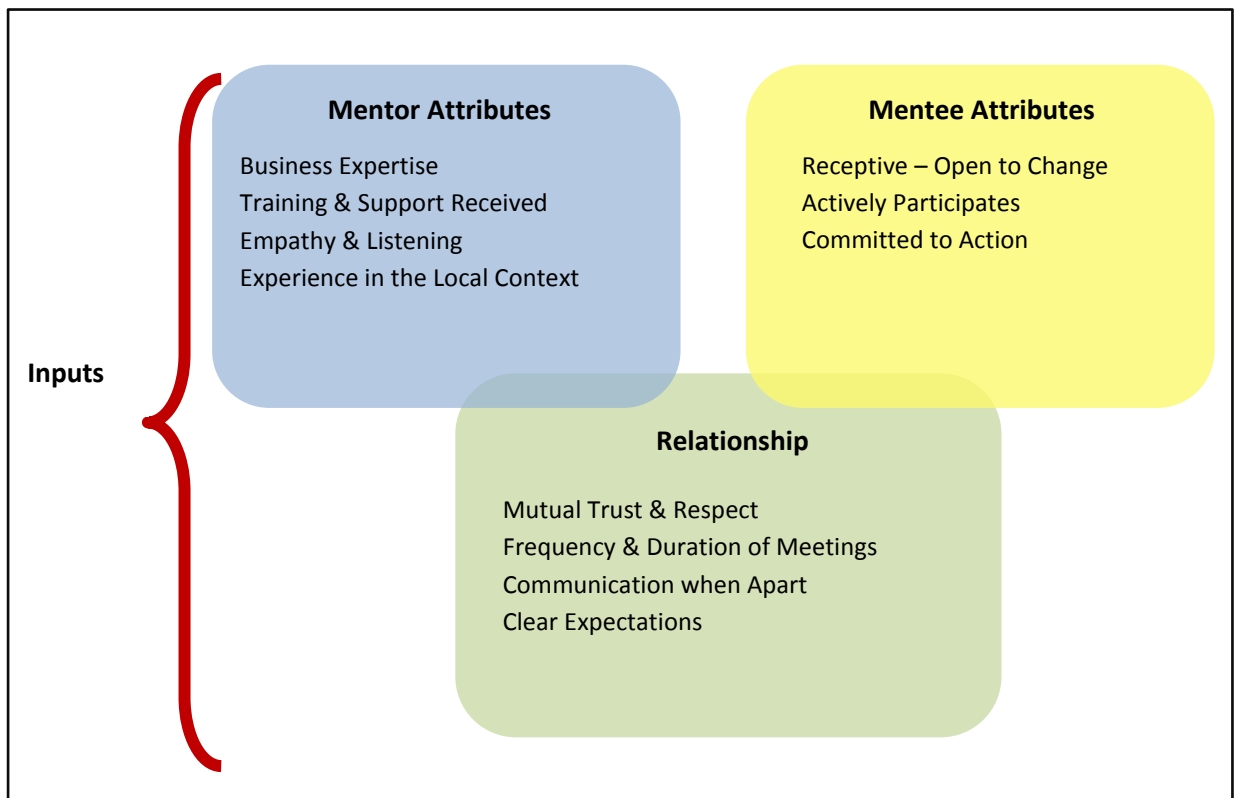


Figure 6 The Mentoring Evaluation Framework: Inputs into the Mentoring Programme

### 6.2.1 ATTRIBUTES OF THE MENTORS

Based on the review of literature, the ideal attributes of a mentor are business expertise, ability to adjust to the local context, empathy and listening skills, mentoring experience and being a recipient of appropriate training and support (Barrett, 2006; Clutterbuck, 2002; Pompa, 2012; St Jean & Audet, 2013). To this list, I have also added experience in the Pacific given that these mentors are all working in a country quite different to New Zealand. It is relevant to note that there are two groups of mentors in this research – the initial four mentors who went to Samoa in 2010 have all since resigned from the programme. I will refer to this group as past mentors. There are five current mentors who

have begun working with Samoan businesses more recently. Of the 9 mentors, 7 responded to the survey (3 past mentors and 4 current mentors). These 7 mentors have worked with between 5 and 20 businesses each.

Interestingly, only one mentor in Samoa was female, yet 18 out of the 23 entrepreneurs I interviewed were women. This imbalance is not unexpected. Research in New Zealand (McGregor & Tweed, 2002) has identified that although more businesses are run by men, female entrepreneurs are more likely to seek advice and support from a mentor. In their American based research, Ragins and Scandura (1994) found a widespread lack of female mentors in organisations and attributed this to a “relative absence of women at high ranks” (p. 967) rather than an unwillingness to be a mentor.

The skills which the mentors believed were essential to have are summarised in Figure 7. They agreed that clear communication skills, listening and empathy were most important, followed by an understanding of the mentee’s cultural and socio-economic background. Proven success with their own business was also deemed to be important by the mentors. This concurs with the literature reviewed which also highlighted the value of such broad skills, often over more specific management or accounting skills. My research demonstrated that most mentors were strong in most of these areas, but the mentees perceived that they had a lack of cultural awareness.

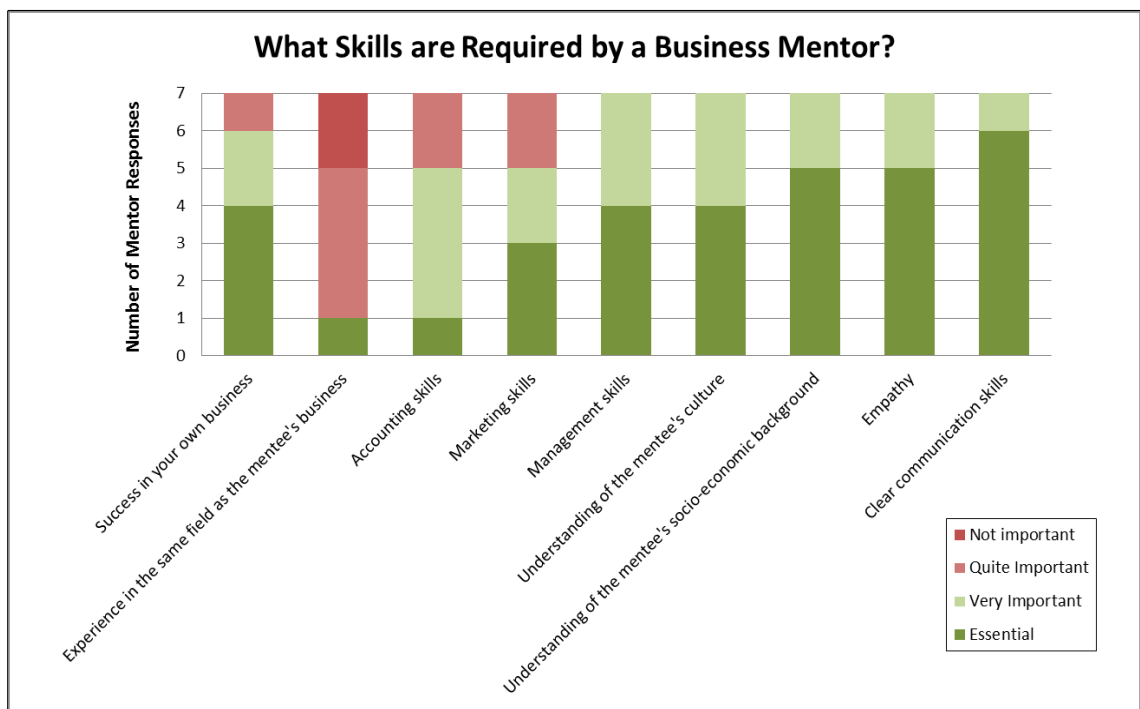


Figure 7 Mentor Responses - What Skills are Required by a Business Mentor?

## **Business Expertise**

All mentors reported having extensive business experience and indeed, this is one of the selection criteria of the mentoring programme. Between them they cover a wide variety of sectors including retail, manufacturing, banking, tertiary education, civil construction and sales and marketing. The mentees often mentioned that they were especially appreciative of being able to work with a mentor who had so much business experience. One consideration is that many mentors came from quite large businesses, especially by Samoan standards, and they may not always relate to the issues of running a small, family business. Many mentors worked in very different sectors to that of their clients, but this was not usually reported as a problem. In providing general business advice their experience was often seen as relevant, regardless of what industry they had worked in.

*“He is talking from experience. It was not always easy for him in his professional life, so he understands.”* Manufacturer, Upolu

*“He is a practical person with vast experience.”* Service Provider, Upolu

*“[The mentor] knew nothing about [my sector] but that didn’t matter.”* Service Provider, Upolu

## **Training and Support Received**

The training and support received by the mentors received quite mixed feedback. On the whole the past mentors were a lot less satisfied than the current mentors with the level of support received from Business Mentors New Zealand (BMNZ). The past mentors reported that they supported each other a lot when in Samoa and this was very useful.

*“There are many times when the mentors required back up support from BMNZ. This was not always available; it came from other mentors.”* Past Mentor

The three past mentors reported that rather than supporting them, BMNZ was applying pressure to generate quick, measurable results, and not focusing on long term areas of improvement.

*“A lot of pressure was put on us to create instant results at short notice.”* Past Mentor

*“BMNZ ... seemed focused on satisfying, as quickly as possible, the funder’s reporting requirements, rather than on the quality of service delivery.”* Past Mentor

*“We were always under pressure to create an ‘instant’ result and never given the opportunity to ‘develop’ a relationship with the client.” Past Mentor*

This was mentioned by the past mentors as one of the reasons why they chose to leave the programme. It was not a feature mentioned by the current mentors. This could be either because it is no longer a primary focus of the PBMP or because the PBMP has recruited new mentors who do not consider this to be an area of concern.

It was also mentioned by the current mentors that they were required to conduct some of their own administration, such as setting up the meeting times themselves. They would have preferred to receive this kind of administrative support from the local Chamber of Commerce. One current mentor expressed surprise when the meetings were not all confirmed two weeks in advance of their travel to Samoa. While for a New Zealand business person, this appears to be a very normal expectation, in Samoa it is also quite acceptable that meetings are organized at much shorter notice. Expressing frustration with this demonstrates a lack of understanding of the local business environment in which all the mentees have to operate every day, rather than a lack of support from the Chamber of Commerce. The flexibility to adjust to *non-palagi* timeframes is something all mentors needed to do in Samoa.

The mentors also reported that they receive very little feedback on their work and when they do it is overwhelmingly positive. This is probably due to the cultural reluctance to give negative feedback about someone who has offered to provide assistance. The mentors receive the collated survey data which gives them generic information about how well the programme has been received, but there is no peer review process, by which they could ascertain how happy their clients are and areas they could improve themselves.

*“Apart from across the board feedback we get nothing. ... [and this] may be unreliable simply on cultural grounds. If we are to improve our performance as mentors, we need quality feedback”*

### **Empathy and Listening Skills**

All the mentors agreed that listening skills and empathy were essential or very important for a good mentor. In practice, a few entrepreneurs made comments that indicated that some mentors appeared to be lacking in these skills.

*“[the mentor] came in and just talked about himself.” Retailer, Upolu*

But others felt just the opposite, reporting that their mentor listened well and had a good understanding of their business:

*“He knows exactly where we want to go and he knows there are a lot of things to tidy up.”* Manufacturer, Upolu.

Truly listening, without jumping to conclusions is important if a mentor is to get a good understanding of a business in a short space of time.

### **Experience in the Local Context**

Having experience in the Pacific and being able to adjust advice according to the local context is the final mentor attribute that I will consider. Of the mentors interviewed, two said they had had no prior experience in the Pacific at all, while the others had worked with Pacific Islanders in New Zealand. Five mentors reported that they regularly adjusted their advice to the local context with one mentor reporting that he also adjusts his advice to New Zealand businesses to incorporate some of the strengths of Samoan businesses, such as their recognition of the benefits of diversity.

Of significant importance is that *all* the mentors answered that an understanding of the mentees’ culture was essential or very important, yet only 17% of the mentees interviewed perceived that their mentor had a good understanding of Samoan culture (refer Figure 8 on page 76). It is difficult to know if this perception is accurate, or if the Samoans were making a broad generalization that “palagi don’t understand Samoan ways”. Even if the latter is the case, the mentors should be aware that they need to demonstrate more understanding of the local culture. Given that being able to balance economic demands with the local cultural requirements is a key success factor, it is of concern that the mentors were perceived in this way. Of course, with every visit to Samoa, mentors would increase their cultural understanding, but initially they need support and training to increase their awareness of the impact of local contextual influences.

*“He had a good understanding about the business side of things, but the context in which we do business.... That is something that we didn’t get to discuss.”*

Accommodation Provider, Upolu

*[The mentor] came in here and he looked at what we had prepared and he said “what is tithing?” ... he could not believe that 10% of all our income goes back to the church... he was just baffled by it.”* Retailer, Upolu

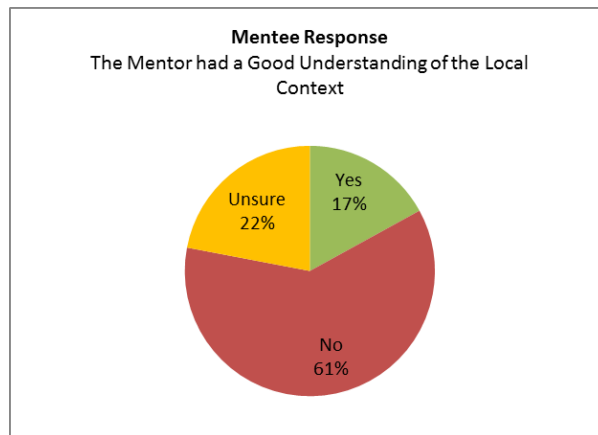


Figure 8 Mentee Response: The Mentors' had a Good Understanding of the Local Context

On the other hand, some mentees did not expect their mentor to have a good understanding of the local culture, saying that they were quite selective in what advice they chose to follow.

*"They don't know and I understand that ... They can talk from their own experiences and their culture but we use what is relevant to us."* Accommodation Provider, Upolu

There were instances where the mentors believed it was cultural practices which were having a detrimental impact on the business, for example giving credit to the local community. When the mentor suggested changing such behaviours, some mentees put this down to a lack of cultural understanding and were reluctant to change these deeply ingrained practices which they felt were an important part of their social responsibilities.

*"[The mentor] said I should stop [giving credit] but I feel it is part of my duty to offer this credit... I agreed to reduce the amount of credit given but I won't stop doing this completely."* Retailer, Savaii

### Concluding comments on attributes of the mentors

On the whole the mentors had most of the desired attributes to be good at this job. They had a lot of business experience and most demonstrated good listening skills and empathy. The area which the mentees perceived to be most lacking was an understanding of the local culture. Even if this is just their perception, it coloured how they accepted the advice given. Cultural sensitivity is an area which could be included to a greater extent in the training and support offered to the mentors and will be discussed in further detail in chapter 7.

It does, of course, take two people to make a successful mentoring relationship and the full responsibility for this cannot lie only with the mentors. The attributes of the mentees also play a role in the success of this programme; hence this will be discussed in the next section.

### 6.1.2 ATTRIBUTES OF THE MENTEES

Mentoring literature notes that for a mentoring relationship to be successful, the mentees should be receptive to the advice given and open to making changes (St Jean, 2012). They need to actively participate (St Jean, 2012) and be committed to taking action (Barrett, 2006).

#### **Open to Change**

Only one mentor thought that all their clients were open to change with the other six saying that some were and some were not.

*“The culture of the Islanders stood in the way of many of them accepting change.”*

Another mentor joked:

*“The lightbulb has to want to change.”*

Measuring this via interviews with the mentees is difficult but some acknowledged their own tendency to revert to old ways.

*“It’s good getting the advice. You see your business in a different way. But at the end of the day a lot of us, especially Samoans, will go back to our normal way of doing things.”* Retailer, Upolu

Most mentees however, demonstrated that they were open to change by providing examples of changes they had made to their business as a result of the mentoring, including increasing or reducing the variety of products they stocked, changing the shop layout, implementing reporting systems or implementing a new marketing strategy. Further details of changes made are provided in Table 1 on page 87. In all cases, the mentee remained free to select what advice they followed and what changes they chose to make. Several mentees joked that they did not always “do as they were told”, preferring to be selective about which changes they were comfortable implementing. It is an important

aspect of mentoring that the entrepreneur remains in control and is free to decide how they run their business at all times.

### **Actively Participates**

The mentees needed to actively participate in the meetings with their mentor in order to get results. This could cause some cultural issues, with mentees being reluctant to disclose all information about their business lives until they had developed a trusting relationship:

*“You do have to give up a lot of your own time and open up and tell them everything about yourself, but you don’t know anything about them”* Retailer, Upolu

Mentors were also aware of this tendency:

*“It takes three visits for many clients to trust the mentor. This is before they will disclose all the facts that we were trying to obtain about their business and financial background.”*

Other mentees reported spending considerable time before a mentor visit, preparing a lot of information so that they could maximize their time together. Several expressed that they felt excited about being visited by a mentor and eagerly looked forward to meeting them.

### **Committed to Taking Action**

A willingness to take action is also necessary if the mentoring is to be more than a discussion, but only one mentor thought that all his clients were committed to taking action. Another mentor commented that:

*“A few take the programme just to have a chat and maybe even to be courteous.”*

This again could be put down to the cultural expectation to politely host the visitor who has come to see you rather than turn them away even if not really interested. However, the number of mentees (over 80%) who gave examples of changes they had made to their business demonstrated that most were committed to taking action, where it fitted within their cultural parameters and their own pace (refer Table 1 on page 87).

While some mentees emphasized that they preferred to make changes slowly, others were keen to move at a quicker pace than their mentors expected, as demonstrated in case study 1 on page 79.

*“He gave me some goals and I achieved all those goals before he turned up two days later. I didn’t realize that the goals were meant for his next visit [in six months’ time]!”* Accommodation Provider, Upolu

### **Concluding Comments on Attributes of the Mentees**

By signing up to the mentoring programme, it would be reasonable to expect that the mentees would all be open to actively participating and making changes. While some definitely were, the mentees always stayed in control of the process and they could be selective about what information they provided and what advice they followed. A challenge for the mentors was to understand how different all their clients were and at what different paces they operated. It is certainly a false assumption that everyone in the Pacific Islands is working at a slow pace. Case study 2 (on page 80) provides an example of a Samoan entrepreneur who has grown her businesses very quickly. Many entrepreneurs expressed frustration that things moved slowly and they were keen to drive their businesses forward as fast as they could.

Some mentors commented that their clients had feelings of entitlement; that

### **Mara Hunter - Le Alaimoana Hotel**

One of the first entrepreneurs to take part in the PBMP in Samoa was Mara Hunter, the elegant owner of the Le Alaimoana Hotel. Mara went to school in Samoa, university in Papua New Guinea & completed an MBA in Australia. Mara is the president of Samoan Women’s Rugby & is on the board of the Samoan Rugby Union. Le Alaimoana is a 20 room hotel aimed at business travelers & sports teams. Mara has 12 full time staff & is very involved with the day to day operations herself.

Mara joined the PBMP in 2010 & was especially grateful to have a neutral, knowledgeable person with whom she could discuss her business. She said that her mentor had a “more modern perspective as opposed to our business context” & he had “some good ideas which were things that I had heard about but hadn’t implemented myself”.

She wanted help mainly with internet marketing of her hotel. Her mentor helped her with this, but she found the pace of the programme too slow for her needs. Her mentor set her some goals which he intended her to implement in the following six months, but Mara had this all in place within two days! Mara would have preferred several longer visits concentrated over a week or two. She found the meetings too short, with the mentor rushing off to see their next client before they had had time to work through an issue properly themselves. She stated “It is too gradual and long-drawn for me. I am after quick results & implementation after deciding what was important.”

Mara felt that her mentor did not have a good understanding of the local context of her business. She did not blame her mentor for this, but steered all mentoring away from areas which were culturally sensitive.

The lower floor of the hotel was flooded in the cyclones of December 2012 & closed for a month while the whole family helped to clean it up. She feels they are only just beginning to recover from this setback, which knocked the whole tourism industry in Samoa.

### **Case Study 1 Le Alaimoana Hotel**

they were owed financial support even if their business model seemed to be financially unviable. Many clients faced difficulties similar to those faced by small businesses in New Zealand (such as problems managing stock and cash flow). Some, but certainly not all, the challenges faced by mentees are unique to Samoan businesses. Indeed it is with the more universal difficulties that the mentors could provide the most support.

Despite the different attributes of the mentors and the mentees, ultimately they need to work together and this relationship will be discussed in the next section.

### **6.2.3 THE RELATIONSHIP BETWEEN THE MENTEE AND THE MENTOR**

How the mentor and mentee work together has a huge impact on the success of this programme and ideally their relationship should be based on mutual trust and respect (Cull, 2006; Kram & Ragins, 2008). The other areas I will consider here are practicalities of the working relationship – the frequency and duration of the meetings, the communication when the mentor returns to New Zealand and their expectations of the programme.

#### **Lufilufi Rasmussen – Misiluki Day Spa & Coffee Bean Cafés**

Lufilufi is extremely motivated to grow her businesses & bring Samoa onto the world stage. She has taken many calculated risks to build up her businesses & now employs managers to run her three cafes & the day spa, freeing herself to work on the business rather than in it. She employs about 35 staff members, none of whom are family members. Lufilufi is also developing a high-end skin-care range based on Samoan coconut oil with a view to exporting it to USA. She is documenting this whole process in order to create a web series about how she is fulfilling her business dreams.

Throughout her working life, Lufilufi has had several informal mentors – teachers who she has selected instinctively. Following encouragement from the Chamber of Commerce she joined the PBMP in 2010, but she did not like her first mentor. She felt he spoke mostly about himself during their meetings, exaggerated his own experience & then took credit for her business growth which she believed was not attributable to his input.

Lufilufi gave her negative feedback to the Chamber of Commerce & thought she had left the programme, so she was surprised when a new mentor contacted her last year. Lufilufi admits that she was quite defensive at first, but she has now warmed to her new mentor & has had considerable email & Skype contact between their meetings. Together they have looked critically through her business accounts & found areas to improve.

Lufilufi and her husband work together on some of her business projects, but she does not have anyone in Samoa who she feels comfortable discussing her business with. In her experience other Samoans have responded that she is crazy to even consider developing an international brand. A New Zealand mentor however, can help give her the encouragement she needs.

## Mutual Trust and Respect

In any culture, developing mutual trust and respect takes time and this is more difficult when the relationship is based on people from different cultures meeting for relatively short periods. See for example, case study 3. There could also be a tendency for the mentoring relationship to be unbalanced, with the mentor being seen as the expert from NZ while the mentee is the poor Samoan in need of help. While the mentees, by definition, had less experience than their mentors, it is important to note that many were very well travelled and well educated. Mentors needed to ensure they did not under-estimate the drive and determination of their mentees.

*“We might live in Samoa but we are not third world thinkers. We are busy – we are not sitting under the coconut trees twiddling our thumbs.”*

Retailer, Upolu

The relationship is based on two personalities and sometimes they seemed to have a natural affinity with each other:

*“He’s very upfront, he’s my kind of guy. It does not feel like I am on a programme – it just feels like we are friends.”* Retailer, Upolu

*“He was actually quite similar to my old man. I liked that mentor a lot.”*

Service Provider, Upolu

## Faleatoa & Lomi Tomane – Tisaan Graphic Design

This husband & wife team run a graphic design & print company in central Apia. They have invested heavily in technology & one of their biggest challenges is maintaining their machinery. When a copier or printer breaks down they need to bring in a technician from New Zealand. They have trained up one of their own staff to maintain the Xerox machines, but different skills are required for the different machines. They print some items in New Zealand, Australia and China, but this is only worthwhile for very large orders. They have been running the business in Apia for over ten years & also have a branch in Savai’i, employing fifteen full time staff altogether.

They heard about the mentoring programme through the local Chamber of Commerce & first met with their mentor towards the end of 2012. This meeting was just half an hour and Faleatoa was disappointed with this visit saying “I wasn’t inspired at all”. Her expectations however, may have been beyond that of the mentoring programme as she admits she was not really looking for help with the printing business, but was seeking inspiration for a totally new business idea.

Faleatoa talked to the Chamber of Commerce about her disappointment but they encouraged her to stick with the mentoring a little longer. When she met her mentor a second time, just a few weeks before my visit, she felt he was much more assertive and upbeat. They had lost a lot of equipment in the December 2012 cyclone due to water damage so they now needed to reinvest in rebuilding this business rather than looking for new business ideas. Their mentor was more able to assist them now that their focus had returned to their current business.

## Case Study 3 Tisaan Graphic Design

But there were other cases, where for no reason that the researcher could discern, the two personalities did not match well. The same mentor could rate highly with one client and rate poorly with another. As already noted, most mentors found that about three visits were required before some trust developed.

### Frequency and Duration of Meetings

The frequency and duration of the meetings had a strong bearing on this relationship. Six of the mentors believed that the amount of time spent together was about right, with only one finding it too short (refer Figure 9). On the other hand about half of the mentees would have preferred more or longer meetings. The reported meeting lengths lasted for between 30 minutes and three hours and the mentees were very aware that the mentors were committed to several other clients during their visit to Samoa. This was a difficult component to get right as the mentees also had limited time which they could dedicate to the mentor in their busy lives.

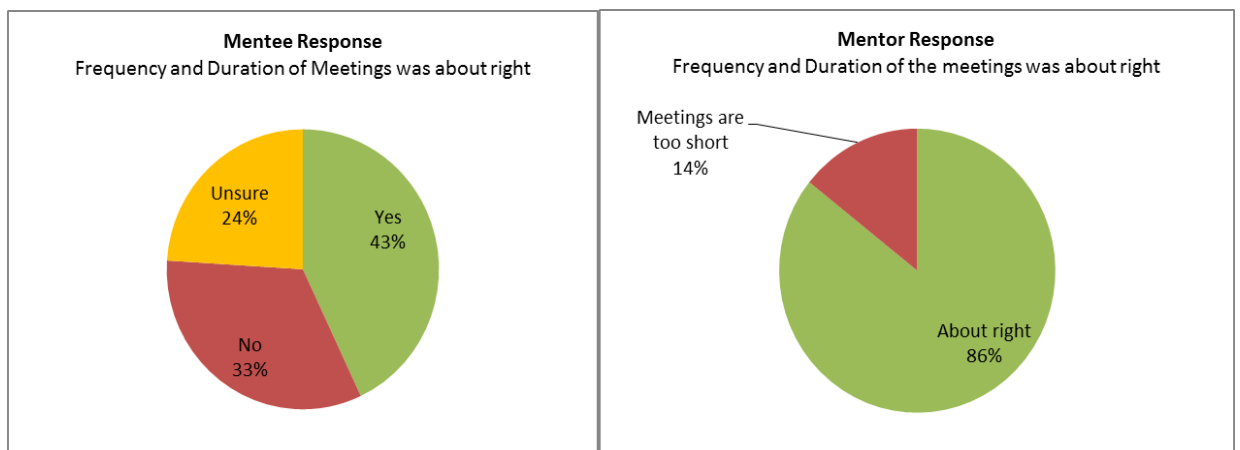


Figure 9 The Frequency and Duration of Meetings

*“These people come in for just three hours... and God bless them... but to come in for just three hours ... what do you get out of that really?”* Retailer, Upolu

Many mentees however, found that a lot of work was able to be fitted into the meetings

*“We talked full on for two hours and it had a huge impact.”* Service Provider, Upolu

*“He comes in for an hour and it’s intense.”* Service Provider, Upolu

Mentees also appreciated the mentors who were able to be flexible with their schedules, so they could meet with clients outside of regular work hours.

*“[the mentor] has always given us as much time as we have asked for... even in the evening.”* Service Provider, Upolu

One Samoan entrepreneur commented that he usually took his mentor out to dinner in order to be able to spend more time with him. He felt that he got some of his best information about the global environment through doing this.

### Communication When Apart

Once the mentor returned to New Zealand, there were very mixed levels of communication. Some companies used email every day and were quite happy with the option of long distance communication. Others however, had very limited internet access and communication via email was just not practical for them (refer Figure 10). The mentors were aware of this with most saying they had little or no contact with their clients when they returned to New Zealand. For some Samoan entrepreneurs, there was a resistance to communicating via email even where they did have good internet access and other felt simply too busy to spend a lot of time emailing their mentor. About half of the mentees found long distance communication difficult.

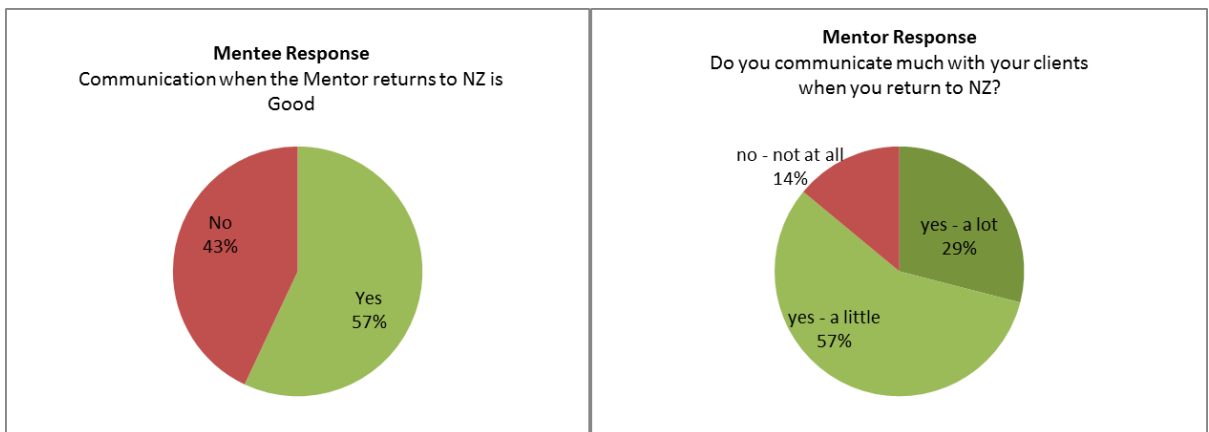


Figure 10 Communication when Apart

*“If I have a problem, I would never go online and say what do I do with this. Once [my mentor is] back in New Zealand, I never contact him.”* Retailer, Upolu

This view contrasts with this:

*“He sent me good long emails when I needed to know about things.”* Service Provider, Upolu

## Clear Expectations

Setting clear expectations before the programme begins certainly helps this relationship. Some mentees expected their mentor to give them a whole new business direction at a very strategic level. Others wanted their mentor to sit down with them and set up spreadsheets at a very operational level. Some mentors felt that some clients were already trying everything they had suggested but they simply did not have a sustainable business model which any amount of mentoring could rectify. The mentees had very high expectations of what their mentor could do for them, which on occasions may have been unrealistic, leading to their feelings of disappointment.

## 6.3 OUTCOMES – BUSINESS AND PERSONAL DEVELOPMENT

The previous section considered what the mentors and mentees brought to their working relationship and the types of relationships which evolved between them. This section will now look at the outcomes of these relationships. As discussed in chapter 2, mentoring results can be divided into two broad categories: Business Development Outcomes and Socio-Cultural Outcomes (Kram, 1985). There is also an area of overlap, namely increased skills and knowledge and increased networking and contacts (refer Figure 11). It is unlikely that all goals will be met, but partial fulfillment has considerable value to the participating companies nonetheless.

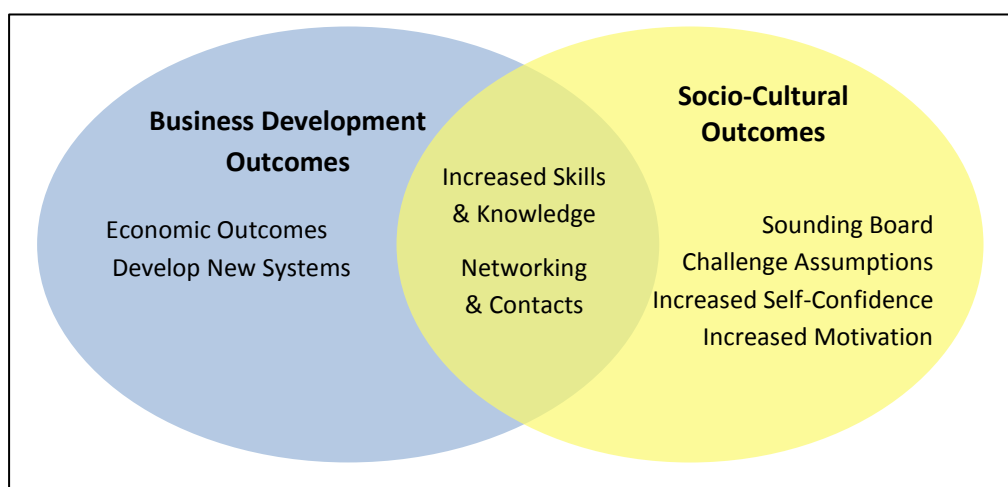


Figure 11 The Mentoring Evaluation Framework: Outcomes from the Mentoring Programme

### 6.3.1 BUSINESS DEVELOPMENT OUTCOMES

Direct business and economic outcomes have been the primary focus of the New Zealand Aid Programme; indeed the overall goal of the PBMP is to “assist Pacific entrepreneurs to manage and grow their businesses in a way that supports sustained increases in production and employment over time” (Atkinson, 2012, p.1). Four of the six Key Performance Indicators (KPIs) for the PBMP are direct business development outcomes, namely increasing the number of employees, increasing annual turnover, improving business systems and growing export sales.

As discussed in chapter 2 there are very real issues with measuring these KPIs and attributing them solely to the mentoring programme. The 2012 evaluation of this programme, commissioned by MFAT (Atkinson, 2012) also highlighted the issue with getting accurate baseline data. If the baseline data is not accurate, the degree of improvement will be impossible to measure. Noe (1988) also recommended caution when assessing the economic impact of mentoring. His research found that mentors tend to over-estimated the value of the support they gave to a business, attributing more positive changes to their advice, than the mentees did. Indeed some of my interviewees expressed similar sentiments:

*“The mentor was taking credit for things he didn’t do.”* Service Provider, Upolu

This mentee had shown her mentor her business plans and timelines at their first meeting and when she had achieved these things by the end of the year, she received an email from him saying “we have achieved this”. She commented further:

*“It was like he was the one that had proposed the path forward for the business but it was all my doing. I was so put off.”* Retailer, Upolu

#### **Economic Outcomes**

While acknowledging the difficulties inherent with measuring the economic impact of mentoring the MFAT commissioned evaluation of the PBMP concluded that there was evidence that “business improvement outcomes are being realised with most clients” (Atkinson, 2012, p.2). For the purposes of this research, it has not been feasible to gather economic data from Samoan businesses. Asking about key financial information is highly sensitive and was not appropriate for me to do so in one-off, one-hour interviews. Given the problematic nature of interpreting and attributing this information even where it is

available, I decided not to focus on this component of the outcomes. Instead, I have considered changes to business systems due to the mentoring programme.

### Changes made to the Business

A vast majority, 81%, of the entrepreneurs I interviewed acknowledged that they had made direct changes to how they ran their business due to the mentoring received. The mentors gave a similar response, with two mentors believing that all their clients had instigated improved business systems, while the other four mentors thought that most or some of their clients had done so (refer Figure 12).

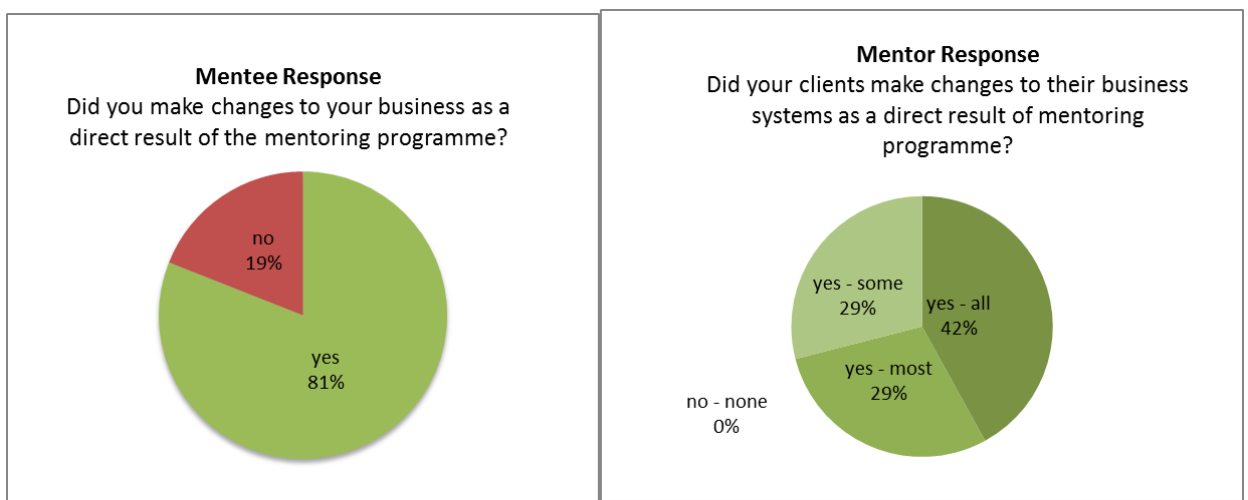


Figure 12 Changes Made to the Business due to Mentoring

The changes made to the businesses including adjusting the variety of stock, changing the shop layout, creating a business plan, implementing an online marketing plan, and developing new signage (refer Table 1 on page 87).

It is beyond the scope of this thesis to assess the impact that these changes have had on the business. Follow up interviews in six or twelve months would be required to ascertain if these changes did result in improved financial performance of the business.

There were a few cases, where the businesses I interviewed felt that their mentor had offered no practical advice which they could implement. The mentees felt either that the suggestions would not work for them, or they simply did not have the funds to put them into place:

*“Technologically he was suggesting a lot of things that we could do and I said, well that is going to require a lot of capital.”* Service Provider, Upolu

<b>Change Made to the Business</b>	<b>Business</b>	<b>Supporting Quote</b>
Developing a new online marketing strategy around social media and google ads	2 x Accommodation Providers, Upolu	<i>"He had some good ideas. There were things that I had heard about but hadn't implemented myself."</i>
Developing financial reporting spreadsheets	Retailer, Upolu Service Provider, Upolu Retailer, Savai'i	<i>"He sat down and put in a spreadsheet and showed us how to use it." "[Our mentor] is a practical person with vast experience. I think they know at a glance that our books are not up to date."</i>
Improving physical presentation of the office space making it a more inviting place for customers to come to and more comfortable work environment	Service Provider, Upolu	<i>"We created an atmosphere where they enjoy coming to work" "[The mentor] helped me make some good decisions about investing in the space"</i>
Creating a new logo and signage	Service Provider, Upolu	
Selling non-profitable branches of a business	Service Provider, Upolu	<i>"I had another business in Savai'i and it was driving me nuts because it was too far away for me to manage... so I closed that down after his advice and it was the best thing I ever did"</i>
Changing the shop layout	Retailer, Upolu 3 x Retailers, Savai'i	<i>"[My mentor] said you have to make better use of the space and get a flow for the customers... so we changed that" "[My mentor] gave me good advice on how to display the goods to attract more customers"</i>
Improved after sales follow-up	Retailer, Upolu	<i>"When we make a sale to government or churches, a few weeks later we call – we follow up and pre-empt any problems. And because no one else does this in Samoa that pays dividends."</i>
Creating a business plan	Accommodation Provider, Upolu	<i>"That was the first time I had spoken to someone about a business plan. I was very glad he was able to ... help fill out the template that I had"</i>
Increasing the product range	Service Provider, Savai'i	<i>"The first time [the mentor] came we didn't sell drinks. But now we have drinks in the cooler."</i>
Reducing the product range	Retailer, Savai'i	<i>"[My mentor] suggested cutting back on dead stock that was just sitting on the shelves"</i>

**Table 1 Changes Made to the Business Due to Mentoring**

The mentees would assess the advice given by their mentors and evaluate its appropriateness for their situation:

*“I also have a guest house next door and I was doing it all at the same time and he said you’ve got to focus on one thing. But I’ve still got the guest house – I didn’t do as I was told! [laughs]”* Retailer, Upolu

It is an important aspect of all mentoring that the mentees remain in control and still determine the direction of their business themselves. Through the mentoring process, the entrepreneurs often experienced personal growth and development which also has a positive impact on their business and this will be discussed in the next section.

### **6.3.2 SOCIO-CULTURAL OUTCOMES**

Many of the changes made due to mentoring are more subtle than the concrete business developments discussed above, but they are no less important. The socio-cultural outcomes of mentoring, namely having a sounding board, challenging assumptions and increased self-confidence and motivation, are very difficult to quantify, but nonetheless, they are cited so regularly both in literature (Kram, 1985; Kent et al., 2003; Barrett, 2006; Pompa 2012; St Jean & Audet, 2013) and in my fieldwork that there is clearly a perceived value. The personal growth of the mentees can result in much longer term changes to their businesses and potentially has further reaching implications into wider society.

#### **Sounding Board**

In my fieldwork interviews, the most commonly cited benefit of mentoring was that of having a neutral sounding board. In Samoa people are very private about their business affairs. Entrepreneurs may discuss their business with their husband or wife, but they are unlikely to discuss it in any detail with extended family members or further in the community. Business networking as a concept appears to be virtually unknown and competitiveness is more common than cooperation amongst local entrepreneurs. 85% of the entrepreneurs I interviewed stated that having an external, knowledgeable person with whom they could discuss their business was a benefit to them (refer Figure 13).

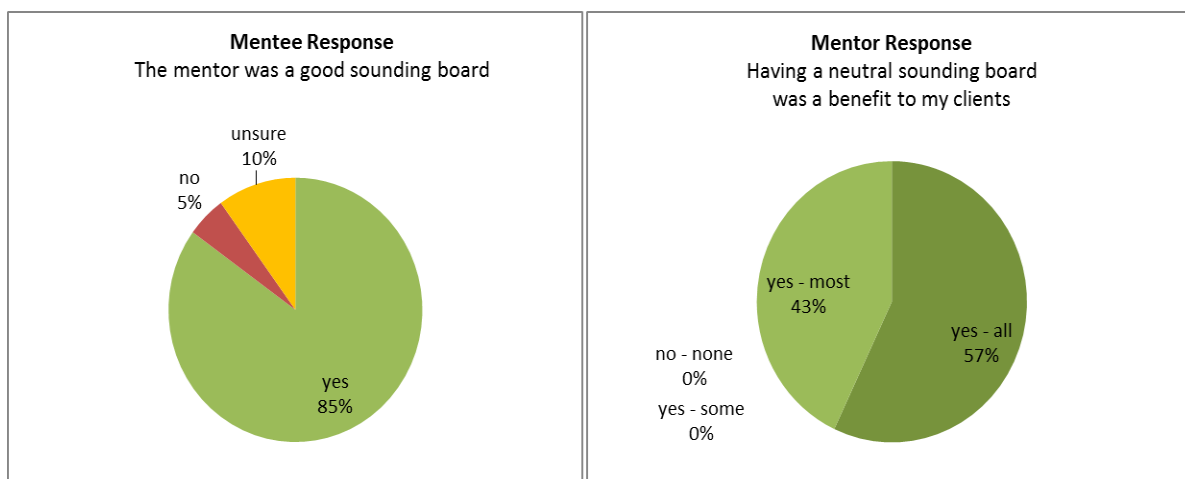


Figure 13 Was the Mentor was a Good Sounding Board?

They expressed this in a variety of ways:

*“I did find that having somebody that’s helping me with a different perspective, and a faster, more modern perspective as opposed to our business context, is helpful.”*

Accommodation Provider, Upolu

*“It was useful to have a mentor that I could bounce ideas off.”* Accommodation Provider, Upolu

*“[The mentor] gave a good outside perspective.”* Service Provider, Upolu

*“It is really hard to talk to people over here. Either they don’t understand, or there is a lot of back biting afterwards, or competition – they are going to talk about you to others – or jealousy. So you don’t often talk to people about all the details. So to have that freedom, from someone from NZ, was amazing.”* Service Provider, Upolu

*“I signed up to it because I needed a neutral outside voice.”* Retailer, Upolu

The mentors surveyed were also aware of this benefit with them all saying this was a benefit for all or most of their clients.

### Challenge Assumptions

Another socio-cultural benefit of mentoring is challenging the assumptions of the entrepreneur, many of which are made subconsciously. With limited business networking opportunities, entrepreneurs are operating in a fairly isolated space and it is easy to

assume that their way of operating a business is the only way. A mentor can question things which an entrepreneur might not ever have considered. A common assumption in Samoan culture is the value of gifting. This forms an important basis of social interactions, but in many cases people will be generous to the point where their business is jeopardized. The mentors helped some entrepreneurs find a more balanced approach, where they could still follow their cultural values of supporting their community, without putting the cashflow of their business at risk.

*“I am quite generous with my kids and relatives. I give away Twisties and ice-cream. I probably was giving away more than I was selling. [The mentor] told me to put a stop to this.”* Service Provider, Savai’i

However, many of these cultural assumptions were very deeply ingrained, and while the mentor may have tried to challenge them, ideas of change were often met with resistance, with people preferring to stick with their traditional way of approaching things.

*“It’s good getting the advice. You see your business in a different way, but at the end of the day a lot of us ... especially Samoans, they will go back to their normal way of doing things.”* Retailer, Upolu

Over half of the mentors surveyed felt that challenging assumptions was a benefit for all their mentees, with the rest believing this was a benefit for most or some entrepreneurs. In contrast only one entrepreneur felt they had really changed such cultural practices due to their mentor. Three others thought that while their assumptions had been challenged, in practice they preferred not to make any changes to these aspects.

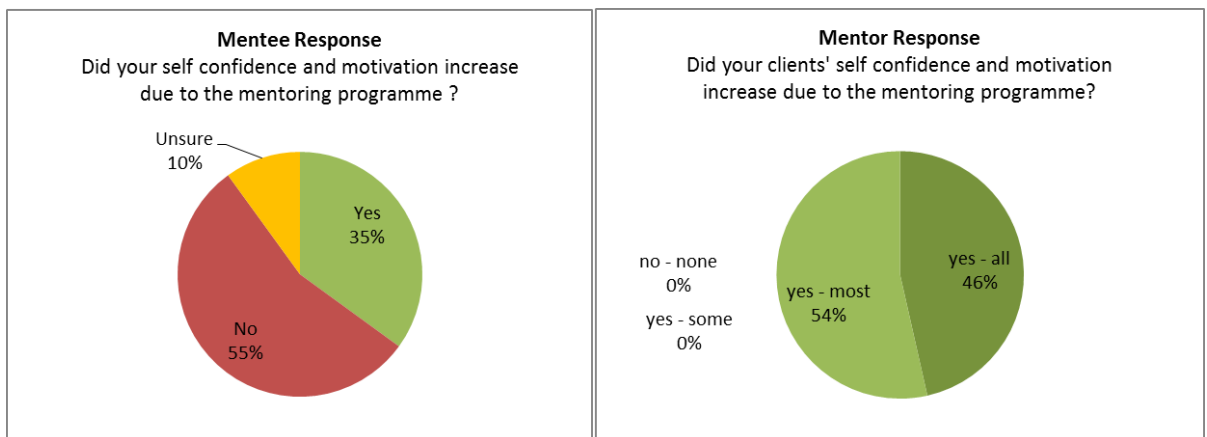
### **Increased Self-Confidence and Motivation**

Increased self-confidence and motivation is a further benefit of mentoring, commonly cited by the literature (Kram, 1985, St Jean & Audet, 2013) however, only 35% of the Samoan businesses reported this as a benefit for themselves. It could be that they were not aware of such personal developments, but I sense that it is the more self-confident and motivated entrepreneurs who take part in the mentoring programme in the first place. Business owners who could really benefit in this regard, would lack the confidence to sign up for mentoring in the first place. The encouragement mentors provided was welcomed by business owners nonetheless.

*“I think the encouragement that he gave was good. In the beginning I was discouraged by everything that is going on.... But then he came and he said I think you can do really well.”* Retailer, Savai’i

*“I liked him because he gave me ideas that I would never think of. So I ran away with those ideas. I was really pumped up, really motivated.”* Service Provider, Upolu

*“The fear of not being able to deliver held us back, but he was always encouraging and didn’t want us to give up.”* Publisher, Upolu



**Figure 14 Did the Mentee Increased their Self-Confidence Due to Mentoring?**

In contrast to the mentees’ mixed perception of this, all the mentors believed that the increased self-confidence and motivation was a benefit for all or most of their clients (refer Figure 14). It is difficult to know if this is a case of mentor’s overestimating their impact, or if they were actually more aware of subtle changes to the mentee’s demeanor.

### 6.3.3 OUTCOMES FOR BOTH THE BUSINESS AND MENTEE

In the framework used for this research, increased business knowledge and skills as well as increased contacts and networks are further potential benefits of mentoring. These areas benefit both the business itself and the entrepreneur personally.

#### Increased Skills and Knowledge

Nearly 70% of the interviewed entrepreneurs reported gaining new personal skills and knowledge (refer Figure 15). This included using social media, writing a business plan, reading accounts and managing staff. Four mentors thought that all their clients improved their skills while the other three thought this was a benefit for most of some of their

clients. Increased knowledge in such fundamental areas of running a business will make long term improvements to the business itself, as well as increasing the confidence of the entrepreneurs.

Some mentees felt that they did not really increase their skills. One entrepreneur, who had an MBA, had already developed a business plan which she was happy with. The mentor agreed that the plan was good and he did not add to this.

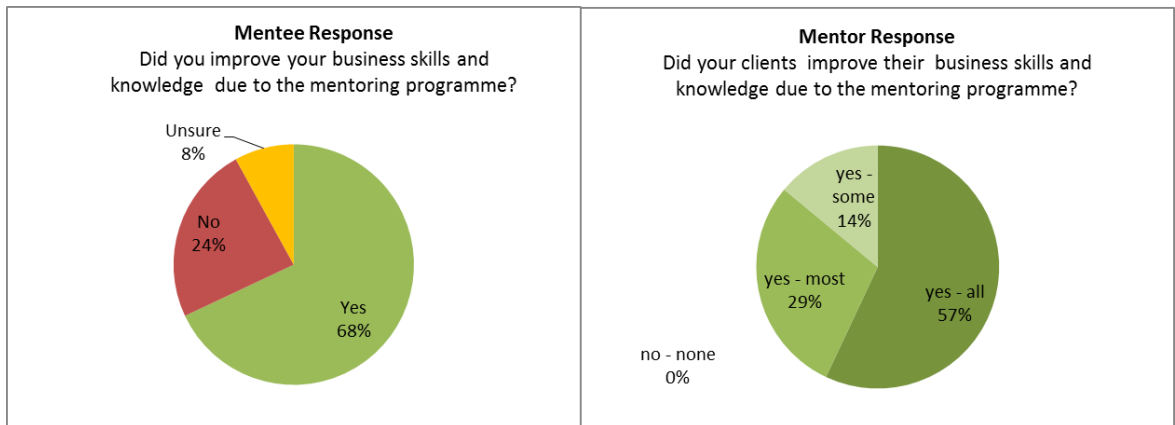


Figure 15 Did the Mentee Gain Improved Business Skills Due to Mentoring?

## Networking

While networking is a commonly cited benefit of mentoring in the literature (Barrett, 2006; Kent et al., 2003; St Jean & Audet, n.d.), in this situation with many mentors working in a country which they had not visited before, it was not a key benefit. Only three entrepreneurs (6%) mentioned new contacts as a benefit they gained through this programme. In contrast, the mentors appeared to overestimate their impact on increasing the networks of their clients, with all the mentors claiming this was a benefit for some, most or all of their clients (refer Figure 16).

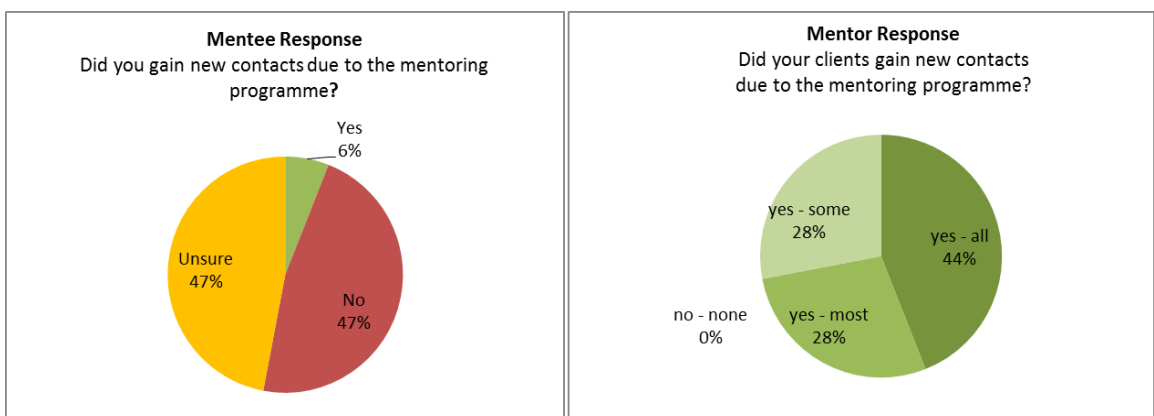


Figure 16 Did the Mentee Gain New Contacts Due to Mentoring?

The mentoring programme clearly resulted in both business development outcomes as well as socio-cultural outcomes. The next section will consider how these outcomes have impacted on the success of the business.

## 6.4 SUCCESS FACTORS

Following the framework for evaluating mentoring, the key success factors are the mentees' satisfaction with the programme, whether or not they would recommend it to others and ultimately their ability to balance their economic needs with cultural obligations (refer Figure 17).

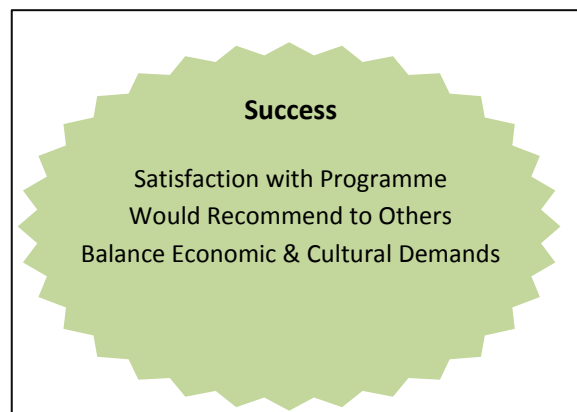


Figure 17 The Mentoring Evaluation Framework: Success Factors

This chapter will discuss the first two success factors and the third factor will be discussed in detail in chapter 7.

The entrepreneurs I interviewed were generally very satisfied with the mentoring programme with 77% saying they would recommend the programme to others.

*"I love the mentoring programme. I have told quite a few friends about it."* Service Provider, Upolu

But several were cautious and they checked this by saying that is really depended on who you get as a mentor. Intangible aspects such as personality played a big role in the degree of satisfaction. This highlighted the needs for a simple process to change mentor where necessary. Several entrepreneurs had had at least two mentors and an issue with this was that there had not been a smooth handover of information. Mentors who had left the programme also reported that they had never been asked to provide background

information to the new mentors, even where they were dealing with the same clients. One client took an optimistic view of having a change in mentor:

*“I have had three mentors in two years. The downfall is I have to explain where I am at each time, but the up, the good thing, is that you do get fresh ideas.”* Retailer,  
Upolu

Between the mentors’ visits, training workshops were held in both Upolu and Savai’i. These were very well received with 75% of the mentees finding them helpful. Some did mention a reluctance to speak in front of a group however, feeling more comfortable with the one-on-one mentoring situation they could express themselves more openly.

## 6.5 CONCLUSION

For the mentoring programme to be successful, both the mentor and the mentee need to bring positive attitudes and work together to build a productive relationship based on mutual trust and respect. From this research it is clear that having a neutral sounding board is seen as the most widely appreciated benefit of the mentoring programme. Given the general reluctance in Samoa to get involved in any business networks, the mentoring programme provides a special opportunity for entrepreneurs to simply talk about their businesses. Having a neutral but knowledgeable person with whom they could discuss their businesses was the most commonly cited benefit of the mentoring programme. Through the mentoring programme the entrepreneurs improved their business skills and knowledge, leading to a majority of them to implement real changes in the way they ran their businesses. In this regard it is fair to conclude that the Pacific Business Mentoring Programme is indeed having a beneficial impact.

From the mentees’ perspective, the greatest weakness of the programme was the mentors’ lack of cultural understanding. Given that the final success measure in the evaluation framework is the ability to balance the needs of the business within the local cultural context; this is an area of key importance. How Samoan businesses strive to reach this balance and how mentoring can support this will be discussed in the next chapter.

# 7. BALANCING BUSINESS DEMANDS WITH CULTURAL EXPECTATIONS

## 7.1 INTRODUCTION

Having earlier established that the key determinant of long term business success is the ability to balance the needs of the business with local cultural practices, the final step in the mentoring evaluation framework is to assess how mentoring supports entrepreneurs to reach this balance in Samoa. This chapter will discuss some of the challenges which Samoan entrepreneurs face in this regard and whether the Pacific Business Mentoring Programme can assist them with this in order to answer the third research question of my thesis: *Does advice provided by mentors help entrepreneurs to balance cultural expectations with economic demands?* A review of literature revealed that many authors agree that entrepreneurial activities should adapt to different cultures rather than follow unmovable laws (Cahn 2008, Foley 2004, Hindle and Moroz 2010, Peredo and Anderson 2006). If the priorities and values of entrepreneurs are not universal, but rather, if they vary between cultures, it can be debated whether Western business practices are transferable from one country to another.

From my interviews with Samoan entrepreneurs, the defining element of Samoan culture that impacts on local businesses is the communal nature of society. This seems to contradict the other recurring theme which is the scepticism entrepreneurs have about networking with each other. On the one hand they live in a very open and sharing society, but in other respects they are extremely private. Further elements of life and culture which impact on their businesses are the skills and expectations of staff and the entrepreneur's desire to diversify. Mentors can give advice concerning business systems and practices but if this is undermined by any of these cultural factors, changes to the business will be unsustainable in the long run. As seen in case study 4, entrepreneurs can be quite selective about what advice they choose to follow.

These features of *fa'a Samoa* may at times threaten the success of local businesses but they are also a core component of society adding to their resilience in times of need. Several researchers (e.g. Hailey, 1987; Saffu, 2003) have argued convincingly that the success of an entrepreneur should not be measured solely in economic terms, but rather it should be "measured in terms of whether the entrepreneur has

#### **Jacinta Teofilo – Talanoa Fales**

Jacinta is a very elegant woman working full time for the government. She also runs five holiday fale on her family land. She has a part time cleaner & a permanent groundsman. She requested a mentor to help her with the marketing of her fale accommodation business.

Since 2011 she has had two mentors who helped her to write a business plan, rebrand her businesses, improve her website & set up a Facebook page. She explained "When he came on board it sort of forced me to do things & to try to accomplish things that I would be thinking about."

Jacinta valued having a mentor who assisted her in a practical way: "I know I have to do the work myself, but I can do it comfortably when I understand it. So it is really good when they give the real help and not just blah blah."

Her mentor gave her constructive marketing ideas & discouraged her from making large capital investments (such as building a swimming pool) until she has more guests. Because of her work commitments, she found it difficult to find the time to meet with her mentor and it would have been good if the mentor could have met with her in the evenings or weekends. She tried to maintain contact with her mentor once they returned to New Zealand, but computer issues have made this difficult.

Jacinta was very clear about the support she wanted from her mentor & this helped her to have a positive experience with the programme. Throughout the whole mentoring experience, Jacinta has been quite selective about what advice she has followed. She explained: "For me they can talk from their own experiences and their culture but we use what is relevant to us." For example her mentor suggested that she should dismiss cleaning staff who were not doing an adequate job. Jacinta felt that she needed to take other steps first, especially where they were family members. She chose not to follow her mentor's advice when it conflicted with her cultural priorities.

#### **Case Study 4 Talanoa Fales**

the ability to balance the competing interests of the clan and business” (Saffu, 2003, p. 65). An inability to reach this balance will ultimately lead to the failure of the business. The struggle to increase status has “paradoxical implications for business” (Shadrake, 1996, p. 55). While giving generously to *fa’alavelave* can increase the status and popularity of a business, giving too generously in order to maintain this status, can put a business in jeopardy. A further paradox is that an unsuccessful business brings ridicule, while a successful business can result in strong feelings of jealousy and resentment among community members (Cahn, 2006).

The KPIs of the Pacific Business Mentoring Programme are based primarily on economic indicators, namely the number of employees, annual sales revenue, improvement in business systems and export growth (Atkinson 2012). The only KPI which would include some degree of cultural input is that of client satisfaction with the programme. In this chapter, I will consider whether the Pacific Business Mentoring Programme can assist entrepreneurs in Samoa to grow their business economically while balancing the needs of their family, community and culture. Just as Hofstede’s (1980) research concluded that organisations must be managed with reference to the cultural context within which they operate, it is important that this mentoring programme is assessed within the local environment that it is intending to support.

## 7.2 COMMUNAL OBLIGATIONS IN SAMOAN SOCIETY

The communal nature of Samoan society has a huge impact on how entrepreneurs run their businesses as will be further explained in the sections below. It affects the very reason why many entrepreneurs go into business in the first place and once in business, *fa’alavelave* and the church place certain obligations on the entrepreneur. The expectation that credit will be freely offered to members of the extended family is a further issue which is culturally embedded and which businesses must manage without ostracizing themselves from their community. Just as Curry (1999) noted, these apparent economic transaction have a strong social component. Communal land ownership and the desire for diversification have both pros and cons for Samoan entrepreneurs. These are all factors which business mentors need to be aware of when advising Samoan entrepreneurs as the consequences of ignoring such customary obligations are the “risk of social ostracism and

loss of access to local labour and other community resources” (Hailey, 1987, p.27).. Most Samoans I interviewed do not consider these obligations to be a burden; they are simply a part of life in Samoa.

*“You do have cultural obligations... That is not a bad thing. You have to factor that into life in Samoa. You can’t avoid it and it is reciprocated.”* Service Provider, Upolu

As identified in literature regarding socially embedded economies in chapter 3, economic transactions cannot be separated from their social and cultural elements. The value of “welfare enhancing” (Shorthose & Strange, 2004, p. 47) aspects should not be underestimated given Samoa’s vulnerability to natural disasters. In recent years both the tsunami of 2009 and the cyclones in 2012 have tested the resilience of local people. Their community networks have proven invaluable at such times, providing emotional and material support (Bird et al., 2011; Murphy, 2013). These networks underpin all of Samoan society and are a vital part of life in Samoa.

### **7.2.1 GIFTING TO FAMILY AND FA’ALAVELAVE**

As has been noted, the very motivation for indigenous entrepreneurs to start a business can be to generate wealth for the common good (Saffu, 2003, p. 63). Many Samoan entrepreneurs cited the need to pay school fees for their children, or medical bills for their elders, as motivations to do well in business. These are motivations that would be familiar to New Zealand mentors, but in Samoa the desire and obligation to give spreads a lot wider than just the immediate family. A common sentiment as expressed by one entrepreneur is:

*“The extended family, of second cousins and that ... are always asking for money. It gets difficult. They see the big shop, but they don’t see the work behind it.”* Retailer, Upolu

While there is a strong expectation that entrepreneurs will share their wealth, both actual and perceived, with extended family, it does go both ways. Giving and receiving labour has also been recognised as an important element of the gift exchange system which is so integral to social relationships (Curry & Koczberski, 2012). Entrepreneurs can also call on their extended family for assistance at times:

*“A website would be very useful... We need someone to design it. We are trying to see if relatives overseas can help design it for us, free of charge”* Service Provider,  
Upolu

As discussed in Chapter 4, *fa'alavelave* cover a variety of significant celebrations and ceremonies from weddings to funerals, which also impact on Samoan businesses. They take up a lot of time – entrepreneurs need to allow their staff the flexibility to attend *fa'alavelave*, which can take several days, and they will need to take the time to attend these events themselves as well. Furthermore, there is the expectation that the entrepreneur will provide cash, goods and services for these events. My research concurred with that of earlier researchers (for example Finney 1987) that families and businesses will go into considerable debt to fund *fa'alavelave* and to provide the expected gifts for this vital component of Samoan culture. Some businesses reported having a separate fund for *fa'alavelave* – but they also mentioned that they constantly exceed this fund. Being generous towards these community events increases status. Not doing so means risking ostracism and a loss of customers. For many entrepreneurs in my research, the purpose of having their business was primarily to fund *fa'alavelave*, thus when a mentor tried to encourage them to spend less on such events it undermined their very *raison d'être*. Such advice is unlikely to be well received, as rational as it may seem to a New Zealand business person. As noted in chapter 3 mentors need to be mindful that the goals and values motivating indigenous entrepreneurs are often found to be quite different to those of Western entrepreneurs (Gegao, 1998; Peredo & Anderson, 2006).

*Fa'alavelave* also offer business opportunities for Samoan entrepreneurs. These events are often elaborate and expensive, with families virtually competing with each other to put on the most impressive celebration. An equipment hire company which I met with, has built their business around the Samoan love of a big celebration. They saw the opportunity to rent out marquees, chiller trailers, tables, chairs, linen and decorations. The owner noted that in the past guests would often get sick at weddings and funerals, as the food would be prepared in advance and then left in the tropical heat. She began hiring out chiller trailers several years ago and now people in Samoa cannot hold an event without one. She believes she has changed the whole mindset of Samoans around a very traditional part of their culture and she is running a successful business based on this. Like all cultures, life in *fa'a Samoa* is constantly evolving and offers opportunities and support. It should not be presumed to only be a hindrance to business.

### 7.2.2 TITHING TO THE CHURCH

Church tithing is another key element of Samoan culture, which some mentors expressed surprise about. Some entrepreneurs mentioned that they give 10% of their income to the church, but others expressed that it was considerably more than this. It is also unclear if this was meant as a percentage of their income or their turnover. Furthermore, businesses also provide discounts on their goods and services to the church. As discussed in chapter 4, giving generously to the church is important for a family's status and for many the value of giving to the church is greater than what would be gained by investing elsewhere (MacPherson & MacPherson, 2011). While in some cases I did sense some resentment of this increasing financial pressure others did so gladly.

*“It is not an expectation; it is the norm to me. If you are prospering you have to give back. We have a belief in Samoa if God prospers you and you hold it, it will dwindle away. But the more you give, the more comes back”* Retailer, Upolu

Several entrepreneurs reported that their mentors had encouraged them to reduce the amount they tithed, but this was not usually welcome advice. Again, it seems a very rational comment for a New Zealand business person to make. Giving more to the church than you earn will not be sustainable for any business, but to change this in Samoa will require much broader inputs.

*“[The mentor] was surprised that we give money to the church. We pay more for the tithing than the money we earn. [The mentor] doesn't understand that part of the culture. . . I just thought he is a palagi and does not understand. I don't have to do everything he says.”* Service Provider, Savai'i

### 7.2.3 EXPECTATIONS OF CREDIT

Expecting credit is quite a normal part of Samoan life stemming from their communal beliefs around sharing and helping each other in their village. Where this gets very challenging for a business person is when some villagers perceive them to own a lot more than they do and they have no understanding that the stock in their shop still needs to be paid for.

*“They think we are rich and don't know we are struggling.”* Retailer, Savai'i

Many businesses felt obliged to provide credit; this is simply a part of supporting their family and community, but it is not always repaid or reciprocated directly. This social function of businesses also features in Samoa but the difficulty is that if businesses do not provide credit, customers will avoid their business even when they do have money. If you are not liked by your community personally, this can have a huge negative impact on your business. While more pronounced in the villages, expectation of credit also occurs in Apia. In villages everyone is likely to expect credit at some stage; in Apia it is more likely to be family members. This is similar to Curry's (1999) findings regarding village trade stores in Papua New Guinea discussed in chapter 3. Curry noted that business principles often played a secondary role in the operation of these stores which were seen primarily as a means of facilitating gift exchange and honoring kinship relations.

There were several examples where mentors were helping entrepreneurs to work through these issues and to find a balance between providing some credit, but not to the point where it was undermining the business.

*"I tend to have a soft heart for students who struggle with their fees. I say to my staff don't send them out... let them continue. And by the end of the year there was little cash coming in. And [the mentor] made me see that yes, it is good to have a kind heart, but there is a place for you to stop."* Service Provider, Upolu

There are also cases when a family that owns a business in a village increases their standing as they are giving out credit and they are able to control it quite well. This gives them more status and power than a small shop keeper would have in other countries. Mentors need to appreciate this balancing act that entrepreneurs must manage in Samoa. Ceasing to give credit is unlikely to be sustainable for a business in the long term but limiting the amount of credit and finding ways to follow it up may be beneficial.

#### **7.2.4 COMMUNAL LAND OWNERSHIP**

Communal land ownership is another element of Samoan culture which is often seen as detrimental to businesses (Hindle & Moroz, 2010). Having no collateral makes it very difficult to get a bank loan but having family land also provides many opportunities. Many entrepreneurs I met with had set up their businesses on family land – holiday fales, art galleries, cafés, shops etc. This was all made a lot easier, because the family had rights to the land. While not owning the land outright means they cannot borrow against it, if they

had to purchase the land as well they would have much greater debts making these smaller businesses unviable. Communal land ownership also provides security when Samoa is hit by a natural disaster. Many businesses I met with had been badly damaged by the cyclone in December 2012, but they had been able to relocate and rebuild on their own land. On the other hand, running a business on family land means the entrepreneurs must manage their wider family members' expectations regarding how the income from that business is shared.

A very Western type of business being run in a traditional Samoan cultural way is the real estate business, buying and selling the small pockets of private property that are available (refer to case study 5). New Zealand real estate practices, such as open homes, did not work well at all in Samoa so they needed to adapt to the local context. The owner of a Samoan Real Estate company also commented how sensitive land issues can be:

*"People have died over land in Samoa ... We often have freehold land that borders onto customary land and then we have people from the village that try to block us saying 'No, that is our land'".*

#### **Rosita Brighthouse-Slaven – Samoa Realty**

Rosita has been running Samoa Realty since 2001. She is an example of an indigenous Samoan woman running a very non-traditional business. Buying & selling land is a concept quite foreign to Samoan culture.

Rosita visited NZ in 2009 to get experience working with real estate companies. Her father & brother managed the business in Samoa while she was away but when she returned the business was floundering. Rosita has since incorporated many ideas from her experience working in NZ real estate, instigating new filing systems & a website, amending all agreements & sending out a monthly newsletter. Some concepts from NZ, such as open homes, simply did not work well in Samoa where she has found people value their privacy more & do not like people who they don't know to walk through their (often open-sided) homes. She also found that real estate agents were much pushier in NZ than she could be in Samoa.

The business employs six staff, most of whom are family members & they are the source of her biggest issues. They work on commission but are generally content with what they earn & are therefore not motivated to make more sales. Rosita sometimes struggles with the expectations of family members she employs which must be balanced with her need for their co-operation. Her mentor helped her to deal with these issues more objectively than she could have done alone. The mentor helped with marketing the business & renovating the office so that it is a more comfortable environment for both staff and clients. Her mentor also helped her stay on track with her goals. She explained "You tend to set goals & then you leave them. But with [my mentor] it kind of revived them."

Rosita appreciated getting the outside perspective from her mentor, acknowledging that when she gets caught up in the minute of daily business her mentor helped her to keep focused on the bigger goals.

#### **Case Study 5 Samoa Realty**

### 7.3 COMPETITIVE NATURE OF SAMOAN CULTURE

As discussed above, Samoan culture is built on communal beliefs. In an unusual contradiction of this, Samoan entrepreneurs are actually very competitive and skeptical of working together. They are very private about their business practices and reluctant to talk with other Samoans about their financial dealings. Similar to Cahn's (2006) findings, several of my interviewees mentioned that public displays of their success would result in displays of jealousy and resentment by other community members. Entrepreneurs were expected to demonstrate their success by giving generously to *fa'alavelave* but otherwise, they preferred to be very private about their business dealings. As shown in the previous chapter, talking with an experienced business person from outside their community was seen as one of the main benefits of the mentoring programme:

*"It's really hard to talk to people over here. Either they don't understand, or there is a lot of back biting afterwards or competition ... or jealousy. So you don't often talk to people about all the details. So to have that freedom, with someone from New Zealand, was amazing."* Service Provider, Upolu

Several mentors were aware that it takes several visits to establish a trusting relationship with the Samoan business owners and it is important that they respect the time this takes. An element which no mentor seemed aware of, is the stigma that Samoans feel about asking for assistance. They do not always want it to be publically known that they have a mentor.

*"There is always that stigma that if you go and look for help it is like you are poor and struggling... it is very much a pride issue."* Retailer, Savai'i

The whole mentoring programme needs to be very mindful of the desire for confidentiality in all they do. One mentee was interviewed by the local newspaper, primarily to promote the mentoring programme; however, this was met with reluctance and a fear that his confidentiality would be breached:

*"I got asked to do the newspaper interview. I really didn't want that. It was a bit shocking for me. I wanted everything else to be confidential.... But I was happy to do it to help the mentoring programme."* Service Provider, Upolu

One of the reasons for not wanting to share business information is the fear of being copied. When something is seen to be successful, it soon gets imitated by others. The positive side of this is that the successful entrepreneurs are constantly striving to stay one step ahead of their imitators, which can drive innovation and new product development.

Samoan culture is thus an interesting mix of being very collective and communally based on the one hand, while on the other they are very private about their business affairs and skeptical of working together. This mix is something that mentors need to be sensitive to. A further cultural issue, that of managing staff, will be discussed in the next section.

## 7.4 STAFF ISSUES

The Samoan culture has a big influence on the staffing issues which many entrepreneurs face. Finding experienced and reliable staff is a constant challenge which impacts on all areas of their businesses. Many had employed family members over the years, but were choosing now not to do so. It seems easier to enforce your requirements on non-family staff members. Reliability is a constant issue, with staff often not turning up on the agreed days because of *fa'alavelave* or other reasons.

*“I have three workers but some days they don’t come. When it is only me doing the cooking, if they don’t come I just have to work faster.”* Service Provider, Savai’i

Incentivising staff is also a challenge. Money is often not a great motivator as so much is shared with the family and church that employees see little benefit from it themselves. One business I interviewed has got around this issue by offering a holiday as an incentive – this cannot be taken by family members so staff genuinely look forward to it.

*“In the Samoan culture as soon as people get money it is gone – on fa'alavelave or stuff. Money does not give them any joy.”* Service Provider, Upolu

Theft by employees was a problem cited by many entrepreneurs. Several small retailers found it challenging to keep track of their stock and implementing any consequences when items went missing was often deemed an inappropriate response, especially if the perpetrator was a family member. Stealing was often not perceived as something particularly wrong. As one mentee put it:

*“Stealing is the not the culture, but sharing is.”* Retailer, Upolu

Again, this comes back to the communal nature of the culture and a belief that what is yours is mine.

Staff training is also lacking. When staff have grown up in an open fale and slept on mats on the ground, they need detailed lessons on tasks as fundamental as how to make up a “Western-style” bed with a mattress and sheets. Staff training in various sectors is a further area that could be improved and supported by the mentoring programme.

Mentors need to be careful about the advice given with regard to managing staff. While it might seem obvious to a New Zealand mentor that a staff member who regularly does not turn up on time should be fired, this is not easy for the entrepreneur to do, especially if that staff member is the breadwinner of their family. Furthermore, there is no guarantee that a replacement staff member would be any more reliable, so simply replacing staff with new people, does not solve the issue. Again this is an area that requires a careful balancing act as apparent economic decisions can have far reaching social consequences in these small tight-knit communities (Gibson-Graham 2005).

## 7.5 DIVERSIFICATION OF BUSINESS INTERESTS

The final aspect of the Samoan culture which I will discuss in relation to the mentoring programme is that of their desire to diversify. My research concurred with earlier research that the ability to “establish and operate more than one business simultaneously was characteristic of entrepreneurship throughout the Pacific” (Hailey, 1987, p. 29). I met many Samoan entrepreneurs who had several completely unrelated businesses such as a day spa and a coffee house, or a bakery, a guesthouse and an airline! Just as Gibson, Cahill & McKay (2010) concluded in their research in the Philippines, Samoans also do not like to be dependent on just one source of income which could make them vulnerable both environmentally and economically. If one business is hit by a change in circumstances, they are better off having another unrelated business which they can turn to.

The downside of this is that some entrepreneurs have very stressful lives; juggling many work responsibilities as well as their roles in the family and community. Some mentors advised them to focus on just the one business, but often such advice was shunned. The

idea that the pace of life in Samoa is slow and simple certainly does not apply to everyone. I met many entrepreneurs who were working long hours to keep several complex businesses running smoothly.

## 7.6 CONCLUSION

Balancing cultural norms and obligations with the economic demands of running a business is not easy to do, but it is vital if a business is to be sustainable. In Samoa, shunning cultural obligations can lead to social ostracism and the ultimate failure of the business. However, giving too generously to the family and community can also lead to the downfall of the business. Helping entrepreneurs to finding a balance in this regard should be the key goal of the Pacific Business Mentoring Programme. While most mentors will be learning a lot about the Samoan culture with every trip they make, there is definitely room to improve their awareness of some of these issues which are inherent in every Samoan business.

The argument that responsive and responsible development should be led by people within their own communities is not new (Gegao, 1998). Mentors cannot dictate from the outside, but sustainable changes need to be “anchored in the knowledge base of the target population” (Gegao, 1998, p. 289). Mentors can help local entrepreneurs to question some of their own assumptions about their priorities. They can sow the seeds of change, but ultimately all decisions and actions are made by the entrepreneurs themselves. Where an entrepreneur felt that their mentor’s advice contradicted their culture too much, they would simply ignore the advice. Demonstrating an understanding of the cultural expectations would improve the relationships between mentors and mentees. This would possibly help mentees be more receptive to ideas which might save their businesses that were otherwise being put in jeopardy by an owner who was generous beyond the business income. Finding innovative approaches to strike the balance between economic and community demands will ultimately lead to more successful, sustainable businesses. Mentoring is well placed to support entrepreneurs to find a balance between business principles and their cultural expectations.

# 8. CONCLUSION AND RECOMMENDATIONS

## 8.1 INTRODUCTION

This thesis has examined the effectiveness of the Pacific Business Mentoring Programme as a support service for entrepreneurs in Samoa. Through an examination of literature regarding mentoring and indigenous entrepreneurship it was found that donor-funded international mentoring of entrepreneurs has not been widely studied to date and this thesis takes one step towards filling this gap. Feedback from both the Samoan entrepreneurs and the New Zealand mentors has provided a wide range of material which I have been able to analyse and interpret. This chapter will now consider the conclusions that can be drawn from this research, with respect to the first three research questions that I sought to answer:

- 1. How can the effectiveness of international business mentoring be evaluated?*
- 2. Do Samoan entrepreneurs perceive that their mentors have provided useful advice which they have been able to implement to improve their businesses?*
- 3. Does advice provided by mentors help entrepreneurs to balance cultural expectations with economic demands?*

Following a discussion of these conclusions, this chapter will outline recommendations which could be implemented to improve the PBMP and by extension, it will answer the final and over-arching research question:

*4. Is donor-funded, international mentoring a suitable means of support for entrepreneurs in a developing country?*

Combining an extensive literature review with a detailed analysis of the PBMP in Samoa, this thesis adds depth to the current literature regarding the value of donor-funded entrepreneurial mentoring as a tool to aid development.

## 8.2 THE VALUE OF INTERNATIONAL MENTORING

Mentoring is an ancient form of support that relatively recently has become a more formalised means to support entrepreneurs. My research concurs with earlier literature that there is no straightforward answer to the first research question of this thesis:

*1. How can the effectiveness of international business mentoring be evaluated?*

While it is widely accepted that mentoring is beneficial, there is very little literature which has identified key indicators to measure its benefits with any degree of reliability. Mentoring seems to be as good as the participants say it is and evaluating it is heavily dependent on anecdotal evidence. From the literature review a framework was developed to examine this mentoring programme. This considers desired attributes of both the mentor and the mentee and their resulting relationship. Where this is a positive, constructive relationship mentoring can generate both business development outcomes and socio-cultural outcomes (Kram, 1985). Changes to the way the business is run are potentially just as important as the personal growth of the entrepreneurs themselves. The success of a mentoring programme is usually measured by the client's satisfaction with it but in this thesis it was also considered important to incorporate the mentors' perspectives. Literature recognizes that the success of a business depends on its ability to operate within its cultural context (Hailey, 1987; Saffu, 2003). Thus an international mentoring programme needs to be aware of the cultural context in order that advice provided is appropriate and relevant.

Using the framework described above, the PBMP was looked at from the perspectives of both the entrepreneurs in Samoa and the mentors in New Zealand in order to answer question two:

*2. Do Samoan entrepreneurs perceive their mentors have provided useful advice which they have been able to implement to improve their businesses?*

A high number of Samoan mentees, over 80%, responded that they had made practical changes to their businesses based on advice from their mentor. This indicates that the advice provided was usually relevant and timely. Mentees always have the choice to decide what advice they follow and some clearly stated that they did not follow all advice. Despite this an overwhelming majority of businesses could give examples of changes they had made due to their mentor.

The most commonly cited benefit of having a mentor was that they provided a good sounding board. The survey of the mentors concurred with these findings with all mentors reporting that having a neutral sounding board was a benefit for all or most of their clients. This seems to be especially useful in Samoa where the culture means that people are reluctant to discuss their businesses with other locals. Having an external, neutral and experienced person with whom they could simply talk about their business was regarded as highly beneficial.

The third research question puts this advice into the local contextual situation, which is necessary if the changes made are to be enduring:

*3. Does advice provided by mentors help entrepreneurs to balance cultural expectations with economic demands?*

In order to be sustainable in the long term, an entrepreneur must demonstrate continued respect for the local culture (Hailey, 1987; Saffu, 2003). Contemporary business practices will at times conflict with this, but successful entrepreneurs must find ways to balance the two. Thus, if mentoring is to be of benefit in the long term the mentors need to hold this as a primary consideration. In this regard, my research found that the mentors did not demonstrate a strong understanding of the local cultural environment. Only 17% of the mentees reported that their mentor had a good understanding of the local context yet feedback from mentors indicated that they were not aware of this weakness. Of course, cultural practices are not static. They are constantly evolving and learning about them

takes more than just reading a book or attending a workshop. With every visit to Samoa, the mentors' cultural understanding will increase, and it is the more experienced mentors who are most likely to be able to assist entrepreneurs to find the balance between their business commitments and traditional obligations. Approaching cultural issues with a greater degree of sensitivity would help to form the basis of a mutually respectful relationship between the mentor and the mentee. This can then enable and empower the entrepreneurs to question the degree of some cultural expectations and ultimately help them to reach a compromise which would allow the business to survive while still valuing community relationships. This research revealed that if the entrepreneurs are simply instructed to change business practices by a mentor, who they do not perceive as having a good understanding of their full situation, they are likely to just ignore such advice. The mentors can give entrepreneurs ideas and help them see things from a new perspective but it is the entrepreneurs who must make and act on their decisions themselves.

The final research question which concludes this thesis, still remains to be answered:

*4. Is donor-funded international mentoring a suitable means of support for entrepreneurs in a developing country?*

The answer is "Yes, but..."

Mentoring can be an ideal form of support for entrepreneurs in a developing country. Many benefits of mentoring reported in industrialised countries will apply equally in a developing country. Mentoring can support the growth of the business as well as the personal development of the entrepreneur (Kram, 1985). Mentoring has the potential to offer appropriate advice, at the moment when it is needed. Mentors can sow the seeds of new ideas which entrepreneurs can choose to act on. Mentoring is highly individualized and allows for a high degree of flexibility, to fit in with the needs of the mentee (Bisk, 2002; Sullivan, 2000). The management process in small businesses is characterized by the "highly personalized preferences, prejudices and attitudes of the owner-manager" (Morrison & Bergin-Seers, 2002, p. 391). As a business grows, the entrepreneur needs to adapt and learn new skills. Particularly in a developing country it can be difficult to find local people willing and able to share such skills and this is where an international mentor can be of great benefit. But learning interventions are required to be "sensitive and attuned to these contextual factors" (Morrison & Bergin-Seers, 2002, p. 391).

Mentoring offers a practical alternative to attending a business course, which even if available, is often simply not feasible for an entrepreneur to attend. Taking time away from their business and family commitments is not an option for many entrepreneurs in developing countries. Furthermore, it has been noted that entrepreneurs often prefer the practical learning offered by mentoring over a theoretically based training course (Lorrain & Laferté, 2006).

There are added challenges when mentoring takes place across country boundaries with the entrepreneur operating in an environment vastly different to that experienced by the mentor. For a mentoring programme to be successful it needs to align, first and foremost, with the development priorities of the host country. Hofstede's "comparative multi-society research" concluded that organisations are "culture bound and must be managed with reference to the cultural context" (Portwood, 1982, p. 129). The mentors need to take the time to understand the mentees' needs and priorities, and not just assume they will be the same as theirs. This has been noted in literature for decades but my research in Samoa demonstrated that it is not always put into practice. Mentors need to "forsake the myopia of mainstream management thinking for a more appropriate, culturally sensitive management style" (Hailey, 1987, p.58). St. Jean, Audet and Couteret (n.d. p. 3) found that "it is very important for the protégé to feel that his mentor truly understands what he is going through". My fieldwork demonstrated that on several occasions the mentee believed his mentor did not understand the local context well enough to appreciate their circumstances. This is an area which can and should be improved.

Where the mentor and the mentee have time to build a relationship based on mutual trust and respect, it can lead to positive outcomes for both the business and the entrepreneur personally. However, if the mentor fails to appreciate the local context and simply tries to impose his own values and ways of doing business, mentoring can become yet another form of domination by a developed country over their less-developed neighbour. By definition, the mentor is more experienced than the mentee. Given that the mentor also comes from a more highly developed country, there is the potential for this relationship to be very unbalanced with the mentee placed in a much weaker position. Dysfunctional mentoring relationships can have a damaging effect on mentors, mentees and their organisations (Skandura, 1998 as cited in Kent, Dennis & Tanton, 2003 p.442). Careful selection, training and support of the mentors is important for the relationship to work. Mentors who are well-meaning but out of touch with the realities of running a business in

a developing country will be less effective than a mentor with local experience. Mentors need to be familiar with challenges unique to the country they are operating in, as well as the local opportunities.

Managing expectations is a vital part of the success of a mentoring programme. My research found that some entrepreneurs expected their mentor to do a lot of work for them. While mentors often provided practical tools such as business templates and guides for financial management, ultimately “most of the work has to come from the client” (Cull, 2006, p. 10). It has even been suggested that a mentee should complete four hours’ work for every hour of mentoring they receive (St Jean & Audet, 2012). While this is quite a prescriptive figure, it does give an indication of expectations from the mentor’s approach.

Ultimately the results of a mentoring programme will be as varied as all the personalities involved. This research has shown that in a development context mentoring has been beneficial for entrepreneurs in a developing country. 81% of Samoan entrepreneurs in this research reported that they did instigate changes to their business as a direct result of the mentoring they had received. Furthermore, 85% of the entrepreneurs reported having a neutral sounding board was valuable for them and was something they could not achieve in-country without the external mentors. This leads to the conclusion that mentoring can provide both hard (business development) and soft (personal) outcomes which are of benefit to the entrepreneur. Effective interventions will focus on assisting entrepreneurs to learn, rather than simply “imposing a prescribed solution” (Sullivan, 2000, p.168). In this way international mentoring can assist with business development and personal growth of the entrepreneur in developing countries.

In the modern world small business survival depends on the ability to adapt to ever changing, dynamic market places. This needs to be understood by both the mentor and the mentee. An understanding of the local context is important and mentors should adapt their approach according to the needs of the entrepreneur. External support combined with their intrinsic local knowledge, can help lead an indigenous entrepreneur to successfully find a balance between their traditional priorities and the demands of contemporary business practices to create a sustainable business suited to their local context. With this in place, mentoring has the potential to be a versatile form of support of great benefit to the entrepreneur in a developing country.

Studying the PBMP in detail has demonstrated that mentoring brings many benefits to the entrepreneur in a developing country; however there is still scope to improve the delivery of this programme. The next section will discuss the recommendations made to further refine the delivery of mentoring to entrepreneurs in Samoa.

### 8.3 SUGGESTED IMPROVEMENTS TO THE PBMP

From this research I have been able to answer the research questions of the thesis, however a lot more information has also been gathered, which could potentially improve the PBMP at an operational level and also be applied to the design of other international mentoring programmes. It is worth noting here some recommendations to improve the programme which could realistically be implemented without dramatically increasing the budget. These are listed below in Table 2 on page 115. These recommendations may be useful in the planning of other international mentoring programmes as well. Furthermore, as referred to in chapter 2, the Learning Impact Evaluation which is currently being undertaken by the Dutch PUM programme (Meerkerk, 2013), may reveal further insights which donor-funded international mentoring programmes can learn from.

The key factor that stood out from my research was that 83% of the mentees interviewed perceived that their mentors had very little understanding of Samoan culture. The PBMP needs to place the cultural context of the mentoring in a central role, so that the mentors are explicitly aware of the constraints and pressures as well as the motivations and opportunities which face entrepreneurs in Samoa. The importance of adapting advice to the local context has been discussed at length in previous sections. Each time mentors visit Samoa they will absorb elements of the local culture and find commonalities amongst the issues reported by their clients. However this process could be formalized somewhat in order to speed up the mentors' learning. The Samoan Chamber of Commerce expressed an interest in conducting initiation workshops with the mentors when they arrive in Samoa. This would give the opportunity for mentors new to the country to ask questions and for more experienced mentors to receive updates. It would set the scene before the mentors go out into the field and meet with the entrepreneurs and it would also expand the mentor's local network of contacts.

Clutterbuck and Rags (2002) recommend that mentors can and should support each other. Some mentors who I surveyed reported that they met each other in the evenings to compare stories, but this could also be formalized further. Questions which Clutterbuck and Rags (2002, p.81) suggest mentors discuss include:

- How do I deal with a mentee who always says yes, he'll do what we've discussed but never actually does so?
- How can I encourage my mentee to challenge me more?
- How can I get my mentee to understand the impact of his/her own behaviour?
- How can I improve my skills at asking the right question?

Such questions become all the more important where the mentors are working in an unfamiliar culture. Comparing stories, discussing effective solutions and meeting with Samoans outside of the mentoring programme, can all help to increase the knowledge and awareness of the mentors. The mentors are experienced New Zealand business people, but they too need to continue their learning about applying their experience to the local context. With the current system the mentors receive no direct feedback regarding their work. They only receive the collated data from the client surveys. More personal observations and feedback would give them the opportunity to improve the support they offer. This could be achieved through occasional observations by more experienced mentors and regular discussions regarding how to resolve any issues.

Many mentees requested more frequent visits from the mentors. This is clearly not cost neutral and therefore may not be possible, but one way to increase the amount of contact would be to encourage phone calls, rather than just email communication, when the mentors return to New Zealand. Several entrepreneurs I met with in Samoa had limited access to the internet and they were reluctant to share any personal information by email. However all the entrepreneurs who I met with had good access to telephones and they liked to use them a lot. The mentors should also be provided with a local Samoan phone number which would make in-country communication much cheaper and easier for all involved with the programme. Furthermore, some entrepreneurs told me they preferred to talk about their businesses in Samoan. The fear of "looking stupid" if they had to discuss their business in English was a barrier to some people joining the programme. Providing a neutral, Samoan-speaking interpreter for such cases, would help overcome this and allow a broader range of entrepreneurs to join the programme.

### **Support for Mentors**

- Hold cultural initiation workshops for mentors with Chamber of Commerce on arrival
- Create a clear process to hand over information when clients change their mentor
- Provide local mobile phones for mentors so it is easier and cheaper for the mentors and mentees to contact each other
- Peer review mentors' work
- Provide mentors with individualised feedback not just the collated data
- Create awareness amongst mentors and management of PBMP that at least three visits may be required to build a trusting relationship
- Set up a forum for mentors to meet, either in person or online, to discuss issues and possible solutions

### **Support for Mentees**

- Institute more regular visits
- Encourage phone calls (or Skype where possible), not just email communication when the mentor returns to New Zealand
- Set clear expectations regarding what is wanted and what can be provided
- Hold social gatherings for mentees to encourage networking and cooperation, while respecting their desire for privacy.
- Provide a Samoan speaking assistant so they can speak in Samoan if they prefer to
- Create a clear process to change the mentor when a relationship is not working out.
- Where appropriate, involve more family members in the mentoring programme, rather than a single entrepreneur.

**Table 2 Recommendations to Improve the PBMP at an Operational Level**

Business networking is a virtually unknown concept in Samoa and this is something the PBMP could encourage. Holding informal social events would enable the mentees to meet each other and other mentors in a non-threatening environment. This may lead to more business cooperation where appropriate, but strictly on terms which local entrepreneurs

are comfortable with. Some entrepreneurs also expressed the difficulties they had in communicating their intended business changes with family members; reducing the amount of credit being provided was often a cause of tension within the family. There are cases where it would be appropriate to include more family members in some mentoring meetings, particularly where businesses are run by two or more family members, rather than a single entrepreneur as assumed by mentoring schemes. This would increase the understanding of what is involved in running a business and broaden the impact of the programme as a whole.

Finally, there are some occasions where the mentor and the mentee did not get along well, despite the best intentions from both sides. Rather than looking for someone to blame, at times it is more effective to simply change the mentor. The PBMP needs to formulate a simple and well communicated procedure to enable a change to occur without causing any stress or embarrassment to either party.

At a more strategic level, there is further scope for improvements to the PBMP. Mentors have a lot of clients to deal with on each visit to Samoa. Their time with each entrepreneur is limited and many found it to be too short to be fully effective. Where desired by the entrepreneurs, it would be valued if mentors had the time to provide more assistance to implement plans rather than just discuss them. Many entrepreneurs found it very helpful to sit down with their mentor and do the work together until they felt confident to carry out new tasks alone. More time would allow new skills to get ingrained and new habits to be formed. Allowing mentors to work with fewer clients would enable them to provide more in-depth support and in the long term this would have the potential to generate further – reaching changes.

There has been a high turnover of mentors who are working in Samoa, with all the original mentors leaving the programme. This appears to have been caused by internal issues beyond the scope of this thesis, but the lack of continuity had a detrimental effect on many relationships with entrepreneurs. A more formalized hand-over of client information would have made the transition smoother for the Samoan entrepreneurs. Once they had become comfortable with their new mentors, several entrepreneurs reported that they appreciated the fresh approach and new ideas generated. Others were less happy with the changes and the way in which they were managed.

Both New Zealand mentors and the people they work with in Samoa have criticised the PBMP for putting too much emphasis on creating quick improvements to the businesses. As has already been discussed at length, measuring such changes and attributing them directly to the mentoring programme is highly problematic and unrealistic. Aiming to put quick wins on the score card is an unfortunate outcome of development projects in the current economic climate (Bridgman, 2011; Schulpen & Gibbon, 2002), but it is an inappropriate and unrealistic approach for a mentoring service. By its nature, a mentoring relationship takes time to develop, and gradual results over the long term can be much more significant than short term outcomes. Keeping focused on the bigger picture will enable the PBMP to create long lasting, sustainable changes to assist entrepreneurs in the Pacific.

#### 8.4 CONCLUDING COMMENTS

Mentoring is a concept virtually as old as humanity. Utilising mentoring to assist entrepreneurs in developing countries is a much younger idea. The value of entrepreneurship is widely recognised as a means to creating jobs, contributing to local wealth and fostering a dynamic economy (Lorrain & Laferté, 2006). It is claimed that the mentoring of new entrepreneurs is “beneficial for local economies seeking to diversify their economic base and increase both the number and performance of small firms” (Deakins et al., 1998, p. 159). Given the current focus of the New Zealand Aid Programme on fostering economic development (MFAT, 2011), it is thus a logical extension of the New Zealand Aid Programme in the Pacific to provide mentoring services to entrepreneurs in the countries they are assisting. Donor-funded international mentoring is now occurring between many developed and developing countries around the world. Interestingly, very little academic research has been carried out to assess its effectiveness to date. This thesis provides an initial step towards evaluating the impact of international business mentoring as an aid to development and as such these findings have relevance to any cross-cultural mentoring programme for entrepreneurs.

While every business is different, it can be concluded that there are some similarities between businesses in developing and developed countries. Most entrepreneurs around the world establish their businesses in order to support themselves and their family. Many Samoan entrepreneurs differ from New Zealand entrepreneurs in that their definition of

“family” extends far wider and would usually include many more people. The obligations to this extended family, church and community form the basis of *fa’a Samoa* which creates a very different context within which to operate a business, compared with the New Zealand context. *Fa’a Samoa* presents many challenges to Samoan entrepreneurs which they must balance with the needs of their businesses. A common challenge is meeting the expectation and desire to demonstrate generosity towards their community members to such an extent that it can cripple the business.

Further to the cultural challenges are the physical challenges to entrepreneurship in the Pacific Islands which are quite different to those faced in New Zealand. The smaller domestic market and limited natural resources place very real restraints on local businesses. Furthermore they are highly vulnerable to both economic shocks and natural disasters.

However the cultural environment also presents opportunities and security to local entrepreneurs. Family members will help and support each other on a daily basis and having access to communal land presents further business opportunities. In times of economic or environmental disasters, family members living in Samoa and abroad will come to the aid of those who need it. This research has shown that Samoan entrepreneurship has unique features, which ensure “independence, sustainability ... community stability, security and equity” (Morrison, 2008, p. 249). It must be expected that conflict will occur between traditional values and business efficacy, but it has been noted that “the test of any entrepreneur is his [*sic*] ability to resolve these conflicts” (Hailey, 1987, p.63). The local culture provides a cornerstone of society which should not be undermined.

Mentoring has the potential to provide timely, personalised assistance to help entrepreneurs develop their businesses. Equally of value is the usefulness of mentoring to the personal growth of the entrepreneur, acting as a neutral sounding board and challenging their assumptions. It is vital that advice provided by mentors does not undermine the very features of the local society which ensure the resilience of local people. Instead, with increased cultural understanding, mentors can assist indigenous entrepreneurs to create their own unique business models which successfully combine the local cultural values with modern business principles. It is only when this balance is attained that a business will be sustainable and able to contribute to the long term development of the local community.



**MASSEY UNIVERSITY**  
TE KUNENGA KI PŪREHUROA

17 April 2013

Gisela Purcell  
53 Somerset Terrace  
Nelson 7011

Dear Gisela

**Re: How Effective is the Pacific Business Mentoring Programme for Indigenous Entrepreneurs in Samoa?**

Thank you for your Low Risk Notification which was received on 15 April 2013.

Your project has been recorded on the Low Risk Database which is reported in the Annual Report of the Massey University Human Ethics Committees.

The low risk notification for this project is valid for a maximum of three years.

Please notify me if situations subsequently occur which cause you to reconsider your initial ethical analysis that it is safe to proceed without approval by one of the University's Human Ethics Committees.

Please note that travel undertaken by students must be approved by the supervisor and the relevant Pro Vice-Chancellor and be in accordance with the Policy and Procedures for Course-Related Student Travel Overseas. In addition, the supervisor must advise the University's Insurance Officer.

**A reminder to include the following statement on all public documents:**

*"This project has been evaluated by peer review and judged to be low risk. Consequently, it has not been reviewed by one of the University's Human Ethics Committees. The researcher(s) named above are responsible for the ethical conduct of this research."*

*If you have any concerns about the conduct of this research that you wish to raise with someone other than the researcher(s), please contact Professor John O'Neill, Director (Research Ethics), telephone 06 350 5249, e-mail humanethics@massey.ac.nz".*

Please note that if a sponsoring organisation, funding authority or a journal in which you wish to publish requires evidence of committee approval (with an approval number), you will have to provide a full application to one of the University's Human Ethics Committees. You should also note that such an approval can only be provided prior to the commencement of the research.

Yours sincerely

John G O'Neill (Professor)  
**Chair, Human Ethics Chairs' Committee and  
Director (Research Ethics)**

cc Prof Regina Scheyvens  
School of People, Environment and Planning  
PN 331

A/Prof Glenn Banks  
School of People, Environment and Planning  
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Dr Allanah Ryan, HoS  
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**Massey University Human Ethics Committee**  
Accredited by the Health Research Council

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**MASSEY UNIVERSITY**

COLLEGE OF HUMANITIES

AND SOCIAL SCIENCES

TE KURA PUKENGA TANGATA

**Information Sheet**

My name is Gisela Purcell and I am a student of Development Studies at Massey University, New Zealand. I am conducting research in Samoa on the following topic:

**The Impact of the Pacific Business Mentoring Programme  
On Entrepreneurs in Samoa**

I would like to invite you to participate in this research by taking part in an interview of approximately 1 hour, in which you will be able to share your experiences of running a business in Samoa and working with a New Zealand mentor.

If you choose to participate in this research, you will have the right to choose which questions you do or do not wish to answer, and you can withdraw from the study at any time. Written and electronically recorded material made during the interview will remain confidential and will only be seen by the researcher, a research assistant and the university supervisors in New Zealand. It will be your decision whether you and your business will be identified or will remain anonymous in my work.

The information collected for this research project may be used for academic articles, reports, conference presentations and teaching purposes. I would be happy to provide a summary report to any participants who request this.

I hope that you will accept this invitation to participate in this research as we really value the input you could bring to the project. If you have any questions about this research project please contact me directly:

**Gisela Purcell**

5 Tory Street, Nelson, New Zealand

Ph +64 21 1010366

giselapurcell@gmail.com

*This project has been evaluated by the research supervisors and deemed to be low risk. Consequently, it has not been reviewed by one of the University's Human Ethics Committees. The researcher named above is responsible for the ethical conduct of this research. If you have any concerns about the conduct of this research that you wish to raise with someone other than the researchers, please contact Professor Regina Scheyvens, Head of Development Studies, Massey University. Ph +64 6 3505 799 x2509*

**Thank You Very Much For Your Time!**

MASSEY UNIVERSITY  
COLLEGE OF HUMANITIES  
AND SOCIAL SCIENCES  
TE KURA PUKENGA TANGATA

Pepa O Fa'amatalga

O lou igoa o Gisela Purcell ma o a'u ou te aoga i le Iunivesite o Massey i Niu Sila, o loo aoaoina au ile Mataupu Tau ile Atinae. O loo ou ta'ita'ia nei se suesuega i Samoa o loo faaulutalaina e faapea

**Ole Taua o se Polokalamae Tau Aoaoaoga i Tagata Fai Pisinisi  
ole Pasefika i Samoa**

O lea ou te valaau atu ai ma le faaaloalo lava e tatau ai, ina ia tatou auai i lenei suesuega e ala lea ile faatalatalanoaga mo se umi pe a ma le 1 le itula, atonu o le a mafai ona e faasoa mai lou silafia e ala lea ile faaatinoina ai o lau pisinisi i Samoa ma galulue faatasi ai ma ni tagata e faia ni aoaoga mai Niu Sila.(mentor)  
Afai o le a e auai mai i lenei suesuega, e ia te oe le aia tatau e te tali ai fesili ole afesiligia ai oe, e mafai foi ona e alu ese mai soo se taimi pe a e le fia auai.

Ole a tusitusia pe faamaumauina I masini faaonopo nei faatalatalanoaga ole a faia i lea taimi, o le a le mafai foi ona faalauiloaina mo le silafia ele lautele nei faatalatalanoaga, sei vagana ai i latou o loo faia suesuega ma le supavaisa o le Iunivesite i Niu Sila, E ia te oe lava le faitalia ete filifili ai pe ete manao e faalauiloa atu lou tagata poo lau pisinisi pe leai.

O fa'amatalaga uma ua ou fa'amaumauina mo lenei suesuega o le a mafai ona fa'aaogaina lea mo, aoaoga, fonotaga, ma ripoti o suesuega, Ae ou te fiafia foi e saunia se ripoti auiliili mai lenei suesuega, mo soo se tasi o loo auai mai pe a talosagaina.

Ou te fa'amoemoe o le a e talia lenei valaau, poo se fa'atalauula atu foi i lau Susuga ia tatou auai faatasi i lenei suesuega, aua e taua tele lou sao mo lenei fa'amoemoe. A iai se fesili e uiga i lenei suesuega fa'amolemole, fa'afesootai mai au i le tuatusi, poo le telefoni o loo taua i lalo.

Gisela Purcell  
5 Tory Street  
Nelson  
New Zealand  
poo le telefoni 0064 0211010366  
e-mail: [gislapurcell@gmail.com](mailto:gislapurcell@gmail.com)

**O leni fuafuaga sa fuafuaina ele supavaisa o suesuega, ma o se suiga e ia le talitonuga e ile vaega maualalo lava. O Iona Taunuuga e lei suesueina ele Komiti o Suesuega ale Iunivesite o Massey. O le igoa ua fa'aigoainaia leni suesuega ua fa'atauaina ai le fa'ataunuuga ole suesuega. Pe a ia se fesili e fia fesiligia ai se tai e ese mai i le oloo fa'atanuuina le suesuega, e mafai ona faafesootai le tamaitai Polofesa ia Regina Scheyens o ia ole Taiulu ole Mataupu tau Atinae, ile Iunivesite o Massey ile telefoni +64 6 3505 799 ext2509**

Faafetai tele lava mo lou taimi fa'aavanoaina.

## Participant Consent Form

### *Pepa Fa'atumu mo Sui Auaai*

#### How Effective is the Pacific Business Mentoring Programme For Indigenous Entrepreneurs in Samoa?

#### *Ole a se Taua ose Polokalamae tau ile Aoaoga mo le Aufaipisinisi ole Pasefika i Samoa?*

I have read the Information Sheet and have had the details of the study explained to me. My questions have been answered to my satisfaction and I understand that I may ask further questions at any time.

*Ua ou faitauina le Pepa o Fa'amatalaga, ma ua ia te a'u fa'amatalaga uma mo lou silafia e uiga i lenei suesuega.*

*Ua ou taliina uma fesili ile mea e gata ai lou iloa, ma lou malamalama ole a iai nisi fesili e fesiligia ai au ile lumana'i.*

I agree to the interview being recorded.

**Yes / No**

*Ua ou malie foi e pueina le fa'atalatalanoaga.*

**Ioe/Leai**

I consent to my name or the name of my business/organization being used when my comments or opinions are used in this research.

**Yes / No**

*Ou te fa'atagaina foi le faaaogaina o lou igoa poo le igoa*

**Ioe/Leai**

*o lau pisinisi ma ni faamatalaga mo i ni metotia o le a faaaogaina mo lenei suesuega.*

I would like to receive a summary of the results of this research when it is completed.

**Yes / No**

If yes, please provide your email address: \_\_\_\_\_

*Ou te fiafia foi ou te tauaaoina le iuga o lenei suesuega pe a maea.*

**Ioe/Leai**

*Afai e te malie iai fa'amolemole aumai lou i-meli. \_\_\_\_\_*

I agree to participate in this study under the conditions set out in the Information Sheet.

*Ua ou malie foi oute auai i lenei aoaoga ma ou taliaina foi le fua faatatau o loo ile Pepa o Faamatalaga.*

**Signature:**

**Saini:**.....

**Full Name (printed):**

**Tusi lolomi mai lou igoa atoa:**.....

**Date:**

**Aso:** .....

APPENDIX 4: QUESTION GUIDE FOR INTERVIEWS WITH SAMOAN  
ENTREPRENEURS

## A. Introduction

1. Introduce myself – study, family and business  
Please tell me about yourself and your family
  - i. Where were you educated?
  - ii. Have you lived overseas?
  - iii. If yes, where? And for how long?
  
2. What things do you do when you are not working in your business?
  - i. paid and unpaid
  - ii. Church, committee, role in the village structure, cooking, childcare etc
  
3. Can you tell me about your business product or service? What does your business do?
  - i. How long has it been running?
  - ii. Any previous work or business experience?
  
4. What are your main roles in your business?
  
5. How many staff do you employ?
  - i. Full time / part time / casual staff
  - ii. Volunteers
  - iii. Family members
  
6. What were your main challenges before getting a mentor?
  - i. Staff
  - ii. Structure
  - iii. Financial / Cashflow
  - iv. Marketing
  - v. Social / Cultural
  
7. What are the benefits to you and your family of owning this business?
  - i. Family status
  - ii. Village Status
  - iii. Other important traditional issues

8. What are the drawbacks to you and family of owning this business?
  - i. Family status
  - ii. Village Status
  - iii. Other important traditional issues

## **B. Mentoring Experience**

9. Why did you apply to get a NZ business mentor?
10. What did you like about having a mentor? What did they help you with?
11. Was there any information about your business that you didn't share with your mentor?
12. What types of changes did your mentor recommend?
  - i. How did you feel about these suggestions?
  - ii. Did your feelings about the suggested changes evolve over the year?
13. Did you make any changes to your business? If so, what were they?
  - i. What was the impact of these changes?
  - ii. Look for impacts within the business
  - iii. Look for impacts beyond the business into the family or wider community
  - iv. Were some recommendations NOT implemented? Please give examples
14. Do you think the mentor had a good understanding of your local situation and issues?
15. Was the amount of time spent face to face with your mentor:
  - i. Too much
  - ii. too little
  - iii. about right?
16. What was the best thing about the mentoring programme? Eg:
  - i. New ideas
  - ii. Get feedback on my ideas
  - iii. Someone to discuss things with who is not directly involved

- iv. New contacts
- v. Improved self confidence
- vi. Free of charge

17. How did you feel about the follow up when your mentor was back in NZ?

18. Overall Satisfaction with the programme?

- i. Extremely satisfied
- ii. Moderately satisfied
- iii. Not sure if satisfied
- iv. Unsatisfied

### **C. Looking Ahead**

19. What do you think would help your business the most? (would you like to receive ongoing mentoring? )

20. What are your goals for the next year? 3 years? 5 years?

21. How could the programme be improved?

22. Would you recommend this business mentoring service to other people?

- i. Yes Highly
- ii. Maybe
- iii. No

### Balancing Samoan cultural expectations with NZ business practices:

Name:

Business:

respect for customs and tradition

innovation and new ideas



community sharing

individual profiteering



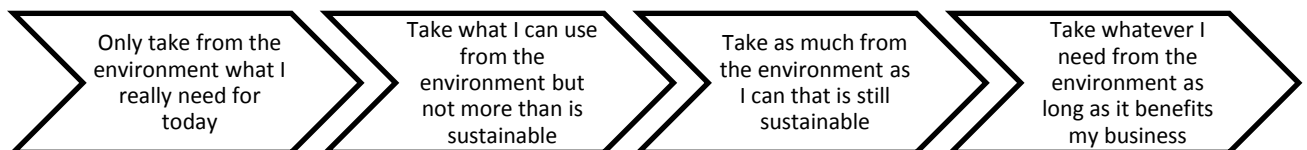
working together

working in competition



living sustainably with the environment resources

maximizing benefits from local



Dear

I know how annoying surveys can be, but please do give 10 minutes of your time to complete this survey: <http://www.surveyface.com/oseapp/CollectResponse/XTwhJFHA-ps5YUBISMaixCnqaq3jKHxnaNujShj3yCI>

You have already given a lot of your time to offer mentoring in Samoa, and your feedback is now needed to ensure we have a good understanding of this programme.

MFAT are funding my research into the effectiveness of the Pacific Business Mentoring Programme in Samoa and I'd really like to give them balanced feedback. The mentees you worked with in Samoa were very open and helpful, but I know it takes two to tango, so I'd love to get your opinions too. Please be honest – all feedback is totally anonymous!

Please click on the above link and answer these questions before you turn off your computer today!

Further details about me and this research are below.

Thanks so much  
Gisela

*I am a Masters student at Massey University studying Development Studies.*

*I recently returned from a research trip to Samoa which was funded by the NZ Aid Programme.*

*Your responses to these questions will be kept anonymous and will only be seen by the researcher and the university supervisor.*

*The information collected for this research project may be used for academic articles, reports, conference presentations and teaching purposes.*

*I would be happy to provide a summary report to any participants who request this.*

*If you prefer to have a chat on the phone about your experiences please email your phone number and preferred times to me – or just give me a call on 021 1010366.*

*You are also welcome to forward the link to this survey to any others business mentors who have worked with Samoan businesses.*

*If you have any questions about this research project please contact me directly by replying to this email or phoning me on the numbers below.*



Gisela Purcell  
5 Tory Street  
Nelson 7010  
ph 03 545 7211  
mob 021 1010 366



## New Zealand Business Mentors in Samoa

### 1. Introduction

1. When did you begin mentoring in Samoa?
2. How many businesses have you mentored in Samoa?
3. What motivated you to join the Pacific Business Mentoring Programme?
4. Please describe your prior business experience.
5. Please describe your prior experience in the Pacific Islands.
6. Please describe the support you received for your mentoring in Samoa. This can include preparation in NZ, support while in Samoa and the follow up afterwards.
7. Are you satisfied with the support you received as a mentor?  
*Please choose (tick) one or more answer from below list (Multiple Choice)*

- Yes, it was excellent
- Somewhat, it was adequate
- No, it needs to be improved

Please make any further comments if you wish

8. What skills and experiences do you think are required by a business mentor?  
*Please rate (tick) on each row (Rating Scale - Only one answer per row)*

**Essential - Very Important - Quite Important - Not important**

- Success in your own business
- Experience in the same field as the mentee's business
- Understanding of current NZ business practices
- Accounting skills
- Marketing skills
- General Management skills
- Staff Management skills
- Understanding of the mentee's culture
- Understanding of the mentee's socio-economic background
- Experience in a cross-cultural context
- Listening skills
- Empathy
- Clear communication skills
- Are there any other skills you think are important?

## 2. Mentoring in Samoa

### 9. What do you think are the benefits of mentoring for Samoan entrepreneurs?

*Please rate (tick) on each row (Rating Scale - Only one answer per row)*

**A benefit for all - A benefit for most - A benefit for some - Not a benefit**

Provides a neutral sounding-board  
Increases motivation  
Increases self-confidence  
Improves business skills  
Challenges assumptions  
Develops better business systems  
Increases networks

**Are there other benefits? Please make any further comments if you wish**

### 10. Are you aware of changes that people made to their businesses due to your mentoring?

*Please choose (tick) one or more answer from below list (Multiple Choice)*

Yes

No

If yes, please give examples

### 11. How do you feel about the amount of face-to-face contact that you have with entrepreneurs in Samoa? (select as many as apply)

*Please choose (tick) one or more answer from below list (Multiple Choice)*

About right

Meetings are too short

Meetings are too long

Meetings are too far apart

Meetings are too frequent

Please make any further comments if you wish

### 12. Do you have much contact with your mentees when you are back in NZ?

*Please choose (tick) one or more answer from below list (Multiple Choice)*

Yes - a lot

Yes - a little

No - not at all

Please make any further comments if you wish

### 13. Thinking of the people you mentored in Samoa, do you think they were open to change?

*Please choose (tick) one or more answer from below list (Multiple Choice)*

Yes - all

Yes - some

No - none

Please make any further comments if you wish

**14. Thinking of the people you mentored in Samoa, do you think they were committed to taking action?**

*Please choose (tick) one or more answer from below list (Multiple Choice)*

Yes - all

Yes - some

No - none

Please make any further comments if you wish

**15. Did you ever have to adjust your usual (NZ) business advice to fit the local context?**

*Please choose (tick) one or more answer from below list (Multiple Choice)*

Yes - often

Yes - occasionally

No - never

If yes, please give examples

**16. What did you enjoy about mentoring businesses in Samoa?**

**17. What did you find difficult or frustrating with mentoring businesses in Samoa?**

**18. What do you think are the greatest challenges for businesses in Samoa?**

**19. What do you think are the greatest opportunities for businesses in Samoa?**

**20. What improvements could be made to the mentoring programme?**

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