

Personal traits and formalization of entrepreneurial ventures: insights from a developing country

Personal traits
and
formalization

63

Received 11 April 2023
Revised 27 November 2023
Accepted 12 December 2023

Kasimu Sendawula

Makerere University, Kampala, Uganda

Shamirah Najjinda

Kyambogo University, Kampala, Uganda

Marion Nanyanzi

Makerere University, Kampala, Uganda, and

Saadat Nakyejwe Lubowa Kimuli and Ahmad Walugembe

Kyambogo University, Kampala, Uganda

Abstract

Purpose – The purpose of this study is to explore how the personal traits of the informal entrepreneurs influence their formalization decisions.

Design/methodology/approach – This study adopted a qualitative approach using a multicase design in which 28 informal entrepreneurs situated in Kampala district, Uganda, were engaged. An interview guide, recorders and note books were used in data collection.

Findings – The results indicate that the traits of informal and semiformal entrepreneurs are distinct. Informal entrepreneurs have been noted to be more courageous and resilient, while their semiformal counterparts have greater passion for their businesses. It is thus observed that the formalization prospects are higher for the semiformal entrepreneurs than for their informal counterparts. Entrepreneurs that would be willing to formalize their businesses are discouraged by distance, technology and the cost of involving middlemen. Whereas the resilient entrepreneurs are noted to work through these challenges, the passive ones in both the informal and semiformal categories will not formalize their businesses by giving such excuses.

Originality/value – This study contributes to the extant literature on informal entrepreneurship by providing initial empirical evidence on how the personal traits of the entrepreneurs influence their formalization decisions specifically.

Keywords Informal entrepreneurship, Personal traits, Formalize decision, Uganda

Paper type Research paper

1. Introduction

The study is intended to explore the personal traits of informal entrepreneurs and how they influence their formalization decisions. Addressing this aim was motivated by the fact that informal entrepreneurship is one of the most prevalent business phenomena in both developed and developing economies, including Uganda (Salvi *et al.*, 2022). For Uganda specifically, the dominance of informal entrepreneurial activities is noted to deny the government about 40% of the total revenue that may be collected (National Planning

© Kasimu Sendawula, Shamirah Najjinda, Marion Nanyanzi, Saadat Nakyejwe Lubowa Kimuli and Ahmad Walugembe. Published in *New England Journal of Entrepreneurship*. Published by Emerald Publishing Limited. This article is published under the Creative Commons Attribution (CC BY 4.0) licence. Anyone may reproduce, distribute, translate and create derivative works of this article (for both commercial and non-commercial purposes), subject to full attribution to the original publication and authors. The full terms of this licence may be seen at <http://creativecommons.org/licences/by/4.0/legalcode>



New England Journal of
Entrepreneurship
Vol. 27 No. 1, 2024
pp. 63-88
Emerald Publishing Limited
2574-8904
DOI 10.1108/NEJE-04-2023-0022

Authority, 2020). As such, governments in developing countries should create a conducive business environment that supports the formalization of entrepreneurial activities as a remedy to the defects of the informal economy (Salvi *et al.*, 2022; Shahid *et al.*, 2020). This will enable entrepreneurs to obtain government financial assistance, participate in public procurement and improve their financial discipline (Laing *et al.*, 2022) while broadening the tax base of the country.

Engagement with extant literature shows that the phenomenon of informal entrepreneurship has attracted the attention of scholars from various contexts (see: Rosa and Trabalzi, 2016; Ram *et al.*, 2017; Delacroix *et al.*, 2019). However, most of these studies are based on findings from developed economies such as Italy, the United Kingdom and France, with less focus on developing countries such as Uganda, where the business registration requirements and socioeconomic standards as drivers of formalization may significantly differ from those in the developed economies (Delacroix *et al.*, 2019). We also note that extant studies on personality traits have mainly focused on students and their entrepreneurial intentions (see Vodă and Florea, 2019; Bazkiaei *et al.*, 2020; Zheng *et al.*, 2021). As such, students are future entrepreneurs whose traits are different from those of practicing informal entrepreneurs. In addition, students' current entrepreneurial intentions may also not pay special attention to formalization as a vital stage in their entrepreneurial journey.

For the motivation to formalize entrepreneurial activities, studies, for example, Williams *et al.* (2020), Inahedh and Alsanousi (2020), concentrated on the entrepreneurs' age, level of education, income and career, with less focus on the contribution of the personal traits of the entrepreneurs in stimulating their formalization agenda. Moreover, calls for further research on the personal traits and motivation of informal entrepreneurs to formalize business operations are evident in the existing literature (see Salvi *et al.*, 2022).

In responding to this call and addressing gaps in extant literature, the current study explores how the personal traits of informal entrepreneurs influence their formalization decisions, with a focus on addressing two specific research questions:

RQ1. What are the personal traits of informal entrepreneurs?

RQ2. Which of these traits influences the informal entrepreneurs' decision to formalize their businesses?

Addressing these questions holds important theoretical implications for informal entrepreneurship (Delacroix *et al.*, 2019; Salvi *et al.*, 2022), as well as for the literature on personal traits (Bazkiaei *et al.*, 2020; Zheng *et al.*, 2021). In addition, understanding the traits that mostly influence the formalization decisions of entrepreneurs will enable policymakers in developing economies to tailor business formalization interventions that fit into their contexts. The rest of this paper is structured as follows: literature review, methodology, findings and discussion, and ends with a summary and conclusions.

2. Literature review

2.1 Informal entrepreneurship

The concept of informal entrepreneurship is differently perceived by scholars, but there is a general awareness that informal entrepreneurship has certain characteristics that differentiate it from other forms of entrepreneurship. In their integrative review, Salvi *et al.* (2022) describe informal entrepreneurship as an entrepreneurial activity that is undertaken without adhering to all the legal requirements related to the delivery of products and services in a given context in a way that is socially acceptable. It is also viewed in terms of the social-economic status of the entrepreneur (Williams *et al.*, 2016) that captures the entrepreneur's income, level of education and occupation.

Based on the above conceptualization, [Salvi et al. \(2022\)](#) present four different types of informal entrepreneurs that include the informal poor, the informal affluent, the semiformal poor and the semiformal affluent. Specifically, the informal poor demonstrate high informality levels by operating unregistered businesses that don't pay taxes and trade licenses ([Welter et al., 2015](#)). Similarly, their socioeconomic status in terms of income and education level is very low ([Delacroix et al., 2019](#)). Unlike the informal poor, the informal affluent exhibit a high level of informality and socioeconomic status ([Lee and Hung, 2014](#)). This means that their income levels are high and above the poverty line in a given context.

[Ram et al. \(2017\)](#) view the semiformal poor as entrepreneurs whose informality levels and socioeconomic status are low. This suggests that their socioeconomic status is very low, but they comply with certain regulations like paying taxes and trading licenses without adhering to other laws on employment, environmental and safety standards. Lastly, the semiformal affluent demonstrate low informality levels with high socioeconomic status ([Rosa and Trabalzi, 2016](#)). As a result, the operations of these entrepreneurs neglect some regulations that have to do with environmental protection and employee safety, with the goal of exploiting them to increase their income and business profitability.

2.2 Personal traits of informal entrepreneurs

The personal traits of entrepreneurs play a crucial role in shaping their business actions and decisions ([Farrukh et al., 2018](#); [Rosado-Cubero et al., 2022](#)). Recently, a number of studies have been conducted on this concept ([Postigo et al., 2021](#); [Farrukh et al., 2018](#); [Zheng et al., 2021](#); [Şahin et al., 2019](#)) and perceive it from two different theoretical foundations that are specific and the big five personal traits. For example, [Zheng et al. \(2021\)](#) present eight specific traits that enable an individual to undertake entrepreneurial activities in different contexts. These include innovativeness, self-efficacy, need for achievement, autonomy, optimism, risk-taking, internal locus of control and stress tolerance. [Şahin et al. \(2019\)](#), [Cuesta et al. \(2018\)](#), [Bazkiaei et al. \(2020\)](#) on the other hand recognize the big five type as the most general personal traits of the entrepreneur that revolve around openness to experience, emotional stability, conscientiousness, extraversion and agreeableness.

Thus, in their study of the general and the specific traits of the entrepreneurs, [Postigo et al., \(2021\)](#) revealed that the specific personal traits were more relevant in shaping people's enterprising capacity and potential as compared to the big five traits. In another study of entrepreneurial intention among university students, [Bazkiaei et al. \(2020\)](#) revealed that the big-five personal traits positively affect students' attitudes, which translates into developing their intentions to engage in entrepreneurial activities.

In the same vein, [Vodă and Florea \(2019\)](#) reported that the need for achievement and locus of control are the most dominant traits for enterprise creation, using evidence from 270 young students from two universities in Romania. This is not surprising since individuals who have a high need to achieve their personal goals usually have a belief that formalizing their businesses can tap into their ability to engage in productive activities that can facilitate goal achievement. Therefore, it is evident that extant literature on personal traits has focused mostly on students (see; [Vodă and Florea, 2019](#); [Bazkiaei et al., 2020](#); [Zheng et al., 2021](#)) in explicating mainly their entrepreneurial intentions, with very few studies focusing on informal entrepreneurship (see; [Khan et al., 2013](#)), whose findings were based on predicting the performance of the informal micro-tea-stall entrepreneurs using evidence from Bangladesh.

Based on the foregoing engagement with extant literature, we note that investigating the personal traits of informal entrepreneurs has received less attention. However, their traits may significantly differ from those operating formally and those of the students, whose behavior may change over the years as they develop their entrepreneurial intentions. Specifically,

informal entrepreneurs operate their businesses outside government regulations, and operate in very changing business environments as compared to their formal counterparts and enterprising students. This presents the need for the current study to explore the personal traits of the informal entrepreneurs in order to address the research question:

RQ1: What are the personal traits of informal entrepreneurs?

2.3 Motivation to formalize entrepreneurial activities

The debate on the motivation to formalize entrepreneurial activities is evident in existing literature (see [Esaku, 2021](#); [Young, 2019](#); [Nguyen et al., 2014](#); [Krasniqi and Williams, 2020](#); [McCaig and Nanowski, 2019](#); [Williams et al., 2017](#)) and scholars have presented divergent findings on this phenomenon. Specifically, [Esaku \(2021\)](#) revealed that the high taxes charged by the government increase informality levels in Uganda. This shows that the high taxes imposed on informal entrepreneurs have an impact on firm profitability and income, and thus lowering their formalization motives. In another study conducted by [Young \(2019\)](#), he documented that colonial planning, economic liberalization, poor governance and instability, ineffective taxation regimes, geographic development trends and the self-interest of state officials affect formalization decisions of entrepreneurs.

[McCaig and Nanowski \(2019\)](#) also reported that getting a trade license does not translate into increased profits, revenue, expense or employment in Vietnam, implying that even when they don't formalize their operations, informal entrepreneurs can achieve their goals. In the same vein, [Williams et al. \(2017\)](#) further found that the annual sales, employment and productivity growth rates of registered businesses that started out unregistered and ran for a longer time without being registered are much higher than those of businesses that were registered from the beginning. This position is also maintained by [Marques et al. \(2018\)](#), who documented that the need for women entrepreneurs to balance family and work responsibilities encourages them to maintain their businesses informally.

It is also important to note that the decision to formalize business operations is dependent on the demographic characteristics of the entrepreneurs. Considering this line of argument, [Williams et al. \(2020\)](#) revealed that high levels of business formalization are related to the entrepreneurs' age, level of education and income. As a result, younger entrepreneurs with low levels of education and low incomes have low formalization intentions, suggesting that entrepreneurs with low levels of education may not be aware of the rules and how important it is to register their businesses. This is in agreement with [Inahedh and Alsanousi \(2020\)](#), who revealed that the career background of the entrepreneurs is vital in fostering business formalization. Analysis of extant studies shows that most studies have focused on the formalization requirements, business goals and demographic characteristics of the entrepreneurs, and as such, we know less about the extent to which personal traits of the informal entrepreneurs motivate them to formalize operations of their businesses in addressing the gaps, we address the research question:

RQ2: Which of these traits influences the informal entrepreneurs' decision to formalize their businesses?

3. Methodology

3.1 Study context

The study was conducted in Uganda, one of the most entrepreneurial countries in the world (Global Entrepreneurship Monitor, GEM). Specifically, GEM (2014) reported Uganda as a country with the highest level of total entrepreneurial activities (TEA) across the globe, with 28% of Ugandan adults owning or co-owning new business. As a result, the current study

focused on Kampala district, Uganda's capital city, in which most of the entrepreneurial activities being undertaken are informal (Mugoda *et al.*, 2020). These include mobile hawkers, tailors, open market operators (like those in Owino, Nakasero, Kasubi, Nakawa and Wandegeya, among others), second-hand vendors, food vendors, fruit and vegetable vendors, saloon operators and boda-boda riders (Kimuli *et al.*, 2022). Accordingly, the government is grappling with the formalization of these business activities as a strategic pathway for the socioeconomic transformation in the country (National Planning Authority, 2020). Thus, understanding the personal traits that influence the formalization decisions of the informal entrepreneurs will enable governments in developing economies to customize their interventions to motivate entrepreneurs to view formalizations as one of the strategic decisions that will foster sustainable growth and operation of their businesses.

3.2 Research design

In this study, we adopted a multicase design (Gustafsson, 2017) that facilitated our understanding of the differences and similarities in the traits of entrepreneurs under the informal and semiformal categories that stimulate the formalization of entrepreneurial ventures (Mohajan, 2018; Heale and Twycross, 2018). As such, 28 informal entrepreneurs operating in the Kampala district of Uganda were engaged to explore their personal traits and how these traits influence their business formalization decisions. The area was selected since it is the capital city of Uganda with many entrepreneurs operating informally (Uganda Bureau of Statistics, 2022).

3.3 Sampling and data collection

Purposive sampling was used to select the 28 informal entrepreneurs with the help of the local leaders. Specifically, the local leaders used their judgment to select the participants who had relevant information concerning the study phenomenon (Campbell *et al.*, 2020). This enabled the researcher to get reliable participants who provided the necessary information to adequately address the research questions. The criteria for selecting the participants were that the interviewee had to be the owner of the business and that the business had to be located in Kampala district and was either informal poor, informal affluent, semiformal poor or semiformal affluent. The required number of participants was attained when the point of saturation was reached, that is, when the examination of subsequent interviews led only to aspects that had already been highlighted in prior conversations and did not result in new findings (Creswell, 2014).

Data were collected using semistructured interviews that entail persistent and systematic questioning driven by defined themes, and interspersed with probes to generate more comprehensive responses (Qu and Dumay, 2011). Magaldi and Berler (2020) argued that this approach facilitates the gathering of comprehensive and realistic information from the participants. Likewise, the sensitivity of the study (business registration and paying trade licenses) made interviews a feasible option since they solicit for the participants' views indirectly. The interview guide was developed after reviewing of extant literature on informal entrepreneurship with a focus on the personal traits and motivation of the informal entrepreneurs.

During the interview, data on the demographic characteristics of the participants (age, gender, education, experience and business activity), personal traits (can you tell us about a situation that was risky for your business and how you reacted? What is the most innovative aspect of your business? How did this come about? What are your main business goals? How do you plan to achieve them? How would you trust yourself to make it in the case of a crisis situation? Could you explain what would you do to ensure that your business survives? and informal entrepreneurship (do you own this business? How many people are you working

with in this business? (Prob: how many are family members and nonfamily members?) Do you have a registered name for your business? (prob: registered with Uganda Revenue Authority (URA)) How much local trade license do you pay and how often? How much profit do you make in a month? (What are your daily sales and expenses?) and Is there anything else you want to share about you and your business? was gathered during the data collection process. With the participants' consent, all the interviews were recorded and notes were taken using a note book with the goal of summarizing key issues that emerged from the conversations. In total, 28 informal entrepreneurs participated in the interviews, which lasted for not more than 40 min.

3.4 Data analysis, reliability and validity

The collected data were analyzed using a step-by-step approach. We started by transcribing the audio recordings of the collected data verbatim. This exercise was done by a third party who didn't participate in conducting the interviews to eliminate bias. The transcripts were proofread by another person and then coded using Atlas.ti software. Coding was performed on the original Luganda transcripts in order to preserve subtle meanings molded by the linguistics and culture-specific expressions of the participants (Chiumento *et al.*, 2018). A second round of coding was carried out, in which all transcripts were carefully checked and text sentences were classified into emergent themes by the third, fourth and fifth authors. Within each of the primary categories, the emergent themes created the subcategory codes (Gioia *et al.*, 2013). The components of each subcategory were specified via selective coding. This entailed arranging transcript quotations that reflected each subcategory. As such, we used mostly the participants' own words in order to maximize the representation of their views rather than those of the researchers. This is especially critical in naturalistic research since researchers must be honest while addressing the participants' opinions. Using the search function, additional examination of the data was conducted in order to uncover relationships within the data. This made it possible to fully understand what each code statement and relationship meant and to look at complicated ideas.

4. Study findings

We present our findings in line with the two research questions; (RQ1) What are the personal traits of informal entrepreneurs? (RQ2) Which of these traits influence the informal entrepreneurs' formalization decision? Specifically, the demographic characteristics of the participants, their personal traits and how they influence their formalization decisions are presented.

5. Sample characteristics

In the interviews conducted, gender, age, education level, experience and business activity were captured to get a comprehensive understanding of the informal entrepreneurs who participated in this study, as indicated in Table 1. Study results show that fifteen of the twenty-eight interviews conducted were with male entrepreneurs and thirteen with females, suggesting that informal entrepreneurship has opened doors for women to participate in business activities as it is for men in most developing countries. The youngest of the participants was 19 years old, while the oldest was 89 years old, implying that informal entrepreneurship attracts entrepreneurs from all age brackets due to its flexibility and fewer entry and start-up requirements that are affordable.

Our results also revealed that most of the informal entrepreneurs engaged are either primary dropouts or primary leavers with only one bachelor's degree. This suggests that informal entrepreneurship creates an avenue for people who can't favorably compete in the formal economy. The sample in Table 1 further indicates that most of the entrepreneurs have

							Personal traits and formalization
SN	Respondents (cases)	Gender	Age	Education level	Experience	Business activity	
1	Case 1	Male	35	Bachelor's degree	9 years	Retail shop	69
2	Case 2	Male	30	diploma holder	1 year	Retail shop	
3	Case 3	Male	89	Primary dropout	55 years	Selling bicycle spare parts	
4	Case 4	Male	27	Primary dropout	8 years	Selling construction materials	
5	Case 5	Female	45	Certificate	21 years	Sell polythene bags, flower bouquets and greens	
6	Case 6	Male	25	Diploma holder	3 years	Making and selling ice cream	
7	Case 7	Male	28	Bachelors' student	1 year	Making and selling ice cream	
8	Case 8	Male	42	Lower secondary leaver	1 year	Making and selling snakes	
9	Case 9	Female	30	Primary dropout	1 year	Making and selling snakes	
10	Case 10	Male	42	Didn't go to school	20 years	Selling meat – A butcher	
11	Case 11	Female	23	Lower secondary dropout	2 years	Agro-chemical inputs	
12	Case 12	Male	19	Lower secondary dropout	1 year	Merchandise shop	
13	Case 13	Female	22	Lower secondary dropout	1 year	Selling food spices and food sauce	
14	Case 14	Female	31	Primary dropout	1 year	Selling fried cassava	
15	Case 15	Male	35	Lower secondary certificate	20 years	Buying and selling agricultural products	
16	Case 16	Female	58	Primary leaver	1 year	Merchandise shop	
17	Case 17	Male	37	Primary leaver	10 years	Buying and selling coffee and maize grains	
18	Case 18	Female	48	Didn't go to school	30 years	Selling alcohol	
19	Case 19	Female	34	Certificate	10 years	Operating a drug shop	
20	Case 20	Male	74	Primary leaver	4 years	Repairing shoes	
21	Case 21	Female	41	Primary leaver	9 years	Small Restaurant	
22	Case 22	Female	46	Primary school dropouts	10 years	Merchandise shop	
23	Case 23	Female	45	Didn't go to school	10 years	Producing and selling Alcohol	
24	Case 24	Female	52	Primary school dropouts	3 years	Operating a bar business	
25	Case 25	Female	32	Lower secondary certificate	2 years	Mobile money and also I sell clothes	
26	Case 26	Male	37	Lower secondary certificate	13 years	Selling agricultural produces like maize and coffee	
27	Case 27	Male	51	Lower secondary dropout	30 years	Retail shop and trading in agricultural produce	
28	Case 28	Male	32	Primary leaver	3 years	Selling jackets and track trousers	

Source(s): Primary data

Table 1.
Respondent characteristics

been in business for a period of 1–3 years. This means that most participants have limited business experience and are likely to face business survival and growth challenges. From this study, we note that participants undertake varied entrepreneurial activities ranging from supplying agricultural inputs, trading in agricultural produce, offering medical and mobile money services, retail shops and selling bicycle spare parts, construction materials, snacks, ice cream and alcoholic drinks. This suggests that informal entrepreneurs engage in different business activities to meet the ever-changing needs of people in the developing countries like Uganda.

6. Informal poor

In this category, 12 entrepreneurs were interviewed where each had the under listed socioeconomic characteristics (Table 2).

The study results in Table 2 indicate that all the 12 informal poor entrepreneurs operate unregistered businesses, with some paying trade license fees ranging from USD 2.71 to USD 5.41. Entrepreneurs in this category mostly run their businesses as sole proprietorships, either working alone or with the help of family members. We also note that the highest profit earned by the entrepreneurs is USD 81.16, and the least is USD 8.12. Generally, all entrepreneurs have low levels of education, suggesting that they are likely to maintain their businesses as informal due to their low income and high illiteracy levels that may impede their potential to engage in business formalization.

6.1 Traits of entrepreneurs under informal poor

Results indicate that entrepreneurs in the informal poor category had shared traits that could be used to explain the choice of the business activities they undertake. These traits evolved around being honest, diligent, resilient, flexible, profit oriented, need for achievement, calculative, optimistic, financially literate, trustworthy, social, a risk taker and hardworking. Interactions with each of the entrepreneurs provided varying scenarios used as a basis for the possession of these traits.

As such, it can be noted from the findings that a number of traits operate hand in hand. For example, because the entrepreneurs demonstrated a trait of being honest, they were also diligent and trustworthy. For the purposes of this study, these traits have been lumped into a

Cases	Registration	Local license	Business ownership	Source of employees	Monthly profits	Level of education
1	Not registered	Doesn't pay	Sole proprietorship	Works alone	USD 18.94	Certificate
2	Not registered	Doesn't pay	Sole proprietorship	Family	USD 24.35	Lower secondary leaver
3	Not registered	Doesn't pay	Sole proprietorship	Family	USD 81.16	Primary dropout
4	Not registered	USD 5.41	Partnership business	Works alone	USD 16.23	Lower secondary dropout
5	Not registered	Doesn't pay	Sole proprietorship	Works alone	USD 16.23	Lower secondary dropout
6	Not registered	Doesn't pay	Sole proprietorship	Works alone	USD 40.58	Primary dropout
7	Not registered	USD 2.71	Sole proprietorship	Works alone	USD 24.89	Didn't go to school
8	Not registered	Doesn't pay	Sole proprietorship	Works alone	USD 8.12	Primary leaver
9	Not registered	USD 4.06	Sole proprietorship	Nonfamily	USD 37.87	Primary leaver
10	Not registered	USD 5.41	Sole proprietorship	Nonfamily	USD 27.05	Didn't go to school
11	Not registered	Doesn't pay	Sole proprietorship	Works alone	Not disclosed	Lower secondary certificate
12	Not registered	Doesn't pay	Sole proprietorship	Works alone	Not shared	Primary leaver

Table 2.
Informal poor

Source(s): Primary data

trait of being reliable. The trait of being reliable was traced in all interactions with entrepreneurs within the informal poor category, as shown in some of the excerpts below.

... if someone wants cassava for USD 0.027 or USD 0.054 shillings then I have to give them exactly that and even when it's a child then I have to do my work with honesty ... As long as you are honest in business, you can't face a lot of challenges. For example, if you make a loss today and you don't have capital you can as well go to your suppliers explain to them and they give you what you want on a loan then pay it back after earning your profit ... it's important to be honest in business. In case, I lose someone's shoe, I have to make sure that I get money and compensate the owner without running away from it. ... **acts of being reliable among entrepreneurs within the informal poor category**

Views expressed by the different entrepreneurs within the informal poor category to affirm the traits of being reliable are sighted in acts of ensuring that customers receive value for their money that one repays a loan promptly and that one replaces an unworthy product for their customers. These acts assert that entrepreneurs that fall within the informal poor category score highly on the attribute of being relied upon. On being resilient, entrepreneurs demonstrated a resolve to continue operating their businesses amidst the challenges of making losses and other market uncertainties. For some, the trait of being resilient keeps them going even when the conditions would have forced them to close their shop.

... I have made losses in business but I couldn't give up on business since I was able to understand how the loss came about ... While preparing the local brew, I would get leg pains and hence decided to start selling beer and make "Qwette" a local brew. I grow cassava myself, dry it and then take it for milling and buy once in scarcity. You have to make sure that if you buy millet flour for USD 5.35 then I should get a profit of USD 2.68 ... **acts of being resilient among entrepreneurs in the informal poor category**

The other trait noted was that of being cosmopolitan. Entrepreneurs in the category of informal poor exhibited this trait through acts of being flexible, adapting to different customer situations and knowing how to handle customers of all age groups. Entrepreneurs with this trait are also seen to quickly pick up new ventures to fit into pre-existing situations. They do not wish to be left behind.

... sometimes I prepare snacks in large quantities and fail to get enough customers who can buy all. In case it happens, I reduce the prices and take others home for our breakfast ... before the spread of COVID-19, I realized a slight difference with customers paying for those envelopes yet the demand for paper was slightly higher so I decided to start selling polythene bags ... if you get an elderly client then you should be able to handle them with care so that they can be able to come back next time like you can welcome them well, or give them credit ... whenever there are changes in prices, you just explain to customers why there has been an increment in prices and this helps you to keep your customers. ... **acts of being cosmopolitan among entrepreneurs within the informal poor category**

Traits of being calculative and financially literate have been lumped into the act of being frugal in this study. These are exhibited by entrepreneurs of the informal poor category across acts such as the ability to keep financial records, business forecasting, profit estimations, business sustenance as well as being mindful of unnecessary financial expenses. These traits were spread across the interactions held with the entrepreneurs, and hereafter is an extract of the notable ones.

... I do not move everyday supplying the polythene bags because they will go back the following day and they are told that polythene bags are still in stock. For example, if I supplied stock on Monday, I go back on Thursday so that I find when you have already sold what I supplied on Monday. This helps me not to waste time and transport money ... In case I earn a profit, I make sure I save some money in our savings group. If I don't earn profits, then I plan to save the next time I earn a profit ... **acts of being frugal among entrepreneurs within the informal poor category**

The other notable trait is the need for achievement. Entrepreneurs within the informal poor category demonstrate great hunger to achieve prosperity goals for their businesses and families. During the interactions, this was evidenced through acts of the entrepreneurs' desire to be financially independent, ability to attend to family expenses, acquiring assets, building their own house, expanding their business, installing advanced equipment in business and creating more employment. These were spread across the interviews as per the excerpt below.

... before I started this business, I used to be at home and everything was challenging to the extent that you struggle to buy something for USD 0.54. I decided to start up this business so that I can able to cater for my needs without any challenges ... I would want to build a good house and have a good life for instance if I have money I can just employ other people to do all the work while I do the supervision ... I hope to buy some of the things I admire like television and other home equipment used in our daily life ... **acts of the entrepreneurs' need for achievement within the informal poor category**

Entrepreneurs also demonstrated the trait of optimism across a number of behaviors. They are optimistic that their businesses will expand and that they will have increases in their profits. Many believe that having good customer care will pay dividends for their businesses, while others have optimism in going back to complete their education. Excerpts hereunder from the interviews provide a glimpse of the expression of these views by the different entrepreneurs.

... I think it can take me around 3 years but I can do it if I do my business alongside my business. I can grow like maize and beans to make sure that I can earn like 1 million in a year then the next year I can as well make sure I earn like USD 402 ... I wish to set up a fully operating business where it has all the required materials used in repairing shoes for instance sole, half-sole and a sewing machine. If I can have that then it can be a good foundation to sustain me as an elderly person ... I finished senior 3 due to school fees issues although I hope to go back to school ... **acts of optimism among entrepreneurs within the informal poor category**

The trait of being social also featured prominently among entrepreneurs within the informal poor category. This trait manifested through acts such as the ability to relate well to others, giving a helping hand to those in need, exchanging business ideas with friends and being empathetic.

... my friends help me to ensure that my business is run even if I am not around. For example, in case I go somewhere, they keep around to serve my customers. I also consult my friends over business matters and in case I have failed to handle something, I can engage them for guidance and advice ... I decided to start up a business so that anytime my parent calls me at least I have USD 2.68 with me and I can give it to her thus the need to support my parents when in need motivated me to do business ... **acts of being social among entrepreneurs within the informal poor category**

The other notable trait among the informal poor entrepreneurs is being risk takers. These entrepreneurs demonstrate readiness to take risks and this is exhibited in acts of sealed materials used in production. With this, some entrepreneurs revealed the likelihood of finding less material on unsealing the packages notably the polythene bags. The most common is the risk of selling goods to customers on credit. Almost all entrepreneurs expressed readiness to take this risk, with many making reference to very recent scenarios. In most instances, the customers fail to clear the debts, but the entrepreneurs are willing to continue with the business. The other risky undertaking is entrepreneurs that deal in perishable goods. They will keep stocking them even when most of them get spoilt along the way. The other risk is taking a loan. Entrepreneurs all intimated to have taken loans aware that they risk losing their businesses if they default.

... customers take products on credit and they fail to pay and yet it's your capital where you end up getting back your saved profit to reinvest in your business. I have not encountered any big losses to discourage me but the only challenge is that I sell perishables goods where I buy in large quantities. Due to a lack of customers, they end up getting spoilt thus incurring losses ... I also survive on borrowing money and making sure that I pay back. Its hard for a business to survive without borrowing loans.

acts of taking risk among entrepreneurs within the informal poor category

Entrepreneurs within the category of the informal poor also turned out to be a hardworking lot. They demonstrated this through acts of operating multiple businesses, performing multiple tasks in their businesses, working tirelessly with minimal capital as well as diversifying the product portfolio to increase profits. These are laid out in the excerpt below.

... i have a small hotel where I prepare breakfast tea, then also prepare food once in a day and I serve people who come here. Most of my children are old and they are learning technical work or hands-on skills and others are still young so it's hard for them to come and help me ... I do all the work on my own but sometimes my husband helps in frying cassava while I am selling ... while preparing the local brew, I would get leg pains and hence decided to start selling beer and make "Qwette" a local brew. I grow cassava myself, dry it and then take it for milling and buy once in scarcity ... **acts of being hardworking among entrepreneurs within the informal poor category**

7. Informal affluent

A total of six entrepreneurs with businesses categorized as informal affluent were interviewed. Table 3 shows their socioeconomic characteristics and as such, all the entrepreneurs under this category operate unregistered businesses and pay local license fees, showing readiness to formalize their businesses. We also note that all participants operate sole proprietorship businesses with three entrepreneurs employing nonfamily members, two work with family members and one operates singly. The monthly profits of the participants ranged from USD 27 to USD 40 and out of the 6 entrepreneurs, 2 were educated with the chance of utilizing their knowledge to formalize the operations of their businesses.

7.1 Traits of entrepreneurs under informal affluent

Entrepreneurs in the informal affluent category share some traits with their counterparts in the informal poor category. The shared traits included being reliable, resilient, cosmopolitan, having the need for achievement, being optimistic, social, risk taking and hardworking. However, there were traits found to be unique to the informal affluent entrepreneurs. These

Cases	Registration	Local license	Business ownership	Source of employees	Monthly profits	Level of education
1	Not registered	USD 2	Sole proprietorship	Nonfamily	USD 268	Primary dropout
2	Not registered	USD 20	Sole proprietorship	Nonfamily	USD 160	Diploma holder
3	Not registered	Doesn't pay	Partnership business	Nonfamily	USD 40	Bachelors
4	Not registered	USD 14	Sole proprietorship	Family	USD 80	Lower secondary dropout
5	Not registered	USD 7	Sole proprietorship	Family	USD 134	Primary leaver
6	Not registered	USD 9	Sole proprietorship	Works alone	USD 134	Lower secondary certificate

Source(s): Primary data

Table 3.
Socioeconomic characteristics of entrepreneurs in the informal affluent category

included being visionary, curious, customer-focused, inspirable, conscious and passionate. Each of these traits was exhibited by the entrepreneurs in acts that cut across the interactions held with them. In this regard, the traits are unpacked. On being visionary, entrepreneurs under the informal affluent category exhibited this through the awareness of where they see themselves and what they intend to do in the foreseeable future. It was evident that they were in control of their future as they would easily forecast the direction of their businesses and aspirations. Excerpts from the interactions with them further allude to this as hereunder.

... am working on a veranda so next time I want to see myself in a room. Another thing is to develop myself like construct myself a home ... I want to put my business to a big scale from small to a factory. I also want to increase the capacity of the workers, the more workers you have, the more the production such that that the quantity someone produces is what you base on to pay them ... **acts of being visionary among entrepreneurs within the informal affluent category**

Entrepreneurs exhibited the trait of curiosity through evidence of seeking to acquire knowledge and skills on how to produce goods and services that later informed the formulation of their businesses. Interactions with the entrepreneurs exhibiting this trait are as well highlighted in the excerpt below.

... the business I started with was to make paper bags since I didn't have enough capital. By then, I was staying near town and I would notice women selling paper envelopes. I inquired from them about the materials used and they told me. So when I realized that the process didn't require machines, i first went to Owino market and found women selling papers and envelopes. I kept on asking these women and they told me that I can learn from where they buy papers from. I learnt from Nasser road, I got another experienced boy that I started working with while paying him little money. I kept on improving on skills steadily ... **acts of being curious among entrepreneurs within the informal affluent category**

The other trait observed among the informal affluent entrepreneurs was that of being customer-focused. This trait was exhibited across all interactions through acts of listening and addressing customer complaints, treating the customer as king, stocking according to customers' preferences, ensuring that customers leave with what they need even when it is not part of the stock and working towards exceeding customers' needs and expectations. These acts are shared in some of the extract below.

... I move to distant places where the materials are so that I can meet or exceed customers' needs and expectations ... I realized my biggest customer base are students and they like handling them well, handling their complaints well so that tomorrow they don't have the same complaints ... **acts of being customer-focused among entrepreneurs within the informal affluent category**

On the trait of being inspirable, entrepreneurs exhibited acts of admiring fellow entrepreneurs who have achieved what they dream of and seeking to replicate the admiration in their day-to-day business operations. For some of the entrepreneurs interviewed, the trait of being inspirable was seen in their drive to emulate relatives who have made it in life. They pick inspiration from them to work harder in their businesses. These assertions are also mirrored in the quote below.

... I get confidence from the people I admire who are better than me like the director whom I sell maize and coffee, he has achieved a lot from this business and this inspires me that if I work hard I can achieve what I want to. Then also another company that deals in poultry and piggery it's a good company living in good conditions and I believe I can also achieve that ... I prioritize being well off as a person with my family. Then also I would love to be an example to the community in the country so that other people can learn from me and say "if you do something like, your life will change and get better like how Ssemuddu did ... **acts of being inspirable among entrepreneurs within the informal affluent category**

The other trait observed is that of being conscious. Under this trait, entrepreneurs demonstrated steadiness in following up on customers, as well as ensuring an accurate record and memory of all transactions to ensure that customers' monies as well as those of the business are protected. Entrepreneurs pay attention to detail and seek to update customers about their pending payments at all times. These acts are also alluded in the excerpt below.

... sometime, I deliver materials to some customers on credit and I may forget. So, I record that name of the customer, the date of delivery and the quantity of materials supplier as well as the amount of money. I also record the amount of money they deposit and the outstanding balance ... **acts of being conscious among entrepreneurs within the informal affluent category**

The other trait noticed is that of being passionate. Informal affluent entrepreneurs demonstrated this trait in acts of loving their businesses, sacrificing for their businesses and doing all it takes to ensure that their businesses remain operational. They demonstrated zeal and desire for their businesses to count among other businesses.

... I love the business, because with the many challenges I have got from it, I would have already quit. But since I know how positive it is, I continue with it. the crisis is there like I had a machine on a loan, then the lockdown came up and I was not in position to clear the machine and then the machine was taken away from me not until we negotiated again. Another crisis may happen when the machine has got spoiled, sometimes you find the screen is spoiled or the electricity spoils the machine motherboard, that means the whole machine is spoiled. This means you have to go back to the company where you got it from so that they give you a matching motherboard ... **acts of being passionate among entrepreneurs within the informal affluent category**

8. Semiformal poor

In the interviews conducted, 6 out of the 28 entrepreneurs engaged were operating businesses classified as semiformal poor. As such, their socioeconomic characteristics are presented in [Table 4](#).

All the 6 entrepreneurs in the semiformal poor category are operating unregistered businesses and mostly pay local license. Our results also show that all participants operate sole proprietorship businesses and mostly work alone, with only two cases being helped by their family and nonfamily members. Their monthly profit is generally high, ranging from USD 108 to USD 1874. This shows that they are benefiting from operating semiformal businesses with low chances of fully formalizing their businesses. This deduction is supported by the entrepreneur's low levels of education.

Cases	Registration	Local license	Business ownership	Source of employees	Monthly profits	Level of education
1	Registered	USD 10	Sole proprietorship	Works alone	USD 107	Primary dropout
2	Not registered	USD 11	Partnership business	Nonfamily	USD 134	Did not go to school
3	Registered	USD 14	Sole proprietorship	Works alone	USD 536	Lower secondary certificate
4	Registered	USD 14	Sole proprietorship	Works alone	USD 134	Certificate
5	Registered	USD 11	Sole proprietorship	Works alone	USD 803	Primary school dropouts
6	Not registered	USD 7	Sole proprietorship	Family	USD 1874	Lower secondary dropout

Source(s): Primary data

Table 4.
Socioeconomic characteristics of entrepreneurs in the semiformal poor category

8.1 Traits of entrepreneurs under semiformal poor

Analysis of the study findings indicates that entrepreneurs under the semiformal poor classification have a number of traits similar to those of the entrepreneurs under the informal poor and the informal affluent categories. Common traits include being cosmopolitan, reliable, risk-taking, possessing the need for achievement, social, visionary, resilient, frugal and optimistic. As a result, traits such as the need for independence and being religious were found to be unique for the entrepreneurs among the semiformal poor. These traits came out in the conversations conducted with the participants, as explicated below.

In being independent, entrepreneurs among the semiformal poor demonstrated this by sharing evidence indicating the need to have financial independence instead of working for others that can only enable them to meet their basic needs like buying food. In their view, being independent is likely to unlock their potential to support family members and the general community. It is also evident that some entrepreneurs utilized the skills they acquired during their previous employment to become independent, while others wanted to meet their needs without begging their husbands and relatives.

... I needed to be financially independent that is, working to earn for the future and not just working to earn money for food. Then also there was a need for me to have the ability to help people in my community ... I started when I was working for somebody at a certain school for a period of 2 years. When I got the skill, I used my saving to buy business requirement such as saucepan, flying pan, “ebikandilwako”, baking powder, baking flower and cooking oil ... With this I wanted to become autonomous in order to achieve my goals that I could attain while working for other like I want to get money to pay fees for my children to complete all levels of education ... to look after myself by getting all my basic needs instead of begging my husband and other relatives ...” **acts of need for independence among entrepreneurs within the semi-formal poor category**

Concerning the trait of being religious, participants under this classification were found to be more religious as compared to those in other categories. In our interactions, religion enables entrepreneurs to get solutions for uncommon situations that happen in their businesses and to be patient, trustworthy and modest while undertaking business activities. As a result of this trait, entrepreneurs always undertake business transactions knowing that their creator is watching them. Thus, they do the best possible while serving customers, especially by selling products of the right quality and quantity, as elaborated in the following excerpts.

... there are times am operating my business and then I reflect on what my religion tells me about how to handle a certain situation. It helps me have patience like when it rains people do not buy a lot of ice cream so I remain patient knowing that God is the one who has brought the rain and He is the one who knows my needs ... My religion makes me to be more trustworthy and modesty while undertaking business activities, which helps me supply material that are of the right quality and in the right quantities. I do this because I know that wherever I am, my creator is watching me and I always change in case I was planning to do something wrong ... **acts of being religious among entrepreneurs within the semi-formal poor category**

Further analysis of the transcripts under this category revealed two unique cases of entrepreneurs with traits of being organized and negotiating that were not common within and outside the semiformal poor category. Specifically, an entrepreneur operating butchery was found to be extremely organized in the way he cuts meat. This makes it attractive to customers despite its quality. For the negotiators, they showed good bargaining skills with different stakeholders. For example, In Uganda, it is known that trade license fees are set and fixed by the local government. However, a unique entrepreneur reported to have haggled with the trade license fee collector with the goal of fulfilling his obligation.

... you have cut meat in the most organized way, you don't cut it anyhow. If you cut meat in an organized way, it can attract for you customers. Even if the beef is fatty or lean. Customers can really buy. If you just cut it, customer see it as if the beef is bad ... Yes, I pay local service tax of either USD

11 or USD 9 after bargaining with the collectors. We pay this amount per year and they are always changing the government officials who collect this tax ... **acts of being organized and negotiating among entrepreneurs within the semi-formal poor category**

Regarding the trait of being frugal, entrepreneurs in the category of semiformal poor indicated unwillingness to incur expenses that are not directly related to the production and sale of goods and services. This trait was observed to be unique for entrepreneurs in the informal poor and semiformal poor categories.

... I don't want to register it because there are a lot of implications that come with business registration. I hear that for business registration, it's a necessity to pay some money ... **acts of frugality of an entrepreneur within the semi-formal poor category**

9. Semiformal affluent

In the interactions held with the 28 entrepreneurs in Kampala, Uganda, 5 were in the semiformal affluent category of informal entrepreneurship. Their socioeconomic characteristics are indicated in Table 5.

The study results in Table 5 show that three out of the five entrepreneurs in the semiformal affluent category operate registered businesses and all pay local license. Some employ nonfamily members, with two being supported by family members and one working individually. All entrepreneurs earn high monthly incomes ranging from USD 268 to USD 1339 There are two entrepreneurs under this category who are educated with the potential to fully formalize their businesses as compared to those who are less educated.

9.1 Traits of entrepreneurs under semiformal affluent

Interactions with entrepreneurs under this category of informality revealed a number of traits that were not shared by participants in the informal poor, informal affluent and semiformal poor categories. Specifically, these entrepreneurs revealed traits such as the urge for continuity, ability to relinquish responsibilities and being responsible and innovative. The study results indicate that most entrepreneurs under this classification have a high need for the continuity of their businesses. In the conversations held with the participants, it is evident that even when commodity prices increase, entrepreneurs are ready to inject capital into their businesses from other sources for survival and continuity purposes. Other entrepreneurs spend plenty of their time to analyze the movement of their stock with the goal of ensuring sustainable customer satisfaction and retention. As such, they routinely audit their stock in order to get more items as a strategy for achieving business continuity.

Cases	Registration	Local license	Business ownership	Source of employees	Monthly profits	Level of education
1	Registered	USD 19	Sole proprietorship	Family and nonfamily	USD 536	Bachelor's degree
2	Registered	USD 22	Sole proprietorship	Family	USD 268	Diploma holder
3	Registered	USD 14	Sole proprietorship	Family	USD 803	Lower secondary dropout
4	Registered	USD 11	Sole proprietorship	Nonfamily	USD 1339	Primary leaver
5	Registered	USD 4	Sole proprietorship	Works alone	USD 803	Primary school dropouts

Source(s): Primary data

Table 5.
Socioeconomic characteristics of entrepreneurs in the semiformal affluent category

... the prices fluctuate most times, you buy something and by the time you go back, the prices have really gone high. In that case if you have gone to buy a lot of items, you just buy half of them. So it reduces on the capital meaning you have to keep injecting in money from outside the business ... I value most is stock, I give time to my stock, what is available and not available and why, what else can I add this takes a lot of my time ... we are not much interested in profits; we are going with what we have. If you can maintain the shop and get more items ... **acts of business continuity of entrepreneurs within the semi-formal affluent category**

Unlike entrepreneurs in other categories, semiformal affluent participants have the ability to relinquish responsibilities to either their family members or employees to ensure successful business operations. Entrepreneurs are supported by their wives, brothers and other nonfamily members in sustaining business operations in case they have another engagement.

... Family helps me because it participates especially my wife, she comes and helps me. When am absent, she is around so that the business does not close ... I started the business by myself although I get someone to help me out especially whenever I am taking my maize and coffee to the town for selling ... I involve my family when I need advice, my younger brother steps in for me when am not around ... **acts of business delegating responsibilities by entrepreneurs within the semi-formal affluent category**

The other trait exhibited by entrepreneurs in this category is being responsible. As such, entrepreneurs routinely service and maintain their business assets such as tracks so that they are in a good mechanical condition. Other displayed responsibility through supporting their family members to inform them of school fees payment and family medication. In the same vein, they regularly clean their machinery, especially those in the beverage businesses, to produce high-quality products. This intern enables entrepreneurs to be supported as well as attracting and retaining customers.

... I mostly value the track I use to transport construction materials for my customers because when it breaks down, I will not be able to execute customers' orders. So, I have to continually service and maintain this track so that it is in a good mechanical condition ... since I am not from the royal family, I have to work and support my family like paying school fees, looking after my family and relatives ... I also take hygiene to be very key, the machines have to be thoroughly cleaned, when you leave in ice for some days, you find it rotten ... **acts of being responsible by entrepreneurs within the semi-formal affluent category**

Further engagement with the entrepreneurs under semiformal affluence revealed that they are innovative. While undertaking business operations, semiformal affluent entrepreneurs shared evidence indicating that they have introduced new products and marketing strategies to attract many customers. For example, an entrepreneur operating a retail shop introduced the act of displaying his merchandise outside the business premises in order to attract customers. Similarly, he introduced packed items in affordable quantities like 10 kg and 5 kg of either rice or maize flower in order to serve customers from varied income groups. Others who deal in agricultural products provide free tools like hoes to the farming community as a pathway to support them while creating avenues for future business transactions. It is also true that entrepreneurs who sell agricultural inputs like pesticides and seedlings usually change them depending on the season of the year by selling those that are more effective.

... I see what is on demand and yet others do not have it, like these displays outside here am the one who has started them, the 10kg of rice and 5kg of flour were not here, I was the first ne to bring them ... Yes, we always surprise our customers with gifts like a hoe or a panga as a way of attracting them to come to our business ... in a season you might stock a chemical for pest control that might not be strong to persist with the rain so we take it about and exchange it for another better option, if it's a seedling, you can also exchange it to get a persistent seedling so there are different types of maize that are persistent according to condition or soil type ... **acts of being innovative by entrepreneurs within the semi-formal affluent category**

10. Business formalization

10.1 Informal poor entrepreneurs

Exploration of the enumerated traits was done to understand the extent to which they influence an entrepreneur's decision to formalize their businesses. Going by traits such as being frugal, a risk taker and being resilient, it is certain that entrepreneurs operating the informal businesses may not have the urge to formalize their businesses. With being economical, entrepreneurs who were on the extreme of this trait intimated at how the thought of formalizing their businesses would result in expenses that would distort their savings and cash flow. They hold a notion that formalizing business involves processes such as registration and tax remission that imply a high hemorrhage of financial resources, which they are hesitant to let go. Most notably, the trait of being frugal was observed among the informal poor entrepreneurs. Therefore, entrepreneurs operating the informal poor businesses, by virtue of their frugal trait, are highly likely to continue operating as informal and may thus not wish to have their businesses formalized.

The trait of risk taking among entrepreneurs running informal businesses also conjured that many may be hesitant to formalize their businesses. Interactions with the entrepreneurs provided that because they are willing to take risks, continuing to operate as informal was the least of their fears. They are ready to dare the authorities as they continue with their informal business activities. Relatedly, the trait of resilience also means that entrepreneurs strongly entrenched in it are ready to dare to operate amidst challenges of losing their merchandise when law enforcement mounts its operations. They are ready to weather the storm and operate in such hardship and uncertainty. Unlike the trait of being frugal that was observed only among entrepreneurs under informal poor, the traits of being a risk-taker and resilient were seen in entrepreneurs for businesses within both the informal poor and the informal affluent category. With the two latter traits, it is imminent that a section of entrepreneurs among the informal affluent as well as the informal poor could be led into the likelihood of wishing to continue operating as informal. Hereunder are some interview excerpts affirming the impact of the traits of frugality, risk taking and resilience on the informal entrepreneurs' decisions to continue operating as informal.

... I don't want to register it because there are a lot of costs that come with business registration. I hear that after business registration, businesses pay a lot of taxes even if you have made loss. ... as you know, the business registration process is not easy and needs involvement of some middle men to support and expedite the application process especially in preparing articles and memorandums of association. Their participation is very expensive and it's not affordable by most small business operators. ... I tried registering my business, but I found the process very difficult and long with many documents to submit, eventually, I failed to complete it. I also tried to look for a place where registration is done from in our area for support and I couldn't find one ... **inhibiting traits of informal entrepreneurs to formalize their businesses**

Entrepreneurs found to have the passive trait were noted to quickly withdraw their interest in formalizing their businesses because there were obstacles that the resilient lot could easily get over. Such obstacles consisted of the formalization centers for processes such as registration being distant from the locations of their businesses as well as the inability to navigate guidelines for electronic registration.

... I tried registering my business, but I found the process very difficult and long with many documents to submit, eventually, I failed to complete it ... I also tried to look for a place where registration is done from in our area for support and I couldn't find one ... of recent, the business registration exercise was put online, yet most of us don't know how to navigate the digital environment. we don't have devices such as smart phones and computers that can support the application process **inhibiting traits of informal entrepreneurs to formalize their businesses.**

On the other hand, entrepreneurs operating informal businesses also exhibited traits that could prompt the decision to formalize their businesses. These traits included the traits of being reliable, cosmopolitan, optimistic, need for achievement, visionary, curious, inspirable, conscious, customer-focused and passionate. By being reliable, entrepreneurs show that they wish to be trusted and counted on by their customers. This trait is likely to prompt them to consider formalizing their businesses as they will wish to win the trust of authorities, as well as customers with a taste for genuine and quality products. Entrepreneurs that are cosmopolitan will also wish to adapt to the changing situations in their business operations. Such changes would include the requirement to have their businesses formalized. Because they are adaptive, entrepreneurs strong on this trait will unreservedly choose to formalize their businesses when circumstances deem that they do so. The trait of being optimistic also presents an opportunity for the entrepreneurs to consider formalizing their businesses. With this trait, the entrepreneur looks at the positive side of formalizing their businesses. As the frugal ones fear the cost implications, the optimistic entrepreneurs will be positive that formalization will be beneficial for their businesses.

Entrepreneurs that have the traits of being visionary and a need for achievement also have a demonstrable likelihood of deciding to formalize their businesses. These entrepreneurs exhibit a tendency to get the best out of their businesses by setting goals and dreaming large. Entrepreneurs with a strong inclination towards these traits envision a fully formalized business entity as they see this as a pathway to big tenders and opportunities. Notably though, these traits were observed among entrepreneurs operating informal affluent businesses. In the same vein, entrepreneurs found to be curious and inspirable were also likely to decide to formalize their businesses as these traits endear them to seek to know what befalls fully formalized business as well as desiring to run a business in a manner that is similar to entrepreneurs they seek inspiration from. When the inspiration comes from entrepreneurs with formalized businesses, then the inspired entrepreneurs will seamlessly make the decision to formalize their businesses as well. These traits were particularly observed among entrepreneurs operating businesses within the informal affluent category.

Entrepreneurs that were found to be conscious and passionate also demonstrated likelihood to formalize their businesses. These traits meant that the entrepreneurs are keen on ensuring that matters such as formalization that could be a threat to their operations are handled as a matter of urgency. Entrepreneurs who are passionate about their businesses will not wish to ignore anything that could lead to the collapse of their cherished creations. They will therefore have a strong desire to formalize their businesses. The other enabling trait noticed among the informal affluent entrepreneurs was the one of being customer-focused. Entrepreneurs who are customer-focused are on the look-out for anything that increases the appeal of their businesses to their customers. Since customers will wish to deal with legitimate businesses, the informal affluent entrepreneurs established as customer-focused will be desirous of formalizing their businesses. Hereunder are some interview excerpts affirming the impact of the traits of being reliable, cosmopolitan, optimistic, need for achievement, visionary, curious, inspirable, conscious, customer-focused and passionate on the informal entrepreneurs' decisions to formalize their businesses.

... personally, I am planning to register my business because I heard that businesses that get big tenders and contracts to supply government and non-government organisations should be registered with a tax identification number ... I started on the process and very soon, I hope to have my business fully registered ... **Enabling traits of the informal entrepreneurs to formalize their businesses**

10.2 Semiformal entrepreneurs

Synthesis of the traits of the entrepreneurs under the category of the semiformal poor and semiformal affluent was done to appreciate the extent to which they stimulated their decision to either formalize or maintain their businesses as semiformal. It is evident from our results that most entrepreneurs have traits that may prompt them to formalize their businesses. Traits such as being religious, negotiator, responsible and innovativeness all allude to the possibility of the entrepreneurs deciding to formalize their businesses. These traits endear them to do business in a way that is acceptable to the government and the general society.

Findings also revealed that, courtesy of these traits, some entrepreneurs are prompted to negotiate with the trade license collectors to amicably reach an affordable fee. This demonstrates their willingness to pay for all forms of business taxes provided that they are within their means. Similarly, the trait of the urge for continuity means that entrepreneurs will contemplate formalizing their businesses because they desire to continue operating. They will rather get money from other sources to buy new stock in case of huge losses and put up display points that are acceptable by the local authorities to ensure that they are not out of business.

Furthermore, traits of being responsible by paying trade license, looking after their families through school fees payment, medication, rent and feeding all form a basis for the formalization of businesses. For those with employees, they regularly pay them and also comply with the agreed terms and conditions when they use loans as their sources of capital. This is a demonstration that entrepreneurs under the semiformal poor and affluent can easily fulfill their tax payment, labor, environmental and social responsibilities as a pathway to business formalization.

Results also revealed innovativeness as another trait possessed by the informal entrepreneurs in Uganda and has the potential to trigger formalization. Because of this trait, entrepreneurs come up with new or significantly improved ways of doing business like strategic outside display of their merchandise as well as bringing products in quantities affordable by the customers. This shows that participants have the potential to develop products and systems that may call for patenting; others may be more friendly to the natural environment and the general society, that consequently translates into future business formalization.

Despite the trait tendency of most entrepreneurs under the semiformal category to formalize their entrepreneurial engagements, a section of these had traits that would instead prompt them to maintain their business operations as semiformal. This was especially observed among the semiformal poor entrepreneurs who exhibited acts of frugality. In their view, formalization is associated with the payment of taxes that can impeded current and future growth of their businesses.

... I don't want to register it because there are a lot of implications that come with business registration. I hear that for business registration, it's a necessity to pay some money ... **acts of frugality of an entrepreneur within the semi-formal poor category**

11. Discussion of the findings

In the first research question, we sought to establish the personal traits of informal entrepreneurs operating in a developing country's context. The study results indicate that informal poor and informal affluent have shared traits that evolved around being honest, hardworking, resilient, flexible, profit-oriented, needing achievement, calculative, optimistic, financially literate, trustworthy, social, risk taking and hardworking. However, there were traits of being visionary, inquisitive, customer-focused, inspirable, conscious and passionate that was found to be unique to the informal affluent entrepreneurs. Our results further

indicate that, besides the shared traits, entrepreneurs in the semiformal category have unique traits. As such, semiformal poor entrepreneurs have a need for independence, are religious and are good negotiators. The semiformal affluent, on the other hand, have the urge for continuity, the ability to delegate business responsibilities, and a sense of responsibility and innovation that differ from those of the semiformal poor.

Engagement with extant literature shows that there are no studies that have explored the traits of the different types of informal entrepreneurs. As such, it is evident that existing studies are based on the general traits of innovativeness, self-efficacy, need for achievement, autonomy, optimism, risk-taking, internal locus of control and stress tolerance (Vodă and Florea, 2019; Zheng *et al.*, 2021; Farrukh *et al.*, 2018). Other scholars, such as Bazkiaei *et al.* (2020), interrogated the big five traits of openness to experience, emotional stability, conscientiousness, extraversion and agreeableness. Therefore, we provide initial empirical evidence on this phenomenon using evidence from Uganda. Specifically, we note that the traits of being honest and trustworthy, flexible, being economical, visionary, curious, customer-focused, inspiring, conscious, passionate, being religious, good negotiators, having the ability to delegate business responsibilities and being responsible were found to be other traits of informal entrepreneurs. It is therefore important to note that entrepreneurs in both categories have similar traits, with some being unique to each type of entrepreneur.

For the general entrepreneurial traits, our results are supported by Vodă and Florea (2019), who reported that the need for achievement is important for venture creation among business and engineering students using evidence from Romania. This means that students who have a strong desire to succeed are more likely to engage in entrepreneurial activities that will help them achieve their goals. In the same vein, Kerr *et al.* (2019) reported that entrepreneurs demonstrate the greatest tolerance of risk, self-efficacy, internal locus of control and need for achievement as compared to Chief Executive Officers (CEOs), investors and employees, suggesting that the personality traits of entrepreneurs are different from other stakeholders. Our findings are further supported by Postigo *et al.* (2021), who reported that specific personality traits that include innovativeness, self-efficacy, need for achievement, autonomy, optimism, risk-taking, internal locus of control and stress tolerance demonstrated better predictive and discriminative capacity for enterprising behavior than the big-five type traits of openness to experience, emotional stability, conscientiousness, extraversion and agreeableness.

We also explored the influence of personal traits of the informal entrepreneurs on the business formalization. As such, the exploration of the enumerated traits was done to understand the extent to which they influence an entrepreneur's decision to either continue operating as an informal business or rather formalize their businesses. Study results indicate that informal entrepreneurs with the traits of being economical, risk taking and resilient may not have the urge to formalize their businesses. For example, frugal entrepreneurs may not be ready to let their resources be spent on registration and tax remission, yet these resources can be used to support the growth of their businesses. In addition to the personal traits, the study unearthed contextual factors that include the high cost of business formalization, unreachable formalization services and the inability to navigate guidelines for electronic registration. As such, entrepreneurs who are passive in nature are likely to quickly withdraw their interest in formalizing their businesses because there were obstacles that the resilient lot could easily get over. In the same vein, it is important to note that in the Ugandan context, the government has put in place several mechanisms to ensure that informal entrepreneurs formalize their operations, including the closure of their businesses, confiscating business assets and imprisoning business owners who fail to comply. Despite all these risks, informal entrepreneurs continue to operate their businesses under such uncertain conditions. Other

entrepreneurs are arrested and imprisoned, and immediately, after such occurrences, bounce back and resume business operations.

Our results, on the other hand, revealed that informal and semiformal entrepreneurs who are religious, faithful, patient, obedient, truthful, reliable, flexible, optimistic, passionate, visionary, inquisitive, inspirable, conscious, customer-focused and have a need for achievement had higher chances of formalizing their businesses. Specifically, entrepreneurs who are reliable show that they wish to be trusted and counted on by their customers. This trait is likely to prompt them to consider formalizing their businesses, as they will wish to win the trust of authorities as well as customers with a taste for genuine and quality products.

Therefore, the study results provide initial empirical evidence on the influence of personal traits in triggering the formalization of informal entrepreneurs, with evidence from entrepreneurs operating in a developing country. This is because existing studies have mainly focused on contextual factors (Esaku, 2021; Young, 2019; Nguyen *et al.*, 2014). In this regard, our findings are in agreement with Esaku (2021), who documented that the high taxes charged by the government increase informality levels in Uganda. This suggests that the high taxes levied on informal entrepreneurs affect business profitability and revenue, which undermines the growth and development of businesses.

In the same vein, Young (2019) documented that colonial planning, economic liberalization, poor governance and instability, an ineffective taxation regime, geographic development trends and the self-interest of state officials affect business formalization in Uganda. This is not surprising because, in the conversation held with the entrepreneurs, it was evident that beyond the official business registration fees, the business community is required to engage middlemen who are planted by government officials to support the formalization process. Likewise, Nguyen *et al.* (2014) show that entrepreneurs' intention to grow their enterprises and develop innovations and the need to access government funding drive entrepreneurs to participate in the formal economy of the countries. As a result, entrepreneurs' desire to take advantage of opportunities that the informal business fraternity might not have is a major factor in their decision to formalize their operations. It is also evident in the interviews conducted that informal entrepreneurs only intend to formalize so that they can participate in public procurement that necessitates them to be formal.

12. Summary and conclusion

The main purpose of this paper was to explore how the personal traits of informal entrepreneurs influence their formalization decisions using evidence from a developing country. This was achieved by conducting open interviews with informal entrepreneurs operating in Kampala district. Our results indicate that entrepreneurs in the informal and semiformal categories are largely illiterate. The traits of informal and semiformal entrepreneurs are distinct. Informal entrepreneurs have been noted to be more daring and resilient as opposed to their semiformal counterparts, who have greater passion for their businesses. It is thus observed that the formalization prospects are higher for semiformal entrepreneurs as compared to their informal counterparts. Entrepreneurs who would be willing to formalize their businesses are discouraged by contextual factors like limited awareness, distance involved in accessing business formalization services, limited capacity to use technology in the formalization process and the cost of involving middlemen. While resilient entrepreneurs are noted to overcome these impediments, passive ones in both the informal and semiformal categories will not formalize their businesses, giving such excuses.

Based on the study findings and discussions, this study makes several contributions to the academic, policy and business fraternity. To begin with, the study contributes to the existing body of knowledge on informal entrepreneurship with a focus on the personal traits and motivation to formalize or informalize business operations, as recommended by Salvi

et al. (2022). In addition, the study expands previous studies conducted in contexts outside Africa, compares the results and also provides a detailed account of how personal traits influence the formalization decisions of informal entrepreneurs.

For policymakers such as the Uganda Registration Services Bureau (URSB) and URA, they should sensitize the business communities about the relevance of business formalization. This will change their mindset to perceive business formalization as their responsibility, which, when fully undertaken, can unlock the growth potential of their businesses, rather than viewing it as a burden that is likely to constrain business operations. Similarly, the government should make business formalization services accessible by extending them to different parts of the country. This will motivate passive entrepreneurs to conveniently and easily undertake business registration, with no excuse for the challenges involved. Moreover, governments in developing countries should train the business community on how to formalize their businesses using the new system and technology. After unlocking their potential to navigate the online business formalization process, it will become easy and friendly for informal entrepreneurs to formalize the operations of their businesses. This will be more fruitful if adequate staff at registration points is provided so that entrepreneurs are provided with hands-on support to make the process smoother, which is a strategic pathway for eliminating the costs involved in working with middlemen in the formalization process. Regarding the general community, members should view unregistered businesses as socially unacceptable and encourage them to register in order to operate in a way that confirms the existing regulations. This will enable the government to generate enough income for socioeconomic transformation.

This study, like any other investigation, has some limitations that can be addressed by other studies. While we engaged 28 informal entrepreneurs from Kampala district, there are also informal entrepreneurs in other parts of the country and other developing countries, including rural contexts, where informality levels and socioeconomic status may differ from those in rural areas. Similarly, their motivation to formalize business may also be informed by other aspects, like personal values, that could be interrogated by future studies. Also, there is a need for future studies to employ a quantitative or mixed-methods approach with the goal of gathering data from a larger sample for generalizability purposes.

References

- Bazkiaei, H.A., Heng, L.H., Khan, N.U., Saufi, R.B.A. and Kasim, R.S.R. (2020), "Do entrepreneurial education and big-five personality traits predict entrepreneurial intention among universities students?", *Cogent Business and Management*, Vol. 7 No. 1, 1801217, doi: [10.1080/23311975.2020.1801217](https://doi.org/10.1080/23311975.2020.1801217).
- Campbell, S., Greenwood, M., Prior, S., Shearer, T., Walkem, K., Young, S., Bywaters, D. and Walker, K. (2020), "Purposive sampling: complex or simple? Research case examples", *Journal of Research in Nursing*, Vol. 25 No. 8, pp. 652-661, doi: [10.1177/1744987120927206](https://doi.org/10.1177/1744987120927206).
- Chiumento, A., Rahman, A., Machin, L. and Frith, L. (2018), "Mediated research encounters: methodological considerations in cross-language qualitative interviews", *Qualitative Research*, Vol. 18 No. 6, pp. 604-622, doi: [10.1177/1468794117730121](https://doi.org/10.1177/1468794117730121).
- Creswell, J.W. (2014), *A Concise Introduction to Mixed Methods Research*, SAGE Publications.
- Cuesta, M., Suárez-Alvarez, J., Lozano, L.M., García-Cueto, E. and Muñoz, J. (2018), "Assessment of eight entrepreneurial personality dimensions: validity evidence of the BEPE battery", *Frontiers in Psychology*, Vol. 9, p. 2352, doi: [10.3389/fpsyg.2018.02352](https://doi.org/10.3389/fpsyg.2018.02352).
- Delacroix, E., Parguel, B. and Benoit-Moreau, F. (2019), "Digital subsistence entrepreneurs on Facebook", *Technological Forecasting and Social Change*, Vol. 146, pp. 887-899, doi: [10.1016/j.techfore.2018.06.018](https://doi.org/10.1016/j.techfore.2018.06.018).
- Esaku, S. (2021), "Is informality a barrier to economic growth in Uganda? Empirical analysis", *Development Studies Research*, Vol. 8 No. 1, pp. 109-121, doi: [10.1080/21665095.2021.1919167](https://doi.org/10.1080/21665095.2021.1919167).

- Farrukh, M., Alzubi, Y., Shahzad, I.A., Waheed, A. and Kanwal, N. (2018), "Entrepreneurial intentions: the role of personality traits in perspective of theory of planned behaviour", *Asia Pacific Journal of Innovation and Entrepreneurship*, Vol. 12 No. 3, pp. 399-414, doi: [10.1108/apjie-01-2018-0004](https://doi.org/10.1108/apjie-01-2018-0004).
- Gioia, D.A., Corley, K.G. and Hamilton, A.L. (2013), "Seeking qualitative rigor in inductive research: notes on the Gioia methodology", *Organizational Research Methods*, Vol. 16 No. 1, pp. 15-31.
- Gustafsson, J. (2017), "Single case studies vs. multiple case studies: a comparative study", Academy of Business, Engineering and Science Halmstad University, pp. 1-15.
- Inahedh, M. and Alsanousi, S. (2020), "Entrepreneurial spawning in the informal economy", *Journal of Developmental Entrepreneurship*, Vol. 25 No. 2, 2050008, doi: [10.1142/s1084946720500089](https://doi.org/10.1142/s1084946720500089).
- Heale, R. and Twycross, A. (2018), "What is a case study?", *Evidence-based Nursing*, Vol. 21 No. 1, pp. 7-8, doi: [10.1136/eb-2017-102845](https://doi.org/10.1136/eb-2017-102845).
- Kerr, S.P., Kerr, W.R. and Dalton, M. (2019), "Risk attitudes and personality traits of entrepreneurs and venture team members", *Proceedings of the National Academy of Sciences*, Vol. 116 No. 36, pp. 17712-17716, doi: [10.1073/pnas.1908375116](https://doi.org/10.1073/pnas.1908375116).
- Khan, E.A., Rowe, A.L., Quaddus, M. and Nuruzzaman, M. (2013), "The relationship of personality traits of informal micro-enterprise entrepreneurs, role of business environment and firm sustainable performance-qualitative evidence from Bangladesh", *Global Business and Economics Anthology*, Vol. 2, pp. 299-310.
- Kimuli, S.N.L., Sendawula, K. and Nagujja, S. (2022), "Sustainable entrepreneurship practices in women-owned micro enterprises using evidence from Owino market, Kampala, Uganda", *African Journal of Economic and Management Studies*, Vol. 13 No. 3, pp. 508-523.
- Krasniqi, B.A. and Williams, C. (2020), "Does informality help entrepreneurs achieve firm growth? Evidence from a post-conflict economy", *Economic Research-Ekonomska Istraživanja*, Vol. 33 No. 1, pp. 1581-1599, doi: [10.1080/1331677x.2020.1756369](https://doi.org/10.1080/1331677x.2020.1756369).
- Laing, E., van Stel, A. and Storey, D.J. (2022), "Formal and informal entrepreneurship: a cross-country policy perspective", *Small Business Economics*, Vol. 59 No. 3, pp. 807-826, doi: [10.1007/s11187-021-00548-8](https://doi.org/10.1007/s11187-021-00548-8).
- Lee, C.-K. and Hung, S.-C. (2014), "Institutional entrepreneurship in the informal economy: china's Shanzhai mobile phones", *Strategic Entrepreneurship Journal*, Vol. 8 No. 1, pp. 16-36, doi: [10.1002/sej.1174](https://doi.org/10.1002/sej.1174).
- Magaldi, D. and Berler, M. (2020), "Semi-structured interviews", *Encyclopedia of Personality and Individual Differences*, pp. 4825-4830.
- Marques, C., Leal, C., Ferreira, J. and Ratten, V. (2018), "The formal-informal dilemma for women micro-entrepreneurs: evidence from Brazil", *Journal of Enterprising Communities: People and Places in the Global Economy*, Vol. 14 No. 5, pp. 665-685, doi: [10.1108/jec-03-2016-0008](https://doi.org/10.1108/jec-03-2016-0008).
- McCaig, B. and Nanowski, J. (2019), "Business formalisation in Vietnam", *The Journal of Development Studies*, Vol. 55 No. 5, pp. 805-821, doi: [10.1080/00220388.2018.1475646](https://doi.org/10.1080/00220388.2018.1475646).
- Mohajan, H.K. (2018), "Qualitative research methodology in social sciences and related subjects", *Journal of Economic Development, Environment and People*, Vol. 7 No. 1, pp. 23-48, doi: [10.26458/jedep.v7i1.571](https://doi.org/10.26458/jedep.v7i1.571).
- Mugoda, S., Esaku, S., Nakimu, R.K. and Bbaale, E. (2020), "The portrait of Uganda's informal sector: what main obstacles do the sector face?", *Cogent Economics and Finance*, Vol. 8 No. 1, 1843255, doi: [10.1080/23322039.2020.1843255](https://doi.org/10.1080/23322039.2020.1843255).
- National Planning Authority (2020), *Third National Development Plan (NDPIII) 2020/21 – 2024/25*, Government of Uganda, Kampala, Uganda.
- Nguyen, T., Verreynne, M.L. and Steen, J. (2014), "Drivers of firm formalization in Vietnam: an attention theory explanation", *Entrepreneurship and Regional Development*, Vol. 26 Nos 7-8, pp. 574-593, doi: [10.1080/08985626.2014.959069](https://doi.org/10.1080/08985626.2014.959069).
- Postigo, Á., Cuesta, M., García-Cueto, E., Prieto-Díez, F. and Muñiz, J. (2021), "General versus specific personality traits for predicting entrepreneurship", *Personality and Individual Differences*, Vol. 182, 111094, doi: [10.1016/j.paid.2021.111094](https://doi.org/10.1016/j.paid.2021.111094).

- Qu, S.Q. and Dumay, J. (2011), "The qualitative research interview", *Qualitative Research in Accounting and Management*, Vol. 8 No. 3, pp. 238-264.
- Ram, M., Edwards, P., Jones, T. and Villares-Varela, M. (2017), "From the informal economy to the meaning of informality: developing theory on firms and their workers", *International Journal of Sociology and Social Policy*, Vol. 37 Nos 7/8, pp. 361-373, doi: [10.1108/ijssp-06-2016-0075](https://doi.org/10.1108/ijssp-06-2016-0075).
- Rosa, M.d. and Trabalzi, F. (2016), "Everybody does it, or how illegality is socially constructed in a southern Italian food network", *Journal of Rural Studies*, Vol. 45, pp. 303-311, doi: [10.1016/j.jrurstud.2016.04.009](https://doi.org/10.1016/j.jrurstud.2016.04.009).
- Rosado-Cubero, A., Freire-Rubio, T. and Hernández, A. (2022), "Entrepreneurship: what matters most", *Journal of Business Research*, Vol. 144, pp. 250-263, doi: [10.1016/j.jbusres.2022.01.087](https://doi.org/10.1016/j.jbusres.2022.01.087).
- Şahin, F., Karadağ, H. and Tuncer, B. (2019), "Big five personality traits, entrepreneurial self-efficacy and entrepreneurial intention: a configurational approach", *International Journal of Entrepreneurial Behavior and Research*, Vol. 25 No. 6, pp. 1188-1211.
- Salvi, E., Belz, F.M. and Bacq, S. (2022), "Informal entrepreneurship: an integrative review and future research agenda", *Entrepreneurship Theory and Practice*, Vol. 47 No. 2, pp. 265-303, doi: [10.1177/10422587221115365](https://doi.org/10.1177/10422587221115365).
- Shahid, M.S., Williams, C.C. and Martinez, A. (2020), "Beyond the formal/informal enterprise dualism: explaining the level of (in) formality of entrepreneurs", *The International Journal of Entrepreneurship and Innovation*, Vol. 21 No. 3, pp. 191-205, doi: [10.1177/1465750319896928](https://doi.org/10.1177/1465750319896928).
- Uganda Bureau of Statistics (2022), "Statistical abstract", Government of Uganda, Kampala, Uganda.
- Vodă, A.I. and Florea, N. (2019), "Impact of personality traits and entrepreneurship education on entrepreneurial intentions of business and engineering students", *Sustainability*, Vol. 11 No. 4, p. 1192, doi: [10.3390/su11041192](https://doi.org/10.3390/su11041192).
- Welter, F., Smallbone, D. and Pobol, A. (2015), "Entrepreneurial activity in the informal economy: a missing piece of the entrepreneurship jigsaw puzzle", *Entrepreneurship and Regional Development*, Vol. 27 Nos 5-6, pp. 292-306, doi: [10.1080/08985626.2015.1041259](https://doi.org/10.1080/08985626.2015.1041259).
- Williams, C.C., Shahid, M.S. and Martínez, A. (2016), "Determinants of the level of informality of informal micro-enterprises: some evidence from the city of Lahore, Pakistan", *World Development*, Vol. 84, pp. 312-325, doi: [10.1016/j.worlddev.2015.09.003](https://doi.org/10.1016/j.worlddev.2015.09.003).
- Williams, C.C., Martínez-Pérez, A. and Kedir, A.M. (2017), "Informal entrepreneurship in developing economies: the impacts of starting up unregistered on firm performance", *Entrepreneurship Theory and Practice*, Vol. 41 No. 5, pp. 773-799, doi: [10.1111/etap.12238](https://doi.org/10.1111/etap.12238).
- Williams, C.C., Adom, K. and Horodnic, I.A. (2020), "Determinants of the level of informalization of enterprises: some evidence from Accra, Ghana", *Journal of Developmental Entrepreneurship*, Vol. 25 No. 1, 2050004, doi: [10.1142/s1084946720500041](https://doi.org/10.1142/s1084946720500041).
- Young, G. (2019), "The state and the origins of informal economic activity: insights from Kampala", *Urban Forum*, Vol. 30 No. 4, pp. 407-423, doi: [10.1007/s12132-019-09372-6](https://doi.org/10.1007/s12132-019-09372-6).
- Zheng, X., Yang, Y., Zhang, Q. and Yang, J. (2021), "Linking entrepreneurial learning to entrepreneurial competencies: the moderating role of personality traits", *Current Psychology*, Vol. 42 No. 14, pp. 1-16, doi: [10.1007/s12144-021-02465-1](https://doi.org/10.1007/s12144-021-02465-1).

Further reading

- Afreh, B., Rodgers, P., Vershinina, N. and Williams, C.C. (2019), "Varieties of context and informal entrepreneurship: entrepreneurial activities of migrant youths in rural Ghana", *International Journal of Entrepreneurial Behavior and Research*, Vol. 25 No. 5, pp. 996-1013, doi: [10.1108/ijeb-02-2018-0109](https://doi.org/10.1108/ijeb-02-2018-0109).
- Amésquita Cubillas, F., Morales, O. and Rees, G.H. (2018), "Understanding the intentions of informal entrepreneurs in Peru", *Journal of Entrepreneurship in Emerging Economies*, Vol. 10 No. 3, pp. 489-510, doi: [10.1108/JEEE-02-2018-0022](https://doi.org/10.1108/JEEE-02-2018-0022).

- Ahmad, W., Kim, W.G., Anwer, Z. and Zhuang, W. (2020), "Schwartz personal values, theory of planned behavior and environmental consciousness: how tourists' visiting intentions towards eco-friendly destinations are shaped?", *Journal of Business Research*, Vol. 110, pp. 228-236, doi: [10.1016/j.jbusres.2020.01.040](https://doi.org/10.1016/j.jbusres.2020.01.040).
- Aidis, R. and Van Praag, M. (2007), "Illegal entrepreneurship experience: does it make a difference for business performance and motivation?", *Journal of Business Venturing*, Vol. 22 No. 2, pp. 283-310, doi: [10.1016/j.jbusvent.2006.02.002](https://doi.org/10.1016/j.jbusvent.2006.02.002).
- Aren, S. and Hamamci, H.N. (2021), "The mediating effect of religiosity in evaluating individual cultural values regarding interest", *Turkish Journal of Islamic Economics-Tujiise*, Vol. 9 No. 2, pp. 73-97.
- Asah, F., Fatoki, O.O. and Rungani, E. (2015), "The impact of motivations, personal values and management skills on the performance of SMEs in South Africa", *African Journal of Economic and Management Studies*, Vol. 6 No. 3, pp. 308-322, doi: [10.1108/ajems-01-2013-0009](https://doi.org/10.1108/ajems-01-2013-0009).
- Assenova, V.A. and Sorenson, O. (2017), "Legitimacy and the benefits of firm formalization", *Organization Science*, Vol. 28 No. 5, pp. 804-818, doi: [10.1287/orsc.2017.1146](https://doi.org/10.1287/orsc.2017.1146).
- Camfield, C. and Franco, M. (2019), "Professionalisation of the family firm and its relationship with personal values", *The Journal of Entrepreneurship*, Vol. 28 No. 1, pp. 144-188, doi: [10.1177/0971355718810291](https://doi.org/10.1177/0971355718810291).
- Carneiro-da-Cunha, J.A. and Rossetto, D.E. (2015), "Mapping entrepreneurs' types in a Brazilian informal clothes retailing cluster", *International Journal of Entrepreneurship and Small Business*, Vol. 26 No. 1, pp. 21-42, doi: [10.1504/ijesb.2015.071318](https://doi.org/10.1504/ijesb.2015.071318).
- Cubillas, F.A., Morales, O. and Rees, G.H. (2018), "Understanding the intentions of informal entrepreneurs in Peru", *Journal of Entrepreneurship in Emerging Economies*, Vol. 10 No. 3, pp. 489-510, doi: [10.1108/jee-02-2018-0022](https://doi.org/10.1108/jee-02-2018-0022).
- De Castro, J.O., Khavul, S. and Bruton, G.D. (2014), "Shades of grey: how do informal firms navigate between macro and meso institutional environments?", *Strategic Entrepreneurship Journal*, Vol. 8 No. 1, pp. 75-94, doi: [10.1002/sej.1172](https://doi.org/10.1002/sej.1172).
- Games, D., Soutar, G. and Sneddon, J. (2020), "Personal values and SME innovation in a Muslim ethnic group in Indonesia", *Journal of Entrepreneurship in Emerging Economies*, Vol. 13 No. 5, pp. 1-22, doi: [10.1108/jee-01-2020-0008](https://doi.org/10.1108/jee-01-2020-0008).
- Kundt, T.C. (2017), *Opportunities and Challenges for Taxing the Informal Economy and Subnational Taxation*, K4D Emerging Issues Report, Institute of Development Studies, Brighton, UK.
- Kyngäs, H. (2020), "Inductive content analysis", *The Application of Content Analysis in Nursing Science Research*, Springer, Cham, pp. 13-21.
- Le, T.D. and Kieu, T.A. (2019), "Ethically minded consumer behaviour in Vietnam: an analysis of cultural values, personal values, attitudinal factors and demographics", *Asia Pacific Journal of Marketing and Logistics*, Vol. 31 No. 3, pp. 609-626, doi: [10.1108/apjml-12-2017-0344](https://doi.org/10.1108/apjml-12-2017-0344).
- Leipold, S., Feindt, P.H., Winkel, G. and Keller, R. (2019), "Discourse analysis of environmental policy revisited: traditions, trends, perspectives", *Journal of Environmental Policy and Planning*, Vol. 21 No. 5, pp. 445-463, doi: [10.1080/1523908x.2019.1660462](https://doi.org/10.1080/1523908x.2019.1660462).
- Leutner, F., Ahmetoglu, G., Akhtar, R. and Chamorro-Premuzic, T. (2014), "The relationship between the entrepreneurial personality and the big five personality traits", *Personality and Individual Differences*, Vol. 63, pp. 58-63, doi: [10.1016/j.paid.2014.01.042](https://doi.org/10.1016/j.paid.2014.01.042).
- McCarthy, M., Christian, M. and Slade, D. (2019), "Discourse analysis", *An Introduction to Applied Linguistics*, Routledge, pp. 55-71.
- Mehtap, S., Ozmenekse, L. and Caputo, A. (2019), "I'm a stay at home businesswoman': an insight into informal entrepreneurship in Jordan", *Journal of Entrepreneurship in Emerging Economies*, Vol. 11 No. 1, pp. 44-65, doi: [10.1108/JEEE-10-2017-0080](https://doi.org/10.1108/JEEE-10-2017-0080).
- Muhammad, S., Kong, X., Saqib, S.E. and Beutell, N.J. (2021), "Entrepreneurial income and wellbeing: women's informal entrepreneurship in a developing context", *Sustainability*, Vol. 13 No. 18, 10262, doi: [10.3390/su131810262](https://doi.org/10.3390/su131810262).

- Rădan-Gorska, M.M. (2013), "Destinations without regulations: informal practices in Romanian rural tourism", *Journal of Comparative Research in Anthropology and Sociology*, Vol. 4 No. 2.
- Riley, S. and Wiggins, S.A.L.L.Y. (2019), "Discourse analysis", *Doing Qualitative Research in Psychology: A Practical Guide*, Vol. 2, pp. 233-256.
- Schaefer, A., Williams, S. and Blundel, R. (2020), "Individual values and SME environmental engagement", *Business and Society*, Vol. 59 No. 4, pp. 642-675, doi: [10.1177/0007650317750134](https://doi.org/10.1177/0007650317750134).
- Schwartz, S.H. and Cieciuch, J. (2022), "Measuring the refined theory of individual values in 49 cultural groups: psychometrics of the revised Portrait Value Questionnaire", *Assessment*, Vol. 29 No. 5, pp. 1005-1019, doi: [10.1177/1073191121998760](https://doi.org/10.1177/1073191121998760).
- Slade Shantz, A., Kistruck, G. and Zietsma, C. (2018), "The opportunity not taken: the occupational identity of entrepreneurs in contexts of poverty", *Journal of Business Venturing*, Vol. 33 No. 4, pp. 416-437, doi: [10.1016/j.jbusvent.2018.02.003](https://doi.org/10.1016/j.jbusvent.2018.02.003).
- Sotiropoulou, A., Papadimitriou, D. and Maroudas, L. (2021), "Personal values and typologies of social entrepreneurs. The case of Greece", *Journal of Social Entrepreneurship*, Vol. 12 No. 1, pp. 1-27, doi: [10.1080/19420676.2019.1668827](https://doi.org/10.1080/19420676.2019.1668827).
- Urban, B. and Ndou, B. (2019), "Informal entrepreneurship: a focus on South African township entrepreneurs", *Journal of Developmental Entrepreneurship*, Vol. 24 No. 4, 1950021, doi: [10.1142/s1084946719500213](https://doi.org/10.1142/s1084946719500213).
- Verberne, J. and Arendsen, R. (2018), "Taxation and the informal business sector in Uganda, an exploratory socio-legal research", *6th annual TARC conference*, April 23-24, University of Exeter Business School.
- Wortham, S. and Reyes, A. (2020), *Discourse Analysis beyond the Speech Event*, Routledge, London.

Corresponding author

Kasimu Sendawula can be contacted at: sendawulakasimu@gmail.com

For instructions on how to order reprints of this article, please visit our website:

www.emeraldgroupublishing.com/licensing/reprints.htm

Or contact us for further details: permissions@emeraldinsight.com