

# **The relationship between perceived employability and intention for self-employment among university students**

**Habofanwe Andreas Koloba (M.com)**

(STUDENT NO. 22999612)

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Promoter: Prof J. Surujlal

Co-promoter: Dr V. Leendertz

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2015

## DECLARATION

I, **Habofanwe Andreas Koloba** declare that the thesis “The relationship between perceived employability and intention for self-employment among university students” is my own work, that all the sources used or quoted have been identified and acknowledged by means of complete references, and that this thesis has not previously been submitted by me for a degree at any other university.

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# ETHICS CLEARANCE



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Name	Habofanwe Andreas Koloba		
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 .....  
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15-08-2014.....  
 DATE

  
 .....  
 RESEARCH DIRECTOR

15/08/2014.....  
 DATE

## LANGUAGE EDITING

Ms Linda Scott  
English language editing  
SATI membership number: 1002595  
Tel: 083 654 4156  
E-mail: lindascott1984@gmail.com

22 April 2015

To whom it may concern

This is to confirm that I, the undersigned, have language edited the **thesis** of

**Habofanwe Andreas Koloba**

for the degree

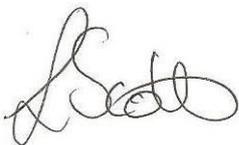
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entitled:

***The relationship between perceived employability and intention for self-employment among university students.***

The responsibility of implementing the recommended language changes rests with the author of the thesis.

Yours truly,



Linda Scott

## **DEDICATION**

This thesis is dedicated to my two sons, Motse and Benny, for their patience, understanding and sacrifice during my studies. I trust that this will inspire you to dream big. This one is for you.

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## **ABSTRACT**

### **The relationship between perceived employability and intention for self-employment among university students**

KEY WORDS: Perceived employability, intention for self-employment, university students, South Africa.

Employability of graduates has gained considerable interest among researchers recently. This interest came about because of reported concerns by employers regarding the lack of employability skills among graduates thereby rendering them unemployable. South Africa is experiencing persistently high unemployment rates among the youth, particularly those with degrees. Similarly, self-employment of graduates has gained considerable interest among researchers around the world. Despite high unemployment rates among the youth of South Africa, self-employment levels are disappointingly at low levels. Therefore, knowledge of university students' perceptions with regard to employability and intention for self-employment is important.

The phenomenon of employability has gradually developed over the decades. This resulted in researchers finding it difficult to come up with a common definition of the concept. Nonetheless, researchers share similar views with regard to the importance of employability, particularly among graduates. Due to the changing nature of the world of work, there is an unprecedented need for graduates to possess employability skills that will enhance their employability throughout their working life. For a long time, there has been a debate in South Africa regarding the preparedness of graduates for the world of work. Employers complain about the quality of graduates while universities feel that employers are not appreciative of their contribution in producing appropriate graduates. Therefore, there is a need to investigate employability of students continuously, as the future workforce will come from this cohort.

For many decades, self-employment has been viewed as an important component of economies of many countries. In light of this, there has been an increasing interest in self-employment around the world. In the case of South Africa, research has consistently indicated that compared to countries at similar levels of development, the country lags behind on this front. In response to this, numerous attempts have been undertaken to strengthen actions that encourage and support self-employment as an attractive substitute to wage employment for students. There is a shared view among researchers that the decision to enter into self-employment is preceded by intention. Therefore, there is a continuous need to investigate self-employment intentions in South Africa, particularly among students.

This study was conducted to investigate the relationship between perceived employability and intention for self-employment among university students. A quantitative research approach was followed to collect data. A questionnaire was administered among second year, third year and postgraduate students at four universities in two provinces of South Africa. Factor analysis was used to establish whether data were appropriate for analysis. T-tests and ANOVA were used to compare students' employability skills, perceived employability and intention for self-employment.

While there were no significant differences in terms of employability skills and perceived employability, significant differences were found on self-employment intentions on various variables. Correlation analysis was used to investigate the relationship among the factors of perceived employability and the relationship between perceived employability and intention for self-employment. The results indicated that there is a statistically significant relationship between perceived employability and intention for self-employment among university students.

Reflecting on the results of this study it is evident that university students perceived themselves as employable. In line with the results, it is important that the employability skills of students should be developed, as this will enhance their employability. The curriculum should be designed in such a way that it incorporates employability skills. Employers and government should play a meaningful role in this regard. While the majority of students indicated that they intend to be self-employed someday, there were a substantial number of students who do not view self-employment as a career option. Therefore, self-employment should be made a compulsory module across different fields of study. Different stakeholders should be involved in encouraging university students to engage in self-employment activities.

## OPSOMMING

### **Die verhouding tussen waargenome indiensneembaarheid en voorneme vir selfindiensname onder universiteitstudente**

**SLEUTELWOORDE:** Waargenome indiensneembaarheid, voorneme vir selfindiensname, universiteitstudente, Suid-Afrika

Die indiensneembaarheid van gegradueerdes het onlangs aansienlike belangstelling onder navorsers gewek. Die belangstelling was die gevolg van aangemelde bekommernisse van werkgewers aangaande die gebrek aan indiensneembaarheidsvaardighede onder gegradueerdes, wat hulle ondiensneembaar maak. Suid-Afrika ervaar deurlopend hoë werkloosheidsyfers onder die jeug, veral dié met grade. Selfindiensname van gegradueerdes het ook aansienlik belangstelling onder navorsers regoor die wêreld gewek. Ondanks die hoë werkloosheidsyfer onder die jeug van Suid-Afrika, is selfindiensnemingsvlakke teleurstellend laag. Daarom is kennis van universiteitstudente se persepsie aangaande indiensneembaarheid en voorneme vir selfindiensname belangrik.

Die verskynsel van indiensneembaarheid het geleidelik oor dekades heen ontwikkel. Dit het tot gevolg dat navorsers dit moeilik vind om met 'n algemene definisie vir die begrip vorendag te kom. Nogtans deel navorsers sienings aangaande die belang van indiensneembaarheid, in besonder onder gegradueerdes. As gevolg van die veranderende aard van die werksomgewing is daar 'n ongeëwenaarde behoefte aan indiensneembaarheidsvaardighede by gegradueerdes wat hulle indiensneembaarheid regdeur hulle werkslewe sal bevorder. Die gereedheid van gegradueerdes vir die werksomgewing word reeds lank in Suid-Afrika gedebatteer. Werkgewers kla oor die gehalte van gegradueerdes, terwyl universiteite voel dat werkgewers nie hulle bydrae om geskikte gegradueerdes te lewer, waardeur nie. Daar is dus 'n behoefte om die indiensneembaarheid van studente deurlopend te ondersoek, aangesien die toekomstige arbeidsmag vanuit hierdie kohort kom.

Selfindiensname word reeds vir baie dekades as 'n belangrike komponent van baie lande se ekonomie beskou. Daar was op grond hiervan regoor die wêreld 'n toenemende belangstelling in selfindiensname. In Suid-Afrika se geval het navorsing konsekwent aangedui dat, vergeleke met lande op soortgelyke vlakke van ontwikkeling, die land in hierdie opsig agter is. In reaksie hierop is verskeie pogings aangewend om optrede te versterk wat selfindiensname as 'n aantreklike plaasvervanger vir betaalde indiensneming aanmoedig en ondersteun. Navorsers deel die siening dat die besluit om in eie diens te wees deur voorneme voorafgegaan word.

Daarom is daar 'n deurlopende behoefte om selfindiensnamevoornemens in Suid-Afrika te ondersoek, veral onder studente.

Hierdie studie is gedoen om die verhouding tussen waargenome indienseembaarheid en voorneme vir selfindiensname onder universiteitstudente te ondersoek. 'n Kwantitatiewe navorsingsbenadering is gevolg om data in te samel. 'n Vraelys is onder tweedejaars, derdejaars en nagraadse studente by vier universiteite in twee provinsies van Suid-Afrika toegepas. Faktoranalise is gebruik om vas te stel of data geskik was vir analise. T-toetse en ANOVA is gebruik om studente se indienseembaarheidsvaardighede, waargenome indienseembaarheid en voorneme vir selfindiensname te vergelyk.

Terwyl daar geen beduidende verskille ten opsigte van indienseembaarheidsvaardighede en waargenome indienseembaarheid was nie, was daar vir verskeie veranderlikes beduidende verskille ten opsigte van selfindiensnamevoornemens. Korrelasie-analise is gebruik om die verhouding tussen die faktore van waargenome indienseembaarheid en die verhouding tussen waargenome indienseembaarheid en voorneme vir selfindiensname te ondersoek. Die resultate het aangedui dat daar 'n statisties beduidende verhouding tussen waargenome indienseembaarheid en voorneme vir selfindiensname onder universiteitstudente is.

Die resultate van die studie toon duidelik dat universiteitstudente hulleself as indienseembaar waarneem. In lyn met die resultate is dit belangrik dat die indienseembaarheidsvaardighede van studente ontwikkel moet word omdat dit hulle indienseembaarheid sal bevorder. Die kurrikulum moet op so 'n wyse ontwerp word dat dit indienseembaarheidsvaardighede inkorporeer. Werkgewers en die regering moet 'n betekenisvolle rol in hierdie verband speel. Terwyl die meerderheid studente aangedui het dat hulle van plan is om eendag in eie diens te wees, was daar 'n beduidende getal studente wat nie selfindiensname as 'n loopbaanopsie beskou nie. Selfindiensname moet dus 'n verpligte module in verskillende vakgebiede gemaak word. Verskillende belanghebbendes moet betrokke wees om universiteitstudente aan te moedig om aan selfindiensname-aktiwiteite deel te neem.

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## LIST OF ACRONYMS

ANOVA	Analysis of Variance
BHPS	British Household Panel Survey
BRICS	Brazil, Russia, India, China and South Africa
CHE	Council on Higher Education
DOL	Department of Labour
EU	European Union
FET	Further Education and Training Colleges
FNB	First National Bank
GATE	Growing America Through Entrepreneurship
GDP	Gross Domestic Product
GDS	Graduate Destination Survey
GEM	Global Entrepreneurship Monitor
GSOEP	German Socio-Economic Panel Survey
GUESSS	Global University Entrepreneurship Spirit Students Survey
HEIs	Higher Education Institutions
HESA	Higher Education Statistics Agency
ICLS	International Conference of Labour Statisticians
ICT	Information, Communication and Technology
IEB	The International Employer Barometer
IT	INFORMATION TECHNOLOGY
KMO	Kaiser- Meyer-Olkin index
LFS	Labour Force Survey
LIS	Library and Information Sciences
MIT	Massachusetts Institute of Technology
NCGE	National Council for Graduate Entrepreneurship
NCWE	National Council for Work Experience

NGOs	Non-Governmental Organisations
NLSY79	US 1979 National Longitudinal Survey of Youth
NYC	National Youth Commission
NYDA	National Youth Development Agency
OECD	Organisation for Economic Cooperation and Development
PCA	Principal Component Analysis
PSID	Panel Survey of Income
QCA	Qualification and Curriculum Authority
SAB	South African Breweries
SAGDA	South African Graduates Development Association
SHP	Swiss Household Survey Panel
SMMEs	Small Micro Medium Enterprises
SPSS	Statistical Package for Social Sciences
TEA	Total Entrepreneurship Activity
TVETs	Technical, Vocational Education and Training Colleges
UYF	Umsobomvu Youth Fund
WES	Work Environment Survey
YAA	Young Achievement Australia

# CHAPTER 1

## INTRODUCTION, PROBLEM STATEMENT AND OBJECTIVES

### 1.1 INTRODUCTION AND BACKGROUND

The phenomenon of employability has been studied since the 1950s when interventions were made with the purpose of realising full employment for those who were unemployed (Forrier & Sels, 2003:103). Long (1958:389) classified the marketable labour on the basis of employability in which the willingness and ability to work were viewed as its components. Bowlby and Schriver (1970:509) investigated the effects of vocational training on the labour force among former students at 19 Tennessee-area technical-vocational schools, in the United States. They found that trained workers were more employable compared to the less trained. Furthermore, trained workers had higher participation rates, lower unemployment rates and higher occupational rates.

The interest in employability continued to grow through the decades. For example, during the 1970s it became an economic imperative for employees to increase their employability (Forrier & Sels, 2003:103). In the 1980s the constant change that confronted companies compelled them to approach employability as a human resource (HR) instrument to optimise the deployment of workers within the business (Forrier & Sels, 2003:103). Much of the research currently focuses on employability; about a person's ability to get and maintain a job within or outside a business (De Cuyper *et al.*, 2008:489).

Wittekind, Raeder and Grote (2010:568) identified three variables that are essential in determining perceived employability, namely job-related qualifications, the willingness to develop new competencies and knowledge of the labour market. However, it is important to understand employability in terms of the context in which a person is located (Marock, 2008:8). For example, personal circumstances and the labour market environment in which a person seeks employment need to be considered. Furthermore, people prefer to work for organisations because of job security, social environment, avoidance of responsibility, workload and career progression (Kolvereid, 1996:29). Based on these views employability is viewed as highly important for employees coping with job losses and individuals searching for jobs (Fugate *et al.*, 2004:30).

Similarly, self-employment has received much interest and attention for a long time because it continues to form an important sector of the labour market of many countries (Le, 1999:384). Ray (1975:49) reported that in 1973, one in 12 Americans was self-employed, though the

number declined due to the increase in corporation and government employment. Between 1976 and 1983 the number of self-employed Americans increased each year, reaching 9.1 million (Becker, 1984:14). Blau (1987:445) conducted a time-series analysis of self-employment in the United States. The findings indicated that after long periods of decline, self-employment had increased since the 1970s and this was attributed to changes in technology, industrial structures and tax rates, among others. The upward trend continued until 1997 and 37 percent of households in the United States at that time had someone who was self-employed (Timmons, 2002:4).

Similar trends in self-employment also were experienced in other countries. For example, at one time self-employment accounted for 16 percent of the paid workforce in Australia, 10 percent in Canada, and 13 percent in the United Kingdom (Le, 1999:381). One observation was that in poorer countries self-employment was relatively high as workers viewed it as a solution to their poverty problems.

In contrast, self-employment trends in South Africa reflect a disturbing reality. The findings of the Global Entrepreneurship Monitor (GEM) surveys revealed that South Africa consistently ranked very poorly in terms of entrepreneurial activity (Luiz & Mariotti, 2011:47). Except for 2007, South African has participated in the GEM surveys and consistently has performed below the average of countries at similar levels of economic development in terms of entrepreneurial activity. In 2006, the total entrepreneurial activity stood at 5 percent and improved slightly to 7.8 percent in 2008 (The entrepreneurial dialogues, 2009:7). However, the improvement was still lower in comparison to countries such as India (11.5 percent), Brazil (12 percent), Colombia (24.5 percent), Mexico (13.1 percent) and the United States (10.8 percent). In 2012, the findings of Turton and Herrington (2012:48) revealed that nascent entrepreneurship rate was only 2.3 percent compared to 5.9 percent and 6.1 percent of GEM countries' average and efficiency-driven economies respectively. Furthermore, the same findings revealed that in terms of established business, South Africa ranked the second lowest in the world at the rate of only 2.3 percent, whereas the average of efficiency-driven economies was 8 percent.

Consensus among researchers is that self-employed individuals are important for both economic and political sense because they contribute significantly to the overall employment (De Wit, 1993:367). Self-employment is normally also associated with risk, and people choose self-employment due to economic opportunity, authority, challenges, autonomy and self-realisation. Upon reflecting on the importance of employability and self-employment, the present study investigated the relationship between perceived employability and intention for self-employment from university students' perspectives.

There is a widely-shared view that university students or graduates who possess employability attributes stand a better chance of being absorbed by the labour market and in that way could contribute significantly towards economic development (Rothwell *et al.*, 2009:153; Potgieter & Coetzee, 2013:1). Therefore, it is not surprising to note that many countries have identified the employability of graduates as an important outcome. This is so because globalisation demands knowledgeable and educated workers (Kreber, 2006:5).

Similarly, many countries are paying more attention to the self-employment of graduates. For example, the Malaysian government provides funding to encourage unemployed graduates to take part in entrepreneurship activities (Yusof *et al.*, 2008:2). The government of the United Kingdom established the National Council for Graduate Entrepreneurship (NCGE) and its mandate was to increase the number of businesses started by graduates and ensure that these businesses were sustainable (Nabi & Holden, 2008:545).

In South Africa, government adopted economic policies and youth development initiatives to stimulate youth entrepreneurship (Scheepers *et al.*, 2009:15). For example, it is estimated that annually the Umsobomvu Youth Fund (UYF) used to spend R500 million on youth entrepreneurship programmes such as enterprise funding, micro finance and business development. In 2009, the South African government merged the UYF and the National Youth Commission (NYC) to form the National Youth Development Agency (NYDA) and the agency's mandate is to train the youth in entrepreneurship and implement youth empowerment projects. Similarly, as part of their social responsibility programmes, private sector enterprises initiated programmes to stimulate youth entrepreneurship (Scheepers *et al.*, 2009:16). A case in point is that South African Breweries (SAB) and Sasol offer funding or incubator services to young people who showed interest in entrepreneurship while financial services companies like Investec, First National Bank (FNB) and Sanlam champion and support initiatives to stimulate entrepreneurship.

## **1.2 DEFINITION OF EMPLOYABILITY**

Defining employability is a complex task for researchers, because of on-going differences in opinions on what is employability (Tymon, 2013:841). Forrier and Sels (2003:106) define employability as an "individual's chance of a job in the internal and/or external labour market." Rothwell *et al.* (2008:1) perceive this phenomenon as individuals' belief in their chances of success in a particular type of work while Hillage and Pollard (1998:2) view it as "being capable of getting and keeping fulfilling work". Yet another perspective is that for the unemployed, employability is about the opportunities for the individual, while for the employed it is about keeping the job or withstanding changes in the organisation (Berntson *et al.*, 2006:224).

Employability entails the development of attributes, techniques or experiences for life (Harvey, 2005:13). It is focussed less on the employment of the individual, but more on the ability to do the job. In the context of students, employability refers to the minimal capabilities that are required to enable them to gain initial employment, staying employed and obtaining new employment (Marock, 2008:8). It will be prudent to note that employability is not defined by a single factor, as it is a multi-faceted phenomenon with both internal and external dimensions, and is subject to change depending on the circumstances.

Wittekind *et al.* (2010:567) are of the view that in today's turbulent work environment employability is not only a concern for the unemployed, but equally so for those who are employed. They further note that employees who trust their employability perceive changes within the business as less threatening than those who do not trust their employability. This line of reasoning suggests that employees should develop new skills and knowledge because this is important regarding their employability (Van Dam, 2004:30). Forrier and Sels (2003:103) argue that individuals' successful career can be assured by having or obtaining the appropriate knowledge and skills that will enable them to be continuously employable during their working life. Based on the afore-mentioned views, it could be argued that formal education together with competence development and job tenure would be important features for individuals' perceived employability (Berntson *et al.*, 2006:226).

### **1.3 EMPLOYABILITY AMONG GRADUATES**

Graduate employability has gained considerable interest among researchers recently. Tymon (2013:841) recommends that because of the increasing pressure relating to the importance of employability, higher education institutions should include employability skills development in their courses. Some of the skills that can be developed through education and training are information technology skills, teamwork, communication skills, initiative skills, self-management, planning and problem solving (Marock, 2008:6-7). The International Employer Barometer (IEB) study of 2008 confirmed that these skills are what employers are looking for and the findings indicated that employers considered good communication skills, team work, numeracy and literacy skills as essential (Archer & Davison, 2008:6). Therefore, there is a need for universities to prepare graduates better for workplace culture. This is because evidence suggests that graduates leave universities with inadequate ideas of the nature and culture of the work place and as a result, they find it difficult to adjust (Harvey, 2005:15).

Berntson *et al.* (2006:236) investigated the factors that predict perceived employability of individuals using two Swedish national surveys, namely the Labour Force Survey (LFS) and the Work Environment Survey (WES). Among others, one of the findings was that education and

competence development influence an individual's perceived employability. Rothwell *et al.* (2008:3) identified four components that make up employability of university students, namely the university attended, self-belief, the field of study and the state of the external labour market. These components do not exist in isolation and there is an interaction among them as illustrated in Figure 1.1. In the figure, each cell in the matrix represents the interaction of two of the four components with the exception of ambition, which was presented at the centre because of its perceived proximity to self-belief.

		My university		
	1. My engagement with my studies and academic performance	2. My perception of the strength of the university's brand	3. The reputation my university has within my field of study	
Self-belief	8. My confidence in my skills and abilities	My ambition	4. The status and credibility of my field of study	My field of study
	7. My awareness of opportunities in the external labour market	6. My perception of the state of the external labour market	5. The external labour market's demand for people in my subject field	
		The state of the labour market		

**Figure 1.1: Student self-perceived employability matrix**

Source: Rothwell *et al.* (2008:3)

In recent years, there has been considerable interest in employability of university students because of adverse employment conditions affecting many countries (Rothwell *et al.*, 2009:152). Potgieter and Coetzee (2013:7) investigated the relationship between employees' employability attributes and their personality preferences among 304 adults who enrolled for an honours degree in business management at a South African university. The study found a significant relationship between people's employability attributes and their personality preferences. Three important outcomes emerged from the study. First, individuals with employability attributes were found to be more determined to pursue careers that interest them. Secondly, these individuals are sociable and demonstrated good people skills. Thirdly, they live life in accordance with their inner values and may be motivated by new ideas.

Similarly, Potgieter (2012:11) investigated the relationship between self-esteem and employability attributes among honours students in business management at a South African university. The findings indicated that to a great extent self-esteem might influence employability because people who feel confident about themselves normally take steps to develop their skills.

Wittekind *et al.* (2010:566) investigated the main determinants of perceived employability among 465 employees in Switzerland. Their findings revealed that education, skill development, willingness to change jobs and current skill level on job-related skills were believed to be predictors of employability. Reflecting on the afore-mentioned findings, it is evident that there is a need to continue to investigate the employability of university students from different angles.

#### **1.4 DEFINITION OF SELF-EMPLOYMENT**

The definition of self-employment is varied (Le, 1999:382). As a result, researchers are unable to reach consensus regarding a common definition of the concept. For example, one view is that self-employment comprises individuals who carry out work for profit or family gain in cash or in kind (Le, 1999:382). Furthermore, self-employed individuals are described as people who earn no wages or a salary, but their income is mainly derived from exercising their profession or business on own account and they accept the risk (De Wit, 1993:368). Self-employment is defined also as a continuous construct measured by the number of average weekly hours that people spend working in their business (Kolvereid & Isaksen, 2006:867).

Yet another perspective is that self-employment refers to an individual's main work in a business owned, entirely or partly, by him/her (Bernhardt, 1994:277). Furthermore, it is described as work for profit or fees in one's own business, profession or trade and is generally characterised by autonomy and control over employees (Luber & Leicht, 2000:105). From the afore-mentioned descriptions, it is clear that self-employment presents an opportunity for individuals to be in control of their life because they do not answer to anybody (Blanchflower, 2000:471). Notwithstanding these diverse views, there is growing interest in many countries regarding self-employment of young people and graduates in particular.

#### **1.5 SELF-EMPLOYMENT AMONG UNIVERSITY STUDENTS**

Many governments around the world encourage university students to consider self-employment as an alternative viable career option (Nabi & Holden, 2008:545). This reinforces the view that those who are looking for jobs should consider taking the entrepreneurial path (Burger *et al.*, 2004:188). Key among many reasons is that there is fierce competition for jobs in the graduate labour market. Consequently, graduate entrepreneurship gained massive attention for its role as a potential driver of economic growth (Davey *et al.*, 2011:337). Graduate entrepreneurship refers to "the interaction between the graduate as the product of university education and business start-up in terms of an individual's career-orientation and mind-set towards self-employment" (Nabi & Holden, 2008:546-7).

It is not surprising to notice that researchers continue to investigate self-employment intentions among university students. Wu and Wu (2008:768) conducted a study among Chinese students from Tongji University in Shanghai. The aim of the study was to investigate the relationship between educational background and entrepreneurial intentions of students. One of the findings was that postgraduate students were less interested in entrepreneurship compared to those with diplomas and undergraduate degrees. One of the reasons cited for this disparity was that diploma and undergraduate students are young and full of energy to start new businesses compared to postgraduates. Another finding was that engineering students were more inclined to start businesses compared to other groups. In a study among secondary school students in Australia, Peterman and Kennedy (2003:138) found that prior experience in enterprise programmes was instrumental towards the desirability to start a business. The study was conducted after students completed training in the Young Achievement Australia (YAA) enterprise programme.

There is compelling evidence to suggest that exposure to entrepreneurship has the potential to entice students to pursue entrepreneurship. Urban and Barreira (2007:568) observed that except for business management students, there has been no provision for entrepreneurship education for students in South Africa who pursued other degrees until recently. Therefore, they conducted a study among engineering students at a major university in South Africa. The students were exposed to a compulsory entrepreneurship module in various fields of engineering and the findings confirmed that students' entrepreneurial intentions were greater after such exposure to entrepreneurship. These findings could suggest that some students may opt for employment, as opposed to self-employment, due to non-exposure to entrepreneurship. Similarly, Lotz and Buys (2006:68) used technological entrepreneurs in South Africa as their sample to investigate the extent to which factors such as birth order, family interaction, social class, economic circumstance and society's view influence entrepreneurial behaviour. Among others, it was found that entrepreneurs are likely to have parents who inspired them to behave entrepreneurially.

## **1.6 PROBLEM STATEMENT**

Technological changes, globalisation and increased demands from customers necessitated businesses to restructure their operations to become flexible and adaptable in order to attract workers with employability skills (Van Dam, 2004:29). However, to attract these types of workers appears to be a challenge. For example, the United Kingdom's 2008 survey by the Confederation of British Industry found that 48 percent of employers struggled to fill jobs with graduates who were appropriately skilled (Tymon, 2013:841). It is estimated that there are

about 600 000 graduates unable to find employment in South Africa (Anonymous, 2012:1). This is a disturbing fact given that the youth in South Africa constitute the highest percentage of those who are unemployed. It is, therefore, necessary to examine the perception of university students regarding their employability. Equally so, it is important to identify the employability skills that may influence university students' perceptions regarding their employability.

Regarding self-employment among graduates, the situation is equally unsatisfactory as there is a shortage of graduate entrepreneurs because the education system does not equip students with the skills and practical experience needed to start and run successful businesses (Kroon *et al.*, 2003:320). Simrie *et al.*, (2011:4) highlight that the rate of entrepreneurial activity in 2011 was comparatively low among individuals who are between 18 to 24 and 25 to 34 years old. Among the BRICS nations, namely Brazil, Russia, India, China and South Africa, South Africa came out as the second lowest in terms of entrepreneurial activity. Furthermore, they noted that South Africa's 2011 early-stage total entrepreneurial activity (TEA) increased marginally to 9.1 percent compared to 8.9 percent in 2010. Total entrepreneurial activity (TEA) is a measure that is used to indicate the participation of economically active citizens in the early-stage entrepreneurial activity. Early-stage entrepreneurial activity comprised individuals who are in the process of starting their own businesses and those who are already running businesses for a period of three and half years or less (Kelley *et al.*, 2010:9). In view of these findings, there is a need to keep pace with other countries of the developing world pertaining to the rate at which entrepreneurs are nurtured. Self-employment is known for its contribution towards job creation, social upliftment and economic development and, therefore, the problems of unemployment, poverty and inequalities may well be addressed.

Due to the absence of studies regarding the relationship between university students' perceptions of their employability and intention for self-employment, there was a need to undertake this study. Some of the studies conducted among university students focused on employability attributes and preferences (Potgieter & Coetzee, 2013), self-esteem and employability attributes (Potgieter, 2012) and the relationship between career anchors (self-perceived talents and abilities, values, motives and needs), emotional intelligence and employability satisfaction (Coetzee & Schreuder, 2011). Noticeably, none of these studies investigated the possible relationship between university students' perceptions of employability and the intention for self-employment. It is acknowledged that the intention for self-employment is a consequence of many factors. In view of this, there is a need to investigate self-employment intentions continuously, especially among university students and the youth in general because young people have the potential to shape the entrepreneurial future of a country (Kroon *et al.*, 2003:319).

## **1.7 OBJECTIVES OF THE STUDY**

The following objectives have been formulated for this study:

### **1.7.1 Primary objective**

The primary objective of this study was to investigate the relationship between university students' perceptions of employability and the intention for self-employment in South Africa.

### **1.7.2 Theoretical objectives**

Theoretical objectives were outlined as follows:

- To conduct a literature review on employability
- To conduct a literature review on employability skills that may influence perceptions regarding employability
- To conduct a literature review on self-employment
- To conduct a literature review on factors determining self-employment intentions.

### **1.7.3 Empirical objectives**

In order to achieve the primary objective of this study, the empirical objectives were outlined as follows:

- To identify university students' perceptions of their employability
- To identify university students' intentions for self-employment
- To investigate whether there are differences in terms of gender in terms of employability and self-employment intentions
- To investigate whether there are differences in terms of level of study in terms of employability and intention for self-employment
- To investigate whether there are differences in terms of field of study in terms of employability and intention for self-employment
- To investigate whether there are differences in terms of designated group (race) in terms of employability perceptions and intention for self-employment
- To investigate the relationship between the perceptions of employability and intention for self-employment.

## **1.8 RESEARCH DESIGN**

A research design is a framework or blueprint that details the procedure to obtain information needed to solve a research problem (Malhotra, 2010:102). It clarifies whether the research is exploratory, descriptive or causal. The difference being that exploratory research provides insight and understanding regarding the problem confronting the researcher. Descriptive research's primary objective is to describe the characteristics of relevant groups. Causal research's primary objective is to obtain conclusive evidence regarding cause and effect relationship between two or more variables.

In this study, both descriptive and causal researches were appropriate. Descriptive research was applied to describe perceptions of university students regarding their employability skills, perceived employability and self-employment intentions. Causal research was applied to investigate the relationship between perceived employability and intention for self-employment. Furthermore, to investigate possible influence of identified employability skills on perceived employability.

In addition, there are two basic research approaches, namely qualitative and quantitative (Neuman, 2014:204). Qualitative research is unstructured and is based on a small sample to provide insight and understanding to a problem (Malhotra, 2010:171) while quantitative research is systematic and objective and it seeks to quantify data by applying some form of statistical analysis from a sample group of a population to generalise the findings (Malhotra, 2010:171; Maree & Pietersen, 2011:145). This study used a quantitative research approach as data were collected by means of a questionnaire and subjected to different statistical analytical techniques.

### **1.8.1 Literature study**

It is essential for the researcher to review the accumulated knowledge regarding the research question (Neuman, 2014:126). The significance of this is to ensure that the researcher finds out what others have discovered and learned. Therefore, a comprehensive review of the literature on employability and self-employment was conducted to contribute to a theoretical basis to achieve the objectives of this study. From the literature, it was clear that both employability and self-employment have gained much interest, especially with regard to university students. The review incorporated both local and international sources, which served to strengthen the empirical research. The sources that were consulted among other include book publications, the Internet, academic journals and conference publications, newspapers and databases (Emerald, EBSCO Host, Google Scholar, SA Publications).

## **1.8.2 Empirical study**

Based on the nature of the research problem the researcher has to decide on the appropriate approach to obtain information. Therefore, empirical study involves the way in which the researcher obtains information. This study adopted a quantitative approach. This entails a series of interrelated steps that the researcher must follow. Therefore, the study began with the definition of the population and target population. In addition, the sampling frame where the participants were drawn was defined also. The sampling size and sampling methods were explained. The procedure in designing the instrument and data analysis techniques that were used was presented.

### **1.8.2.1 Population**

Zikmund (2003:291) describes a population as any complete group of entities such as people, stores, sales territories or university students that shares some common characteristics. The objective of this study was to investigate perceptions of university students regarding employability and self-employment intentions in South Africa. Therefore, the population comprised university students at the public universities across the nine provinces of South Africa.

### **1.8.2.2 Target population**

The target population for a research project under consideration should be adequately defined (Yang, 2010:35). By carefully defining the target population the researcher can identify the proper sources from which to collect data (Zikmund, 2003:293). This is important because the definition and the accessibility of the population play a significant role regarding the research project's success (Berndt & Petzer, 2011:171). The target population in this study comprised second-year, third-year and postgraduate university students at public universities in all fields of study for the 2014 academic year.

### **1.8.2.3 Sample frame**

A sample frame is described as a list of elements from which a sample may be drawn (Zikmund, 2003:293). The study was about university students and, therefore, the sampling frame consisted of public universities in the nine provinces of South Africa. The list consisted of 25 public universities in South Africa, which includes traditional universities, comprehensive universities and universities of technology (Higher Education South Africa, 2014:1). Four universities in two provinces of South Africa were identified for data collection.

#### **1.8.2.4 Sampling method**

It is important for the researcher to draw the sample in such a way that it would be valid to generalise the findings conclusively (Maree & Pietersen, 2011:172). Probability and non-probability sampling are the two methods that could be used to draw the sample. Regarding the probability sampling method, each element of the population has a known, non-zero probability of being selected. The non-probability sampling method in contrast does not make use of random selection because the units of the sample are selected based on personal judgement or convenience. The sampling method that was used in this study was non-probability convenience method. For this study, four universities were selected based on accessibility and cost-effectiveness.

#### **1.8.2.5 Sample size**

The sample size is the total number of elements to be incorporated in the study. The sample size should be large enough to represent the population variations and at the same time small enough to be affordable (Yang, 2010:44). In this study, the sample size was consistent with previous studies conducted among students in terms of their employability perceptions and self-employment intentions (Bonn *et al.*, 2009:52; Fatoki, 2010:87). A total of 800 second-year, third-year and postgraduate university students were invited to participate in the study.

#### **1.8.2.6 Questionnaire design**

All questions were collated in a book format with a cover page explaining the purpose, objectives and application of the study. The author's particulars were also given including the email address and contact numbers. The questionnaire comprised four sections. Section A included the questions regarding the demographic make-up of the participants. Section B contained statements regarding the employability skills that may influence the perceptions of university students on their employability. Section C comprised statements regarding the perceptions of university students with regard to their employability. Section D comprised statements regarding the perceptions of university students on their self-employment intentions. In sections B, C and D six-point Likert-scales were used to score the items ranging from one (strongly disagree) to six (strongly agree). This allowed the respondents to commit to either the positive or the negative views, and as a result avoid neutrality.

Content and face validity of the questionnaire were established by requesting three experienced academics to review the questionnaire. A pilot study was conducted to test the reliability of the

questionnaire using Cronbach's alpha. Fifty university students were selected to participate in the pilot project.

#### **1.8.2.7 Data analysis**

The researcher, in collaboration with the Statistical Services of the North West University, analysed the questionnaire data with the Statistical Package for Social Sciences (SPSS - version 22.0 for Windows). Frequencies and percentages were used to describe the demographic characteristics of participants. Basic descriptive statistics (for example, means and standard deviations) and multi-variance analysis such as one-way between-groups analysis of variance (ANOVA) and independent sample *t*-test were used to compare the groups in terms of their perception on employability and the intention for self-employment. Furthermore, correlation analysis was used to determine any possible relationship between variables. Regression analysis was used to determine the influence of employability skills on perceived employability. Principal component analysis (PCA) was used to see whether all questions loaded on the same or different constructs. Cronbach's alpha was used to determine the reliability of the questionnaire.

### **1.9 ETHICAL CONSIDERATIONS**

The study complied with the ethical standards of academic research, which among other things protected the identities and interests of participants. Therefore, students were assured that their responses will be treated with the strictest confidence and that their anonymity would be guaranteed. All responses were analysed in an aggregate format. Ethical clearance (ECONIT-ECON-2014-008) was received from North-West University. The necessary approval was obtained to conduct the survey at the other universities that were identified. Students were informed that participation in the study was voluntary and that they may withdraw at any time without any repercussions.

### **1.10 IMPORTANCE OF THE STUDY**

In spite of its importance, the concept of employability remains relatively under-researched (Rothwell *et al.*, 2009:153). Therefore, it was the aim of this study to investigate the perceived employability of university students. Knowledge of university students' employability is important because employability provides choices and alternatives that make them less vulnerable to adverse conditions during times of economic recession (De Cuyper *et al.*, 2008:490). Furthermore, evidence emanating from previous studies indicates that employers are looking for graduates who possess the necessary employability skills. This is as a consequence of the

turbulent and dynamic environment in which modern businesses operate, which led to the unprecedented need for people who are entrepreneurial (Urban, 2007:313). There is thus a need to investigate the employability of students from their own perspective. It is a well-known fact that perceived employability is a consequence of many factors. Therefore, the aim of this study was to identify some of these factors and the extent to which they possibly could contribute to the perceived employability of students.

Furthermore, it was previously stated that in South Africa a significant number of young people, even with degrees, find it difficult to find employment. As a result, self-employment becomes an option because it encourages graduates to become job creators instead of job seekers. However, the degree to which entrepreneurial spirit exists within individual members of society, or is initiated, is key regarding entrepreneurial activity (Morrison, 2000:59). The reason for this is that there is a view that the success of entrepreneurship depends on the willingness of members of society to become entrepreneurs (Shane *et al.*, 2003:257). Reflecting on the above views, it could be argued that it is essential to continuously investigate the self-employment intentions, and in particular those of university students.

As previously mentioned, there is limited research regarding the possible association between perceived employability and intention for self-employment among university students. Therefore, it is the aim of this study to make a meaningful contribution towards this body of knowledge. The study may provide universities with important information regarding their curriculum design and, therefore, assist students regarding their aspirations of either being employed or self-employed. There should be a balance between producing employable graduates and graduate entrepreneurs.

It is acknowledged that many factors influence individuals regarding their employment status choice. Katz (1992:30) describes employment status choice as “the vocational decision process in terms of the individual’s decision to enter an occupation as a wage-or-salaried individual or a self-employed one.” Normally when people are empowered, they tend to perform their tasks successfully because they feel valuable, as they possess the capability and competence (Urban, 2007:313). Hopefully, this study will empower university students to make informed decisions regarding their employment status, whether to be employed or self-employed.

## **1.11 DEFINITION OF TERMS**

The following terms are defined because they apply throughout in this study: These terms form an integral part of this study because the study is about the relationship between perceived employability and intention for self-employment among university students.

**Employability:** Employability is described as individuals' belief in their chances of success in a particular type of work (Rothwell *et al.*, 2008:1) and ability of getting and keeping fulfilling work (Hillage & Pollard, 1998:2).

**Employability skills:** Employability skills are described as those skills that are essential to assist individuals to get, keep and do well on a job (Robinson, 2000:1).

**Graduate employability:** It is described as the ability of graduates to attain sustainable employment appropriate to their qualification (Rothwell *et al.*, 2008:2).

**Self-employment:** For the purpose of this study, self-employment comprises individuals who earn no wages or a salary, but their income is derived mainly from exercising their profession or business on their own account and accepts the risk (De Wit, 1993:368).

**Self-employment intentions:** In this study, self-employment intentions are described as referring to an individuals' judgements about their likelihood of owning a business (Crant, 1996:43).

## 1.12 CONCLUSION

This chapter placed the study into perspective. From the analysis of the relevant literature, it is evident that the world of work has changed hence the need for graduates who are employable. In addition, self-employment among graduates is at low levels and, therefore, there is a need to produce graduate entrepreneurs. Accordingly, the statement of the research problem and the importance of the study were discussed in this chapter. It also explains the research design and research approach that were followed to achieve the objectives of the study. The objectives of the study were outlined and the ethical considerations stated. It concludes with the organisation and structure of the study. The following chapter serves to address the review of literature regarding employability.

## 1.13 CHAPTER CLASSIFICATION

Chapter 1: Introduction, problem statement and objectives

This chapter covers the introduction to the study. The statement of the research problem and the importance of the study are discussed in this chapter. It also introduces the research design and approach. The chapter concludes with the organisation and structure of the study.

## Chapter 2: Employability

This chapter focuses on a literature review of employability. It provides an overview of how employability developed over the decades and its benefits for both employers and employees. Due to a growing interest on employability of university students, graduates employability is discussed. The employability skills also are discussed because the general view is that to a great extent employability of university students depends on the skills that they possess. These views are supported by findings from previous studies.

## Chapter 3: Self-employment

This chapter focuses on a literature review of self-employment. The focus is on importance of self-employment to both individuals and the economy of a country. Due to a growing interest regarding determinants and intentions for self-employment, a detailed discussion thereof is provided. Evidence suggests that self-employment among the youth in general and university students in particular are at unacceptably low levels. As a result, a discussion in this regard is presented. These are supported by findings from previous studies.

## Chapter 4: Research methodology

This chapter presents the research methodology that was used in this study. It defines the population, sample frame and discusses the sampling procedure and problems experienced when collecting data. Data analysis and statistical procedure used in this study are also discussed.

## Chapters 5: Analysis and interpretation of results

This chapter provides a discussion regarding the empirical findings of this study. This is done through an intensive analysis, interpretation and evaluation of the findings.

## Chapter 6: Contributions, recommendations, directions for future research and conclusions

This chapter provides substance in the form of conclusions and recommendations. Furthermore, limitations of the study and directions for future research are presented.

## **CHAPTER 2 EMPLOYABILITY**

### **2.1 INTRODUCTION**

Chapter 1 introduced employability and self-employment. This chapter begins with a discussion on employment status choices. The development of employability over the decades is presented in this chapter. Given the multi-faceted nature of employability, the different dimensions are provided as articulated by different authors. The chapter also provides a discussion regarding the importance of employability. Then, the development of individuals in terms of their employability is presented. Furthermore, the role of higher education institutions regarding the development of students' employability is outlined. In light of this, a discussion pertaining to employability skills and personality attributes is also presented. The chapter concludes with a discussion on the state of graduate employability around the world as well as in South Africa. The next section discusses the employment status choices.

### **2.2 EMPLOYMENT STATUS CHOICES**

Previous research mentions different models regarding employment status choice of individuals (Kolvereid, 1996:24). For example, proponents of trait model argue that those who pursue self-employment have different personality characteristics from those who prefer employment in organisations. The tracking model focuses on the personal history of a person and social context. According to this model, the belief is that parents' occupations will most likely define their children's career choices. Another perspective is that psychosocial values such as autonomy, creativity and material gain may predict one's employment status choice. Economists on the other hand apply human capital theory and essentially contend that the relative path of earnings will influence one's employment status choice. Therefore, it will be prudent to understand what employment entails.

#### **2.2.1 Understanding employment**

The 15<sup>th</sup> International Conference of Labour Statisticians (ICLS) categorise employment in terms of paid employment and self-employment (Anonymous, 1993:23). Accordingly, paid employment is described as referring to employment where individuals hold contracts, which offer them a basic remuneration that is independent of the proceeds of a business for which they work. In contrast, self-employment entails employment in which the remuneration is determined entirely by proceeds from the sale of goods and services. Saab *et al.* (2007:1331) describe employment as "any service for which an individual receives wages". Another

perspective is that a person has to work for 16 hours or more per week in order to be categorised as employed (Berthoud, 2011:9). The point of contention in this regard is that working for less than 16 hours per week cannot be considered as a means of earning a living. Similarly, there is a view that differentiates wage employment and work in the informal sector. The point of contention in this regard is that involvement in the informal sector is considered an income-generating activity and not employment (O'Higgins & Ivanov, 2006:7).

For young people who enter the world of work for the first time the employment status choice is not an easy task as they are faced with many challenges that they have to deal with (Potgieter, 2012:2). Some of the challenges referred to include decreased employment opportunities, diminished job security and technology that changes rapidly. Therefore, it would not be naive to suggest that graduates should receive some education in career development learning to improve their employability. In this way they will acquire knowledge, concepts, skills and attitudes that will enable them to manage their chosen careers (Watts, 2006:2) and stand the best chance of securing careers in which they can be satisfied and successful (Dacre-Pool & Sewell, 2007:284).

If young people choose to be employed, they should be mindful that employers require them to be ready for work, productive and contribute towards the business objectives soon after commencing employment (Mason, *et al.*, 2009:1). Furthermore, their successful careers depend on them obtaining and developing the appropriate abilities that will enable them to be continuously employable during their working life (Forrier & Sels, 2003:103). Reasonable access to information and good career guidance has the potential to assist individuals to make good career decisions (Asaquo & Inaja, 2013:1492). Evidently, the decision whether to work for someone (employed) or own a business (self-employed) is a consequence of many factors.

### **2.2.2 Factors influencing employment choices**

Taylor (1996:253) identified some factors that may influence employment status choice. Among others, these include the expected earnings, independence and unemployment. The author argues that the higher expected earnings offered by self-employment and the need for independence normally attracts individuals to choose self-employment rather than be employed by someone. In contrast, lack of job security serves as a deterrent for the more risk-averse individuals and as a result, they are more likely to choose to be employed by someone instead of being self-employed. Furthermore, another view is that career choices are influenced by individual, social and economic factors (Dyer, 1994:9). Individual factors include demographic and psychological variables such as need for control, and need for achievement, ability to take risk and tolerance of ambiguity, whereas social factors include role models, support from family

and the culture of a person. Some of the economic factors that may influence a person's career choice are lack of employment opportunities and resource networks.

De Wit and Van Winden (1989:271) investigated factors that determine the choice between self-employment and paid employment in the Netherlands. They found children whose fathers were self-employed were most likely to be self-employed as well. In a study among master's degree graduates from a Norwegian business school, during the period 1987 to 1994, Kolvereid (1996:29) found job security, workload and autonomy as the three most important reasons for people's employment status preferences. Those who preferred organisational employment would consider job security and workload while those who preferred self-employment regarded autonomy as the superseding factor. Due to the global competitiveness among organisations, there is an unprecedented need for employees who are employable. In light of the multi-dimensional nature of the phenomenon of employability, the next section deals with employability.

## **2.3 EMPLOYABILITY**

Employability can be studied from different angles and levels across academic fields such as business and management, human resource management and development, educational sciences and psychology (Van der Heijde & Van der Heijden 2006:450; Thijssen *et al.*, 2008:170). In light of this, researchers find it difficult to reach a unanimous understanding of the phenomenon of employability (Berntson *et al.*, 2006:224; Tymon, 2013:842) and this caused the complexity and to a certain extent vagueness when articulating and defining the concept (Rae, 2007:605; Andrews & Higson, 2008:413). One common objective that brings these different perspectives together is to improve or maintain the employability of individuals (Gore, 2005:341). However, employability developed over the decades; hence, it should be studied in context.

### **2.3.1 Changing nature of employability**

The phenomenon of employability gradually developed over the decades as illustrated in Table 2.2. In the 1950s, due to the shortage of skilled workers during the post-war period the focus on employability was on the labour market position of the underprivileged such as the physically and mentally disabled persons (De Grip *et al.*, 2004:213). The end of the 1950s and the 1960s were marked by a shift towards the potential of individuals obtaining employment as their employability was primarily determined by referring to their labour market history.

In the 1970s, the focus shifted towards the knowledge and skills of a person (De Grip *et al.*, 2004:213-214). During the 1980s and the beginning of the 1990s the emphasis was on controlling the instability of intra-organisational job markets and organisations emphasised lifetime employment as a guiding principle (Thijssen *et al.*, 2008:166). Much of the focus in recent years is on securing rather than finding employment (De Cuyper *et al.*, 2008:489). These developments indicate that employability is dynamic and, therefore, there is a need to intensify research on this phenomenon.

**Table 2.1: Progressive development of concept of employability**

Types of employability	Focus of concept	Policy measure
<b>Dichotomic</b> Employability (prior to the 1950s)	Depending on age, ability and family burden a person was dichotomously categorised as employable or not for administrative purpose	Unemployables were given cash or kind and employable were given work
<b>Socio-medical</b> Employability (1960s)	Through functional balance sheets, social workers identified certain persons for the purpose of rehabilitation	Assisting people to overcome the barrier to regular employment
<b>Flow</b> Employability (Late 1960s and early the 1970s)	Macro level issue of absorption capacity of economy: "Employability was the reverse of the average duration of unemployment for one group"	<ul style="list-style-type: none"> <li>• Recognition of recession and booming period for labour market</li> <li>• Anti-discriminatory policies</li> </ul>
<b>Manpower policy</b> Employability (1970s and early the 1980s)	The aspects of gap between employment needs and employees characteristics, particularly with reference to disadvantaged groups	Assisting people in job search and placement conciliation
<b>Labour market</b> Performance employability (early the 1980s)	Adaptive content of employability such as technological changes	New training programmes and comparing its effects
<b>Initiative</b> Employability (late 1980s and 1990s)	Along with human capital framework, social capital (ability to network and gain access to labour market) necessity was emphasised	Life-long learning in the context of flexibilisation of labour market
<b>Interactive</b> Employability (1990s)	Listing employee qualities and work trajectories to connect with future work orientation.	Involving various partners (educational institutions, corporate institutions and government) in labour market for enterprise development and worker adaptation
<b>Integrative</b> Employability (more prevalent in contemporary times)	Employees taking the risk of firm's profit and loss by becoming partners in the evolution of firm	Enabling workers for innovation

Source: Marock (2008:15)

### **2.3.2 Employability and the workplace**

Consensus among researchers is that employability is good for everyone in the workplace. Due to the knowledge-based economy and globalisation the economic structures of countries has changed and as such, employability of people became much more uncertain (Moreau & Leathwood, 2006:307, Tomé, 2007:339). Among others, this also could be attributed to the new information era as manifested by the faster rate at which the world of work is transformed. Therefore, there is a need for continuous skills development to enhance employability of people (Maclean & Ordonez, 2007:124).

More importantly, employees need up-to-date knowledge, skills, competencies and the ability to acquire new expertise continuously that will enable them to survive and satisfy modern day work requirements (Thijssen *et al.*, 2008:166). Asaquo and Inaja's (2013:1496) study among employers in the Cross River State in Nigeria support this notion. They investigated the existence and importance of career attributes in nurturing career development and employability among young people. The findings revealed that employers require a workforce, which had the appropriate mix of skills to perform the required tasks because businesses had to sustain a competitive advantage and ensure productivity. It is, therefore, not surprising to observe much of today's focus tend to be on graduate employability.

### **2.3.3 Understanding graduate employability**

The phenomenon of employability has been studied for decades and there is increased interest in graduate employability recently (Rothwell *et al.*, 2009:153; Lowden *et al.*, 2011:4). Accordingly, researchers are continuously trying to come up with an acceptable definition of graduate employability (Wellman, 2010:910). Rothwell *et al.* (2008:2) describe graduate employability as a graduate's ability to attain sustainable employment appropriate to their qualification. Another view is that an employable graduate is one who is well rounded and familiar with the developments in the world of work (Cumming, 2010:407). However, it will be imprudent to only focus on the graduate and ignore other factors. For example, economic conditions may influence employability because even the most highly skilled individuals may find it difficult to obtain employment during a recession (Baker & Henson, 2010:63). Therefore, it may be sensible to consider employability of graduates in relation to other factors rather than the graduate alone, as in doing so the contribution of other factors will be recognised (Gore, 2005:352).

The afore-mentioned views seem to suggest that to enhance graduate employability requires a holistic approach, which includes a close partnership between universities, employers and

government (Markes, 2006:648). Therefore, the sensible approach would be to allow employers, graduates and academic staff to have a voice on graduates' employability (Oliver *et al.*, 2010:90). In agreement with this, Lowden *et al.* (2011:4) are of the view that employability of people is a shared responsibility between individuals, businesses and public bodies such as universities and government. Therefore, it is important for all stakeholders to work together because it is envisaged that incorporating employability into the primary business of universities will continue to be the main concern of government, universities and employers (Pegg *et al.*, 2012:6). Noticeably, employability influences the labour market policy in many countries around the world.

#### **2.3.4 Employability and labour market policy**

Lack of a common understanding of the phenomenon of employability did not stop it from remaining at the centre of labour market policy in many countries around the world (McQuaid & Lindsay, 2005:197) and as such, employability influences labour market policies of many countries (McQuaid *et al.*, 2005:191). For example, in the 1990s the western world designed policies to broaden the job search-horizons of the unemployed to occupations that they may not have considered before (Houston, 2005:221). These policies were also noticeable during the 1980s and 1990s when several Organisation for Economic Cooperation and Development (OECD) countries introduced and expanded their active labour market policies (ALMPs) when they were confronted with high and persistent unemployment (Sianesi, 2008:370-371). Denmark and Sweden are singled out as the two countries in Europe that spend the most money as a share of gross domestic product (GDP) on active labour market policy to improve employability. On the other hand, Germany used to spend over €7000 million each year on active labour market policies to improve employability of the unemployed in East Germany (Lechner & Wunsch, 2009:662).

Undoubtedly, these cases confirm that employability forms an important component of many European governments' policies (Gracia, 2009:301). It was expected because active labour market policies form an integral component of the employment strategy in many countries in Europe because employment is viewed as the key objective (Kluve, 2010:904). Some of these policies are taken very seriously because in their effort to combat unemployment the European Union (EU) member states use measures like job search assistance, labour market training, wage subsidies to employers in the private sector and direct job creation in the public sector.

Beaven and Wright (2006:17) investigated the attitudes of employers and potential employers regarding the content of arts and event management curriculum and its impact on employability in the United Kingdom. They used arts and event management employers as their sample.

Their findings indicated that education providers used a range of approaches such as work-placements and professional development to support students' employability. Similarly, Sianesi (2008:393) investigated the effectiveness of different programmes to enhance employability among the unemployed in Sweden. These measures were intended to improve productivity and employability of the participants while simultaneously to improve the human capital and increase skills. The findings indicated that job subsidies and trainee replacements schemes proved to be very successful in improving employability.

In order to enhance employability of citizens, policymakers in the United Kingdom overhauled the high skills labour requirements of the economy and increased the educational opportunities for groups that were previously under-represented (Wilton, 2011:85). In a similar way, in 1999 the government of Kazakhstan introduced a system of grants and loans to assist young people who are talented to access tertiary education to enhance their employability (Kalyuzhnova & Kambhampati, 2007:608). These interventions were intended to develop certain skills of students while at the same time enhance their employability profile (Jackson, 2013:272).

In South Africa, a team of graduates came together and formed the South African Graduates Development Association (SAGDA). The main task of this non-governmental organisation (NGO) is to prepare graduates for the world of work and empower them to participate actively through high impact programmes, sustainable partnerships and research (Maliba, 2013:11). This was inspired by unemployment and under-employment among graduates and it was established with the purpose of looking for solutions to this increasing challenge. It is reported that since its inception in 1997, the organisation has assisted over 200 000 graduates through its job readiness programmes (SAGDA, 2012:4). From the afore-mentioned studies, it is clear that many governments have adopted policies that focus on employability of their citizens. More importantly, these policies should be fully implemented and ensure that the programmes are sustainable. Due to the multi-dimensional nature of employability, it is not surprising that researchers hold different views regarding its measurement. Therefore, the next section presents the different dimensions of employability as articulated by different authors.

## **2.4 DIMENSIONS OF EMPLOYABILITY**

Forrier and Sels (2003:105) are of the view that employability can be measured through individual characteristics, context, effect and activities. They contend that characteristics such as ability, attitude and willingness to find and keep the job can be used to measure a person's employability. In addition, it is important to consider the context in which one finds himself/herself. For example, employers' demand for labour may have an effect on employability of persons. Employability also can be measured by the quality of the job in relation to the

qualification and possibilities for growth. Furthermore, activities that individuals engage in such as training and development can be used to measure their employability.

Fugate *et al.* (2004:18) contend that in the context of careers and work, there are three identifiable dimensions of employability, namely career identity, personal adaptability along with social and human capital. First, career identity is viewed as representing a person's past career experiences and future aspirations. The view in this regard is that the knowledge, skills and abilities acquired may assist a person to identify and realise career opportunities. Secondly, personal adaptability is viewed as contributing to both the business and performance of a person, which leads to him/her becoming more productive and attractive to prospective employers. Thirdly, the influence of social and human capital on employability is manifested in many ways such as social networking which provides an individual with information relating to career opportunities while human capital factors like education, experience, emotional intelligence and age influence one's career development. Berntson *et al.* (2006:27) support this assessment and maintain "training, experience and other types of competence development may result in higher earnings and better chances at promotion and employability." In spite of their independence, it is argued that the combined effect of these dimensions contribute to employability.

Van Der Heijde and Van Der Heijden (2006:453-454) identify occupational expertise, anticipation and optimisation, personal flexibility, corporate sense and balance as the dimensions through which to view employability. The first dimension of employability, namely occupational expertise is viewed as a prerequisite for positive career outcome of workers. For example, during times of recession, the likelihood is that employees who lack occupational expertise would be considered as redundant and those with expertise are most likely to keep their jobs. In terms of the dimension of anticipation and optimisation, the view is that by preparing for future work changes employees fulfil the labour requirements of the modern day knowledge-intensive markets and in so doing improve their employability. Furthermore, changes inside and outside a business require employees who are flexible and adaptable. In a similar way, personal flexibility has the potential to enhance employability. On the other hand, corporate sense gives employees an opportunity to participate in the running of a business and, therefore, take collective responsibility. The dimension of balance requires a compromise between employees' and employers' interests as working life is characterised by competing demands that are not easily balanced.

Rothwell *et al.* (2009:152) mention three overlapping perspectives to measure employability. They mention employability at a national workforce level, employability within the human

resource and employability of individuals. According to the workforce level perspective, they argued that due to modern competitive requirements, the changing nature of work influences employability of individuals. Employability within the human resource management perspective relates to the individuals' perceptions of their ability to obtain and retain employment and the willingness to develop employability skills. The third perspective to measure employability, namely employability of individuals relates to the ability of institutions of higher learning to provide graduates who possess the skills and competencies needed by employers. In spite of the differing views it is evident that employability is beneficial to both individuals and businesses but depends on the context.

## **2.5 IMPORTANCE OF EMPLOYABILITY**

Employability is beneficial to businesses and individuals as it enables a business to sustain a competitive advantage while for the individual it ensures a successful career (Van Der Heijde & Van Der Heijden, 2006:449). Employability is important because it increases the likelihood of a person to become employed while at the same time facilitates the movement between jobs within and between businesses (Fugate *et al.*, 2004:16). Furthermore, employability has the potential to help individuals to maintain and enhance their attractiveness in the labour market (Rothwell & Arnold, 2007:24) as it entails the skills and attributes that they must possess to make them more desirable to prospective employers (Pan & Lee, 2011:91). Therefore, employees need to keep an open mind when confronted with changes within the business in order to maintain their employability (Van Dam, 2004:30).

Employability is important since lifetime employment within the same business is a thing of the past due to common practice of employees to change employers and professions (Forrier & Sels, 2003:103). This movement between jobs is intensified by changes in the global economy and increased competition that creates uncertain business conditions, which in turn lead to insecure work environments (Worrall *et al.*, 2004:156). Consequently, modern economy requires individuals who are knowledgeable, well informed and innovative and who perform as these attributes enable them to gain employment and sustain their employability throughout their lifetime (Curtin, 2004:40).

This line of reasoning suggests that it is imperative for employees to realise the significance of being able to cope with organisational change (Fugate *et al.*, 2004:15; Wittekind *et al.*, 2010:566) and being flexible and proactive regarding the management of their employability (Tomlinson, 2007:286). It is encouraging to observe that the number of employees who obtained appropriate knowledge and skills to enable them to be continuously employable has increased. In many instances, people even adopted a more proactive approach by taking

ownership of their career development to ensure continuous employability (Coetzee & Schreuder, 2011:77). Reflecting on these views, it is arguably fitting to investigate graduate employability. Key among many reasons is that research indicates that the youth constitute the highest percentage of those who are unemployed due to lack of appropriate skills.

### **2.5.1 Studies supporting importance of employability**

Many studies were conducted regarding the importance of employability. For example, Andrews and Higson (2008:419) analysed graduate and employer perspectives regarding employability of graduates in the four countries of Europe, namely the United Kingdom, Austria, Slovenia and Romania. The findings indicated that despite socio-economic and cultural differences in the four countries expectations of employers were similar in respect of skills required of students. Notwithstanding the importance of technical skills, employers in all the four countries emphasised that graduates should possess interpersonal skills and the ability to think in a critical manner. This, therefore, endorses the view that employability of graduates does not only depend on the acquisition of a qualification but rather the necessary skills and attributes that will enhance their employability.

De Cuyper *et al.* (2008:503) conducted a study among seven companies from Belgium. They investigated the relationship between employability and well-being of employees, and how relevant employability may be during times of job insecurity. They found that employability is beneficial for the well-being of employees because highly employable employees tend to perceive their jobs as secure and as a result boosted their well-being. Pan and Lee (2011:92) investigated any possible relationship between academic publication and perceived employability of graduate students who specialised in business management in Taiwan. They analysed data from the Graduate Destination Survey (GDS) and found that employability is not only associated with employment processes but also closely related to academic publication of graduate students. The finding was significant because many graduate institutes in Taiwan regard academic publication as a compulsory criterion for graduation. From the afore-mentioned studies, it seems logical to suggest that employable graduates add value to the well-being of a nation. By obtaining and sustaining their employment they may contribute significantly towards economic development and ultimately to the well-being of the nation.

## **2.6 EMPLOYABILITY DEVELOPMENT**

Employees' competences should be sustained, as they are important for employees' employability and for business success (Van Der Heijde & Van Der Heijden (2006:451). This

could be achieved through a continuous development of employees' knowledge and skills because these enable them to enter and remain in employment (McQuaid & Lindsay, 2005:199).

### **2.6.1 The importance of employability development for employees**

When employees participate in employability development initiatives, they support their life-long career development and employability (De Vos *et al.*, 2011:438). Berntson *et al.* (2006:240) who emphasised that education and competence development offer employees the opportunity to ensure job-security in the modern labour market endorse this view. Furthermore, the fast changing workplace forces current employers to look more for trainable recruits and less for trained ones (Maclean & Ordonez, 2007:135). Therefore, it is imperative for employees to ensure that they advance their knowledge, skills and abilities as current and prospective employers value these attributes (Fugate *et al.*, 2004:16). In line with this view, Potgieter (2012:2) contends that the responsibility for growth and continued professional development lies with the person himself/herself, as businesses are no longer responsible for a person's career.

Because of this, employees need to be effective in a changing world, deal with change and thrive on it while at the same time be intelligent, flexible, adaptable and quick to learn (Harvey, 2005:16). Baker and Henson (2010:73) are of the view that developing one's skills while simultaneously being aware of one's employability enhances one's career prospects. Therefore, it is not surprising to notice policy interventions aimed at strengthening individuals (De Cuyper *et al.*, 2008:489) and enhancing their attractiveness in the labour market (Rothwell & Arnold, 2007:24). From these views, one could argue that would-be-workers and those employed should continuously improve their knowledge and skills and ensure that they adhere to employer requirements. Undoubtedly, employers seek employees who will add value to their business.

### **2.6.2 The importance of employability development for employers**

By enhancing the employability of employees, business will benefit as this has the potential to improve job satisfaction and organisational commitment of workers (Scholarios *et al.*, 2008:1035). Smith and Comyn (2003:58) used 12 Australian enterprises as a sample to investigate how teenage workers developed employability skills in their first job. They found employability skills development of novice workers benefited employers in the following ways:

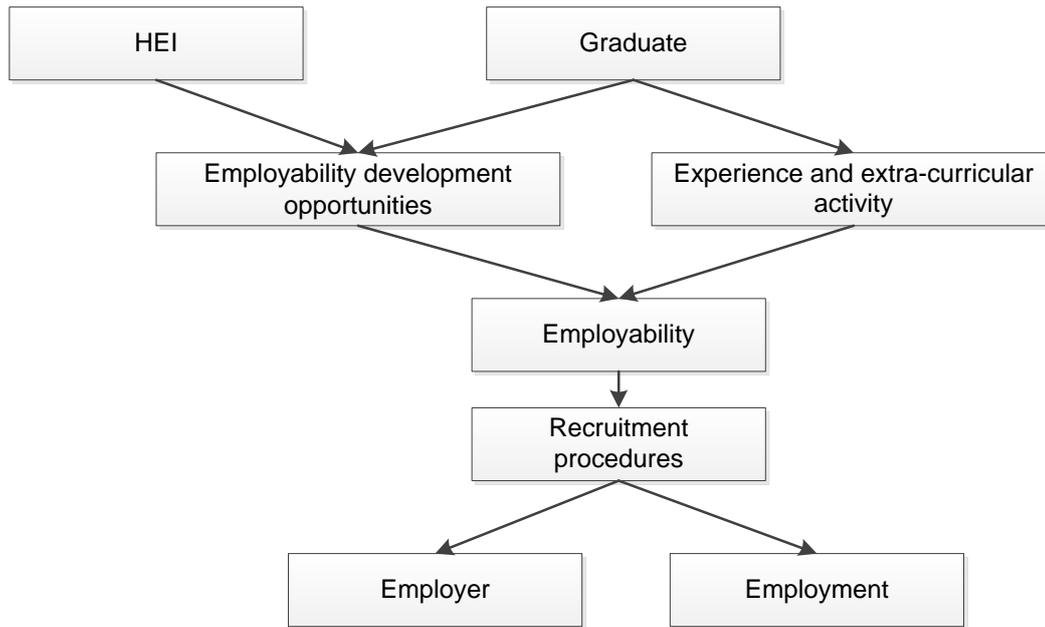
- Employers benefit because young workers tend to be committed to the business and their productivity improves.

- The likelihood is that turnover among young people might decrease in the early months of work and as a result reduces employer recruitment costs.
- The likelihood of young people becoming disillusioned with the workplace is reduced and this prevents unemployment.
- Improves the ability of young people to adapt and settle into subsequent jobs.
- Serves as a foundation for life-long learning through work.

Similarly, Benson (2006:185) conducted a study among employees of a large high-technology firm in the United States to examine their participation in three types of development activities, namely participation in employee development, organisational commitment and intention to turnover. The findings revealed that employees who participated on-the-job training tend to be more committed and loyal to the business and the likelihood is that they will remain with the business for the foreseeable future. Therefore, it could be argued that it would be in the best interest of employers to participate in the development of employees and university students. Employers can form partnerships with universities to ensure that students are taught appropriate skills as required by industry. The next section deals with employability development models.

### **2.6.3 Employability development models**

Pegg *et al.* (2012:21) highlight that researchers find it difficult to come up with a common model for the pedagogical delivery of employability. The authors recommend that each higher education institution should consider an individualised approach to their student employability needs and method of delivery as there is not a one-size-fits-all model. Harvey (2001:101) developed a model, which allows institutions of higher learning to provide students with a range of employability development opportunities as illustrated in Figure 2.1. This model identified previous experience, extra-curricular activities and career intentions as factors that influence students' employability. In addition, networks and the quality and availability of employability experience within the institution are also considered, and are viewed as important regarding employability of students. However, according to this model the decision to convert the employability of graduates into employment lies with the employer.

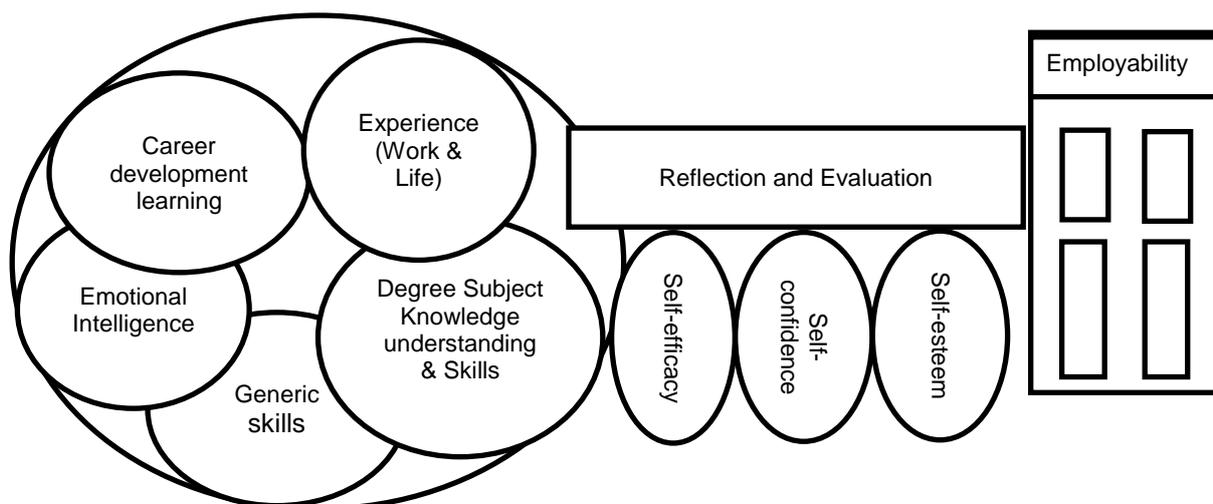


**Figure 2.1: A model of employability-development and employment**

Source: Harvey (2001:102)

Dacre-Pool and Sewell (2007:280) developed a framework called the key to employability model as illustrated in Figure 2.2. The aim of this model is to explain the phenomenon of employability and to assist in the development of assessment tools and research on how to enhance students' employability. The model outlines the importance of the connection among employability components and caution that one missing component may significantly reduce graduates' employability.

This model indicates that it is essential for graduates to receive some education in career development learning to improve their employability while simultaneously developing their generic skills because such skills are what employers seek. Furthermore, it is argued that well-developed emotional intelligence competencies are an essential requirement regarding employability of graduates. At the same time the necessary skills, subject knowledge and understanding plus experience in the world of work enhance graduates' employability. These components are essential to develop the self-efficacy, self-confidence and self-esteem of graduates and these are regarded as important links to employability. Reflecting on this, it is evident that the development of employability cannot happen without the involvement of higher education institutions. Therefore, the next section deals with higher education and employability of students.



**Figure 2.2: A metaphorical model of employability**

Source: Dacre-Pool and Sewell (2007:281)

#### **2.6.4 Higher education and employability of students**

Stakeholders such as governments and employers expect higher education institutions to develop variety of complex skills because these skills raise the productive potential of graduates (Knight & Yorke, 2003:3). Another view is that it is the duty of higher education institutions to equip graduates with the knowledge and skills required by employers (Branine, 2008:498) and to prepare them for workplace culture as it is often difficult for them to adjust (Harvey, 2005:15). In so doing these institutions will be fulfilling an important role of producing an appropriately trained workforce that meets the needs of employers (Boden & Nedeva, 2010:38). Because of this, there is an on-going political and economic discussions pertaining to the role of higher education institutions with regard to enhancement of graduate employability (Gracia, 2009:301).

Noticeably, there has been rapid growth of higher education across the world as universities attempt to produce highly mobile graduates who can respond to the ever-changing and complex workplace (Andrews & Higson, 2008:411; Prokou, 2008:392). Previous studies indicate that educational qualifications can assist individuals to enhance their employability and this is manifested by low unemployment rates among those who complete their schooling compared to those who drop out of school (Marock, 2008:9). Yet another perspective is that a diploma or degree can no longer guarantee employment for graduates and, therefore, it is expected of higher education institutions to equip students with skills and attributes that will enhance their employability (Pan & Lee, 2011:92). This point of view does not imply that educational qualifications are insignificant but it emphasises the contribution of these skills on graduate employability.

It is an irrefutable fact that universities form an integral part of the knowledge-demanding future because of their involvement in the development of knowledge, graduates, the development of management talent and workforce (Archer & Davison, 2008:5). Therefore, it will be warranted to suggest that universities should rather focus on ensuring that their students are marketable, employable, competent, and of the required quality (Bhanugopan & Fish, 2009:112). In so doing, they will enhance the likelihood of their graduates to get appropriate employment (Holmes, 2013:541).

Clearly, the need to improve student employability remains high on the priority list of higher education institutions (Allison *et al.*, 2002:11). For example, higher education institutions in developed nations place employability very high on their agenda and as a result, students are more selective regarding course and institution choice (Rae, 2007:605). One such case is that in the United Kingdom, employability of graduates forms a fundamental objective of higher education institutions and the debate is on the extent to which the curriculum should strive to improve graduates' employability (Cranmer, 2006:169). The University of Newcastle in the United Kingdom took a decision to provide their students with additional employability skills such as academic skills, professional skills related to the degree as well as skills to manage their on-going career development (Allison *et al.*, 2002:11). The University of Nottingham established an extra-curricular award (The Nottingham Advantage award) to recognise employability (Baker & Henson, 2010:65).

In Australia, universities have taken different approaches to develop their students' employability skills (Precision Consultancy, 2007:24). Among others, academic staff is provided with relevant support and resources while the employability skills are integrated into the curriculum and course design. Furthermore, students are exposed to professional settings and provided with work placements, while simultaneously receiving advice and guidance through career services. Another initiative is to allow students to take part in paid work while still studying. Muldoon (2009:237) conducted a study among Australian students and employers to look at the types of graduate attributes that students acquire from taking part in paid work while still at university. The findings confirmed that work experience (part time work) provides a good opportunity for students to improve their employability skills.

In South Africa, the North-West University included critical cross-field outcomes in their agricultural modules programmes to improve employability of its graduates (Oladele *et al.*, 2013:5440). Among others, this included problem solving skills, creative thinking, teamwork, analytical ability and effective use of technology. The Council on Higher Education (CHE) outlined the competencies that South African graduates should possess (De Jager &

Nassimbeni, 2005:33). It is expected of graduates to possess computer literacy skills, knowledge reconfiguration skills, teamwork, networking, information skills, problem solving skills, mediation skills and social sensitivity. These interventions indicate the critical role that universities could play regarding graduate employability. Based on this, the present study attempts to investigate how students gauge themselves with regard to these skills.

### **2.6.5 Teaching employability skills**

Notwithstanding the significant role that higher education institutions play, the emphasis should be more on the way in which these institutions prepare students for their post-graduate lives (Holmes, 2013:538). This line of contention is based on the fact that it is envisaged that in future new teaching and learning strategies will be needed to cater for the changing needs of the business world and the changing needs and expectations of students regarding their careers (Bhanugopan & Fish, 2009:112).

In view of this, many authors suggest a different approach regarding the teaching of students. One such approach highlights that successful teaching of employability skills depends on the instructional method of delivery, teacher attributes, student involvement and activity, relevant context, student responsibility and autonomy as well as the presence of skills acquisition and a clear learning goal (Cassidy, 2006:509). Another view is that higher education institutions should re-evaluate their traditional approach and adopt teaching methods that are more work-based, that meet industry requirements and understand the modern business better (Christy *et al.*, 2007:7). Furthermore, it is recommended that academic teaching staff should identify, model and assess the important attributes and skills of students to enable them to be employable (Oliver *et al.*, 2010:90).

On the negative side though, there is a view that universities are slow to take up the challenge even though they are aware of their role (Baker & Henson, 2010:63). This is reflected in employer's complaints about lack of employability skills among entry-level job applicants (Cassidy, 2006:508). In general, the concern is that graduates do not meet the expectations of employers in areas such as critical thinking, conflict resolution, decision-making, leadership and meta-cognitive skills (Jackson, 2013:271). Cranmer (2006:182) conducted a study among students in eight universities in England. The data from the study reflected a mismatch between the skills acquired from university and the ones required by employers.

In contrast to the afore-mentioned views which state that universities must ensure employability of their graduates, some researchers (Robinson *et al.*, 2007:19) contend that it is difficult for universities to prepare students for all types of employability skills because normally students

begin careers in specialised positions. Furthermore, it is important to be cognisant of the fact that these institutions are not employment or training agencies as their role is to enhance knowledge and learning (Branine, 2008:498). Nonetheless, there is compelling evidence to suggest that the involvement of higher education institutions is significant towards graduate employability. The emphasis should rather be on the curriculum to reflect industry requirements. Importantly, graduate employability should be a collective effort of all stakeholders and not just institutions of higher learning.

### **2.6.6 Employability curriculum**

Pressure is increasing on higher education institutions to include employability development in their curricula (Tymon, 2013:841) and ensure that they are taught explicitly (Marock, 2008:10). In so doing, these institutions will ensure that students understand their skills and talents and how they can use them to contribute to their country's economic development. Heldrich (2005:1) used a sample of 402 New Jersey employers in the United States to investigate their views regarding the ability of higher education institutions in preparing students for employment. Employers indicated that these institutions could be improved by making their curricula more relevant to what happens in the workplace.

In light of this, a model of employability that links higher education and the labour market was developed (Kruss, 2004:686). According to this model, it is expected that higher education programmes and curricula incorporate tacit skills, knowledge and attitudes that were formerly developed through work experiences. In line with this, in 2007 the European Union announced that institutions of higher learning should reform their curricula to suit the requirements of the labour market (Prokou, 2008:387). It was emphasised that the qualification framework be designed in such a way that it provides students' mobility and enhance employability. Research indicates that the inclusion of employability skills in the curriculum benefits those who are involved, especially students. Jackson (2013:276) examined the perceptions of undergraduate business students in an Australian university regarding the importance of employability skills development. The outcome of the study indicated that students cherished the inclusion of employability skills development in the programme indicating the significance of incorporating these skills in the curriculum. Therefore, it seems logical to suggest that the inclusion of employability skills in the curriculum has the potential to improve graduates' employability. However, the sensible approach is to involve employers in the design and delivery of programmes.

### **2.6.7 The role of employers in the design and delivery of programmes**

McQuaid *et al.* (2005:193) suggest that training providers and employers should improve communication to ensure that the training is relevant to employers and employees. This can be achieved in many ways. For example, suitably experienced individuals may well be invited to act as guest lecturers to raise the awareness of students and knowledge regarding the relevance and applicability of what they learn (Andrews & Higson, 2007:45). In addition, educational institutions and industry have to establish a working relationship in order to meet the requirements of employers (Singh & Singh, 2008:16).

Similarly, Jackson (2010:31) proposes a collaborative partnership between higher education institutions and industry in which required competencies and the best instructional pathway can be defined, which would lead to the achievement of the learning goals and subsequently transferring them to the workplace. Mason *et al.* (2009:1) assessed the impact of employability skills initiatives, at universities, on graduate labour market performance in eight different universities in the United Kingdom. The findings revealed that employer involvement in the course design and delivery enhances the employability of graduates. These notions and findings can be interpreted as confirming that universities alone cannot produce graduates that meet the needs of industry. Everybody must work together in order to produce graduates with the right knowledge, skills and attitudes.

## **2.7 EMPLOYABILITY SKILLS AND PERSONALITY ATTRIBUTES**

There is renewed interest concerning employability skills and personality attributes of students and employees because they are perceived as likely to enhance employability (Potgieter & Coetzee, 2013:2). In spite of this, there is lack of a common understanding of what employability skills entail and, therefore, there is considerable debate over the exact meaning of the concept (Baker & Henson, 2010:63).

### **2.7.1 Understanding employability skills**

Curtin (2004:39) describes employability skills as skills that are not only required to gain employment but they assist people to progress within an enterprise to achieve their potential and contribute to the success of the enterprise. Another view is that these skills are generic in nature and include the cognitive and soft skills that enable a graduate to apply the acquired knowledge and skills (Jackson & Chapman, 2012:95). They are not job specific but cut across industries and jobs from entry level to the highest level in the business (Cassidy, 2006:508).

Some of the employability skills cited in the literature include oral communication, problem solving, writing, and arithmetic, higher order skills such as learning skills and strategies and a positive attitude (Jackson & Chapman, 2012:95). In addition, interpersonal skills, personality and appearance are also cited as some of the generic skills that enhance employability (McQuaid *et al.*, 2005:192). Curtin (2004:41) refers to the Mayer key competencies (Australian, Education Council, Mayer committee, 1992) to identify key competencies, describe them as generic in nature and apply to work generally as shown in Table 2.2. The present study examines employability skills that Singh and Singh (2008:20) investigated among Malaysian students. These are problem solving and adaptability skills, human skills, English proficiency skills, information, communication and technology skills, personal organisation and time management skills, leadership skills and communication skills.

**Table 2.2: Mayer key competencies**

Key competencies	Descriptors
Collecting, analysing and organising information	The capacity to analyse information and present it in a useful way.
Communicating ideas and information	The capacity to communicate effectively with others verbally, written or non-verbal means.
Planning and organising activities	The capacity for planning and organising one's own work.
Working with others and in teams	The capacity to work effectively as a member of a team to achieve common goals.
Using mathematical ideas and techniques	Being able to use mathematical ideas and techniques for practical purposes.
Solving problems	The capacity to apply problem-solving techniques in any situation to achieve outcomes.
Using technology	The capacity to apply technology combining the skills needed to operate equipment.

Source: Curtin (2004:41)

### 2.7.2 Importance of employability skills

Evidently, it is becoming increasingly essential for graduates to develop a range of personal and employability skills above and beyond the specific abilities in an academic or vocational discipline (Shah *et al.*, 2004:9). The main point of contention is the fact that education and training carry on beyond the academic years. Therefore, transferable skills should be developed and refined continuously (Smith & Krüger, 2008:121). This is not surprising given the important

value that employers assign to the development of employability skills, especially those of graduates (Jackson, 2013:271). Employability skills are essential because they assist individuals to get, keep and do well in a job. They cut across industries, job levels, big or small businesses and include attitudes, skills and actions that are crucial to create a harmonious working relationship among workers (Robinson, 2000:1).

In light of these views, the sentiment in many countries around the world is that graduates must possess these abilities and skills (Radcliffe, 2005:197). For example, due to the difficulty in maintaining the intellectual capital needed to compete globally there is an unprecedented attention towards the current state and future of graduates in developed countries (Jackson, 2010:29). The intellectual capital refers to the employee knowledge, training and any information that may provide the business with a competitive advantage. There is no doubt that organisations are considering graduates who will exert some impact on their operations.

The on-going changes in the workplace demand that the current and future generation of workers should be well trained because their knowledge, skills and positive attitude are essential to cope with the demands of the modern world (Bakar & Hanafi, 2007:202). This emphasised Singh and Singh's (2008:16) view that today's workforce should be more flexible and possess advanced technical skills coupled with well-developed employability skills to meet the challenges of the modern world. It is encouraging to note that worldwide higher education, government, industry and accrediting bodies recognise the importance of graduate skills and attributes (Trevealen & Voola, 2008:160). Employees find themselves in a competitive labour market and, therefore, they must be assisted to identify skills and competencies that will keep them employable now and in the future (Asaquo & Inaja, 2013:1493). Importantly, these employability skills and attributes should be transferable to many situations and occupations and not only specific to their discipline or occupation (Bridgstock, 2009:32).

Students, on the other hand, need to think of other ways of gaining the necessary skills in their chosen career as few companies provide training for graduates (Smith & Krüger, 2008:122). It is expected of them to learn content at a faster rate than before in order to develop the technical and people skills necessary to be successful in the workplace (Robinson *et al.*, 2007:19). In some countries, universities began to re-examine the attributes of their graduates and shifted their focus on developing employability skills that will make students appeal to employers across multiple disciplines (Bridgstock, 2009:31). In an attempt to assist students with the development of employability skills some universities have even contextualised each attribute in the context of a discipline and incorporated them as learning outcomes to be assessed (Oliver, 2008:89). Integrating employability skills into education has a significant effect because the likelihood is

that students can be groomed and easily integrated as employees in the workplace (Poropat, 2011:500). Clearly, employability skills should form an integral component of graduates' qualification. Upon reflecting on these views, it is evident that in addition to technical knowledge and skills in specialised fields, graduates should possess employability skills as this has the potential to enhance their employability. A well-rounded graduate will certainly appeal to prospective employers.

### **2.7.3 Studies supporting importance of employability skills**

Robinson and Garton (2008:102) investigated the perceptions of graduates at the University of Missouri regarding the importance and competence levels of performing transferable skills. The results indicated that graduates view problem solving, working independently, dealing with stress, staying positive and listening as important for their careers. Wickramasinghe and Perera (2010:238) conducted a study among employers, university lecturers and students in Sri Lanka. The purpose of the study was to investigate and compare employability skills that employers, lecturers and graduates value when graduates apply for entry-level jobs in the field of computer sciences. The findings revealed that employers, university lecturers and students rank problem solving, self-confidence and teamwork as the most important employability skills. In addition, all three groups emphasised the need for graduates to possess these skills.

Shah *et al.* (2004:9) conducted a study among graduates from Bournemouth University in the United Kingdom and the purpose was to track the career pathways of graduates and identify the skills, which have contributed to the graduates' careers. Graduates identified teamwork, communication, self-motivation, personal organisation and subject knowledge as the most useful skills. Zaharim *et al.* (2009:199) also conducted a study in four countries of Asia, namely Malaysia, Japan, Singapore and Hong Kong. The purpose of the study was to investigate the required employability skills for new engineers in the four countries. In all four countries employers viewed communication, problem solving and interpersonal skills as the most important skills.

Hinchliffe and Jolly (2010:572) investigated the skills and employability attributes that employers expect from graduates in East Anglia, United Kingdom. The findings were similar to other studies because interpersonal and communication skills emerged as the most important skills ahead of any other skills including IT. The importance of employability skills is reinforced by Gokuladas (2010:131) who reported that the information technology service industry in India prefer to recruit engineering graduates because of their high levels of proficiency in problem solving rather than their technical know-how. The author used a sample of engineers from leading engineering colleges in the South of India to investigate the importance of technical and

non-technical education on employability of undergraduate engineering students. It was found that it is not the grade scored by the individual that enhances employability but the non-technical skills.

#### **2.7.4 Personality attributes**

Research shows that when screening their employment records recruiters consider personality traits of applicants such as extraversion, openness to experience and conscientiousness (Cole *et al.*, 2009:5). Fugate and Kinicki (2008:507) are of the view that people who are open to change and new experiences tend to adapt to the environment hence they become more employable. In addition, workers who are optimistic about their career are likely to see opportunities in the workplace and view changes as opportunities to learn from and ultimately this makes them employable. The ability to work in a multicultural environment has also been mentioned as an important attribute for graduates as it enhances their employability (Nair & Patil, 2008:78).

Radcliffe (2005:197) analysed and compared attributes of engineering graduates from the United States, Australia and Malaysia. The outcome of the study indicated that when selecting new employees the industry considers the underlying traits, motivation, values and core-competencies. The reason for considering these attributes is that they are viewed as necessary and are better predictors of long-term performance of an individual. Tymon (2013:850) explored the views of students regarding employability at a post 1992 university in the United Kingdom. All undergraduate students agreed that personal attributes are an essential part of employability. Among others, students mentioned flexibility, hardworking, adaptability, commitment and dedication as important attributes, which one has to possess to enhance employability.

Similarly, Bonn *et al.* (2009:60) used honours students in the field of psychology at the University of South Africa as a sample to examine the set of job-related traits, skills and abilities that define the employability of psychology graduates in the workplace. Students indicated that they regard personality traits such as the ability to communicate well, ability to solve problems and integrity as important factors that may guarantee success in a career than just practical skills. This finding was significant because it confirmed the view that a university qualification would be meaningless unless it has taught a student how to think in and across different contextual circumstances (Bhanugopan & Fish, 2009:111). While it is acknowledged that it is essential for one to be knowledgeable in a discipline, it is equally important to possess the personality attributes that will make one to be successful at work (Oliver, 2008:86). Therefore, it will be in the best interest of graduates to ensure that they have personality traits that will

improve their employability. The world of work is characterised by diversity and competitiveness and, therefore, graduates should have these traits to adapt and sustain their employment.

## **2.8 GRADUATE EMPLOYABILITY IN THE WORLD**

Since the 1980s, graduate employability has been embraced as a means to promote competitiveness in the global economy (Azevedo *et al.*, 2012:12). For example, in the United States from the time when the 1991 report on achieving necessary skills was released, there has been an increase in the number of publications regarding the importance of graduate employability skills (Zinser, 2003:402). Subsequently, consensus among researchers was that there is a need to teach career and employability skills at high schools in the United States.

Similarly, in the late 1990s there has been significant interest in graduate employability in the United Kingdom (Rothwell *et al.*, 2009:153) which came about as a result of expansion of Higher education and the recent economic decline which intensified competition in the graduate labour market (Saunders & Zuzel, 2010:1). Consequently, each year the UK's higher education statistics agency publishes data on the percentage of each university's graduates who remain unemployed six months following their graduation (Bennett & Kane 2011:358). On reflecting on the afore-mentioned cases, it is evident that graduate employability forms an integral part in the changing relationship between higher education and the labour market (Tomlinson, 2007:285).

Furthermore, these cases justify the attention that is shown towards graduate employability because students invest their time, resources and energy in university education to improve their chances of getting employment (Saunders & Zuzel, 2010:1). In addition, modern day graduates are of particular interest because individuals, organisations and society have invested much in them (Bennett & Kane (2011:644). Therefore, universities are morally obliged to focus on graduate employability because students enrol in courses to advance in respective careers (Oliver, 2008:86-87). From this, it could be argued that as much as employability of graduates is an economic issue, it is also a moral issue. Therefore, universities should strive to improve employability of their students.

It has been observed that in the recent past there has been an increase in the number of young people graduating from higher education (Scurry & Blenkinsopp, 2011:644). Nonetheless, the labour market struggles to absorb graduates because many find it difficult to enter the labour market (Tran, 2010:1). This happened despite many governments paying attention to the new graduates' employment rates (Little, 2001:121). It will be prudent to note that the preparedness of graduates for employment should not rest on graduates alone (Robinson & Garton, 2008:96)

because without creating an environment that supports effective development they are bound to be unsuccessful in their endeavour to realise their dreams (Bhanugopan & Fish, 2009:108).

## **2.8.1 Studies on graduate employability in selected countries**

The growing interest in graduate employability came about as a consequence of employers reporting lack of some of the most basic skills among graduates which ultimately rendered them unemployable (Tymon, 2013:841). Against this background, many studies have been undertaken worldwide.

### **2.8.1.1 Countries in Asia**

In Bangladesh, unemployment among graduates has been on the rise and this fuelled frustration among graduates and young people in general (Christy *et al.*, 2007:1). Poor standard of education together with structural imbalances in the labour market are cited as some of the reasons that contribute to the increasing unemployment among graduates in Bangladesh.

The shortage of employability skills among graduates is also a concern for employers in Vietnam and many graduates enrol for courses at an ever increasing number of skill development centres across the country with the hope of obtaining them (Tran, 2010:11). In Pakistan, Warraich and Ameen (2011:209) conducted a study among young and senior Library and Information Sciences (LIS) professionals to analyse their views on the (LIS) curricula and its relevance in enhancing employability. They found that the curriculum did not meet graduates' and employers' requirements because employers complained of weak communication, practical and presentation skills among graduates.

Singh and Singh (2008:16) reported that in the survey conducted by the Malaysian government among graduates it was found that 60 000 Malaysian graduates were unemployed even though jobs were available. The main reason cited for the unemployment among graduates was lack of the necessary skills and attributes that could enable them to get and keep jobs. A study by Bhanugopan and Fish (2009:118) among employers and business students in the South Pacific island nation revealed that although employers were generally satisfied with the technical skills that graduates possess, they were concerned with the development of the generic business skills and attributes for effective on-job performance.

### **2.8.1.2 Australia**

Bridgstock (2011:20) conducted a study among creative industries graduates from two metropolitan universities in Australia. The purpose of the study was to investigate the value of

work motivation and career management skills on graduate employability and early career success. The findings indicated that work motivation and career management skills (those skills intended to build career) significantly predict the employability of students and early career success. Jackson and Chapman (2012:95) used 500 organisations employing business graduates in Australia as their sample to examine non-technical skill shortages among business graduates. They found that graduates lacked important elements of the managerial skills set such as critical thinking and decision management.

### **2.8.1.3 The United Kingdom**

Previous research indicates increasing number of graduates in the United Kingdom found it difficult to secure graduate employment and had to apply for jobs that were previously for school leavers (Branine, 2008:499). A plausible reason is that the composition of the graduate labour market has also changed considerably over the decades in the UK. For example, the number of female graduates who enter the labour market has increased sharply in recent times. Therefore, there had to be a change in the way graduates are recruited because of the high competition for graduate jobs.

Durrani and Tariq (2012:431) explored the role and importance of numeracy skills among employers across different sectors in the United Kingdom. It was found that employers use numeracy tests widely as part of the graduate recruitment procedures. Similarly, Tomlinson (2007:301) conducted a study among final-year undergraduate students in a pre-1992 university in the United Kingdom. Students indicated that their employability is very important as it involves the development of their graduate profile and credentials, individual attitudes and appropriate labour market strategies. In spite of this, there is lack of development levels of new management graduates in the UK and as a result businesses are dissatisfied (Jackson, 2010:31). The afore-mentioned studies point to a deficiency with regard to skills required by employers. Therefore, there is a need to investigate graduate employability persistently. The following section considers the literature on graduate employability in South Africa.

## **2.9 GRADUATE EMPLOYABILITY IN SOUTH AFRICA**

Like many countries around the world, graduate employability in South Africa has received much attention (Marock, 2008:8). South Africa has for a long time experienced fairly rapid growths of the labour force, which consist of younger and better-educated individuals (Pauw *et al.*, 2008:56). Therefore, the call is for higher education institutions to be responsive to the labour market and train students for employability rather than for employment (Kruss 2004:677). Training students for employment entails linking skills to specific occupations. In contrast,

training students for employability equips them for bigger occupational mobility and work flexibility. Consequently, some institutions heeded the call and stressed that employability of their students should be top of the priority list. For example, the University of South Africa (UNISA) views employability of its students as an indicator of the institution's capability to deliver qualifications that meet the demands of the globalised knowledge economy (Archer & Chetty, 2013:138). North-West University expects graduating students to have acquired the necessary competencies and abilities to take available jobs (Oladele *et al.*, 2013:5440).

### **2.9.1 The state of South African graduates**

For a long time there has been a debate regarding the preparedness of graduates for the world of work. Employers complain about the quality of graduates while universities feel that employers are not appreciative of their contribution in producing appropriate graduates (Griesel & Parker, 2009:1). Griesel and Parker conducted a study among employers of recent graduates in South Africa. Although employers were generally satisfied with the quality of graduates, they expressed concerns regarding the basic skills and understanding of graduates because graduates' performance did not equal employers' expectations. In addition, employers were not satisfied about the cognitive skills and proactive engagement of graduates.

Smith and Krüger (2008:135) investigated the perceptions of prospective graduates at the Nelson Mandela Metropolitan University regarding their generic skills level. The findings revealed that students were of the view that there was a mismatch between the levels of basic communication and interpersonal skills and their expectations. In response to the tourism industry's complaints, about graduates' unpreparedness for workplace, Zwane *et al.* (2014:1) conducted a study among employers in the tourism industry in South Africa. The purpose of the study was to compare the employers' expected skills with skills obtained by employees because among others, the complaints included reported mismatch between the expected skills by employers and those obtained by learners. Employers indicated that they expect employees to display high-level competencies such as handling customers professionally and pro-activeness when solving problems.

Pauw *et al.* (2008:56) highlight that since 1994 the unemployment rate among highly skilled graduates has increased in South Africa. Some of the deficiencies that they mentioned include graduates' qualifications, which do not meet employers' standards and the poor quality of education. In addition, lack of employability skills and high graduate expectations in terms of earnings relative to qualifications also were mentioned as contributing factors. Similarly, Borat (2004:957) reported that during the period 1995 to 2002 the largest percentage growth in unemployment was found among individuals with Grade 12 and tertiary qualification.

Bhorat and Oosthuizen (2007:397) further reinforced these remarks and state that in 2005 although young people were more educated compared to their older counterparts, they were less likely to find employment because prospective employers ascribed less value to qualifications obtained in most recent years than those obtained earlier. Furthermore, graduates from historically black institutions were less likely to get employment compared to graduates from historically white institutions. The field of study was mentioned also as one of the factors that contributed to the high unemployment rates among graduates. For example, graduates in education, business, commerce and management, training and development had increasingly accounted for the largest share of the unemployed graduates during the period 2002 to 2005. In agreement, Kraak (2010:81), who analysed findings from recent graduate employment studies in South Africa, also affirmed that unemployment among South African graduates was increasing at a disturbing pace.

Contrary to the afore-mentioned findings, some researchers put forward a different perspective regarding the quality and employability of South African graduates. Vakalisa (2005:42) point out that a substantial number of graduates from South Africa went abroad and made their mark as students or workers. The author argues that two factors should be considered when deliberating on graduate employability in South Africa. First, the economy that is declining and as a result incapable of absorbing the ever-increasing labour force. Secondly, the increasing usage of electronic technology that reduced the bulk of work that was performed previously by people. In agreement with this view, Pop and Barkhuizen (2010:75) contend that unemployment among graduates does not reflect a state of despair as many South African companies face challenge of keeping new graduates because it is easier for these graduates to leave and find better rewarding employment.

Van Der Berg and Van Broekhuizen (2012:21) who argue that there is no graduate unemployment crisis in South Africa put a similar perspective forward. Their argument is based on the fact that during the period 1995 to 2011 about 640 000 graduates entered the labour force and nearly 610 000 of them were employed. The authors highlighted some discrepancies in the findings of the previously mentioned studies that claim that there is graduate unemployment crisis in South Africa. First, they contend that the findings were inaccurate because despite the recent economic decline, data beyond 2005 does not show graduate unemployment as worsening. Secondly, the movements identified by these studies were dependent on observations based on the start (1995) and end point (2002 or 2005) and, therefore, they may be inaccurate. Thirdly, to some extent some of these studies did not differentiate between graduates who obtained degrees from those who obtained other tertiary qualifications such as certificates and diplomas. Upon reflecting on the afore-mentioned studies,

it is clear that researchers are divided in terms of graduate employability in South Africa. Nonetheless, it is beyond the scope of this study to enter the debate of who is right and who is wrong regarding graduates employability. Evidently, graduates employability is a concern for everyone and, therefore, the efforts should be made to improve it. Furthermore, the focus should be on factors that contribute to unemployment among graduates and strive to come up with workable solutions.

## **2.10 CONCLUSION**

This chapter presented a discussion regarding the phenomenon of employability as it developed over the decades. From this discussion, it was evident that employability is a complex phenomenon because researchers hold different views. Consequently, the different dimensions of employability and its measurement were presented as perceived by researchers. Nevertheless, a common view among researchers is that employability is important because it influences employment policies of many countries around the world. Due to the global economic change and increased competition, businesses require employees who will add value. The chapter, therefore, highlighted the importance of employability and supported this by findings emanating from different studies. In addition, the chapter presented different views regarding the development of employability and different employability models.

The role of higher education institutions was presented also because these institutions are viewed by many as important in the development of students' employability skills. A shared view among researchers is that graduates should possess a set of generic skills for their employability. However, some researchers are of the view that universities alone cannot be responsible for the employability of graduates as this should be a shared responsibility among different stakeholders. Yet researchers agree that over and above the technical skills graduates must possess employability skills and personal attributes. Therefore, the type of employability skills and personal attributes essential for employability of graduates were presented with findings from previous studies.

This was followed by a section discussing graduate employability in the world. Many studies revealed that there is a growing interest in graduate employability as graduates are viewed as a means to promote competitiveness in the global economy. Notwithstanding this, it was reported that employers showed dissatisfaction with the quality of graduates that they obtained from universities. The findings from previous studies were presented to back up these views. The chapter concluded with a discussion concerning graduate employability in South Africa. From this discussion, it was evident that there was little agreement among researchers regarding graduates employability.

Although researchers do not agree on the unemployment levels among graduates, they agree that unemployment rates among graduates are unacceptably high. Based on this, the present study attempted to investigate graduate employability from the students' perspective. The next chapter deals with the review of the literature regarding self-employment.

## **CHAPTER 3**

### **SELF-EMPLOYMENT**

#### **3.1 INTRODUCTION**

Chapter 2 presented a literature review regarding employability. Chapter 3 begins with a discussion pertaining to the noticeable increase in self-employment and outlines the different views regarding the concept. This is followed by a discussion regarding self-employment trends around the world as well as in South Africa. Furthermore, the importance of self-employment on individuals and the economy are presented. In light of the generally shared view that the self-employed have unique characteristics compared to the general population, a discussion in respect of this is provided. This is then followed by a detailed discussion regarding the determinants of self-employment. Given the overwhelming view that self-employment and entrepreneurial behaviour is preceded by intention, the chapter provides a detailed discussion regarding self-employment intentions. Factors that influence self-employment intentions as well as intention models are presented. The chapter concludes with a discussion regarding self-employment intentions among students around the world as well as in South Africa.

#### **3.2 SELF-EMPLOYMENT**

For many decades, self-employment has been viewed as an important component of economies of many countries (Bogan & Darity, 2008:1999). Consequently, there has been a considerable interest in self-employment and this is reflected by an increase in academic studies both of theoretical and empirical nature (Le, 1999:382). Lifelong employment in a single company is no longer the norm, and people consider self-employment as an option; the likelihood is that this will carry on into the future (Martínez *et al.*, 2007:99). Due to its multi-dimensional nature, self-employment should be studied in context.

##### **3.2.1 Understanding self-employment**

Many studies have revealed that self-employment might take different meaning in different contexts (Earle & Sakova, 2000:579). For example, Carroll and Mosakowski (1987:571) point out that entrepreneurship, organisational behaviour, social class and career have particular relevance to the study of self-employment. The authors argue that although not precise, there is a connection between entrepreneurship and self-employment. Regarding the relevance of organisational behaviour to self-employment the view is that most self-employment happens in small and family businesses and more often these businesses are the embodiment of their owner-managers' characteristics. The self-employed are also viewed as representing a small

but ideally interesting social class. In terms of the relevance of careers to self-employment, the observation is that self-employment affects careers in many ways, as many people now perceive it as an alternative career option. In line with this, Cheng (1997:593) is of the view that self-employment forms part of the many work spells that people experience in their lifetime.

Evidently, researchers are unable to come up with a universally acceptable common definition of self-employment and entrepreneurship. Consequently, many scholars in the field of entrepreneurship use the term self-employment and entrepreneurship interchangeably. For example, De Wit (1993:368) contends that entrepreneurs are often associated with the self-employed and, therefore, the two cannot be separated from each other. Beugelsdijk and Noorderhaven (2005:161) are of the view that entrepreneurship can be considered as self-employment or business ownership while it is often measured as a start-up activity. Another perspective is that starting a new business is not a condition for one to become self-employed because one can obtain an existing business through various means such as purchase, inheritance or marriage (Kolvereid, 1996:23).

The legal status of a business also adds to the complexity regarding the categorisation of persons whether they are self-employed or not (Kolvereid & Isaksen, 2006:871). For example, in the case of sole proprietorship the owner can be regarded as self-employed. However, in the case of partnerships and limited liability companies the situation is complicated because the focus tends to be on the active member and as such, other partners and shareholders are not regarded as self-employed even though they own the business. The afore-mentioned views indicate that there is little agreement among researchers regarding an acceptable common understanding of self-employment. Based on this, it would be warranted to recommend that self-employment should be studied from different angles. It is beyond the scope of this study to enter the debate pertaining to the definition of self-employment. The current study investigates the intention of students to own a business sometime in their lifetime. Therefore, in the context of this study, no distinction is made between self-employment and entrepreneurship and as a result, the concepts will be used interchangeably. Consensus among researchers is that the self-employed or entrepreneurs play a role in terms of economic activity.

### **3.2.2 Self-employment from an economic contribution perspective**

Due to its multidimensional nature there has been a debate regarding the magnitude of the economic contribution of self-employment. For example, the self-employed may be successful business owners who identify opportunities and new products while on the other hand, some self-employed individuals' activities and income may differ very little from those of the unemployed (Earle & Sakova, 2000:579). Dawson *et al.* (2009:1) state that the self-employed

as a group may be highly heterogeneous because some may be identified as entrepreneurial while on the other end of the spectrum others may choose self-employment due to their inability to find appropriate paid employment in the prevailing labour market conditions. Another perspective is that self-employment is diverse as it includes professionals and low-skilled workers and as a result, it is difficult to come up with one well-defined profile of the self-employed (Cueto & Mato, 2006:23).

There is also a view that self-employment forms part of the less productive informal sector and this can be viewed as an indication of distress and not development (Mohapatra *et al.*, 2007:164). For example, in some developing economies self-employment is normally a last resort for individuals who struggle to find employment in the formal sector (Mohapatra, *et al.*, 2007:164). In support of this view, there are a large number of small informal businesses in developing societies and many of them remain small with low returns (Ligthelm, 2013:60). It is not surprising to notice that the views of researchers are divided regarding the economic role of self-employment (Mohapatra *et al.*, 2007:164). Although it is acknowledged that not all forms of business formation are beneficial to economic growth and development, self-employment has been known to uplift people out of poverty. Given the interest that is shown in self-employment, the next section discusses self-employment trends around the world.

### **3.3 SELF-EMPLOYMENT TRENDS AROUND THE WORLD**

Despite differing views regarding self-employment, research indicates that people around the world continue to engage in self-employment for various reasons. Of note in this regard is that self-employment takes place regardless of the level of economic development of a country. The next section discusses self-employment in selected regions of the world.

#### **3.3.1 Europe**

Since the 1980s in almost every western country, there has been a significant increase in the number of self-employed individuals (Luber & Leicht, 2000:101). The increase in self-employment marked the end of patterns of self-employment decline in the western world (Torrini, 2005:666). This interest in self-employment could be due to the fact that it is viewed as a means not only to create jobs for the self-employed but for others too and in doing so increase employment (Ekelund *et al.*, 2005:650). Some authors (Van Es & Van Vuuren, 2010:7) are of the view that the underlying causes behind the surge in self-employment in Europe could be as a result of changes in industrial organisation, growth stimulating policies of governments, shift in employment among industries and changes in individual traits and preferences.

In line with this, in an attempt to encourage self-employment among the unemployed, the governments of Britain and France provided transfer payments to the unemployed to help them to start businesses (Blanchflower, 2000:472-473). In addition, small businesses were assisted with loans, and even exempted from certain regulations such as the payment of taxes. Another case in point is that in Spain since 1985 until 1992 there has been programmes where the unemployed would receive a lump sum to assist them to enter into self-employment (Cueto & Mato 2006:26).

### **3.3.2 OECD countries**

OECD block is an international economic organisation whose purpose is to provide a platform for member states to seek answers to common problems. Similar to other countries of the world self-employment forms an integral component of OECD countries. Self-employment trends in OECD countries for the period 1972 to 1996 presented substantial differences. For example, in that period self-employment averaged 4 percent in Sweden and 19 percent in Italy (Parker & Robson, 2004:290). In the beginning of the twenty-first century, self-employment accounted for 5 to 30 percent of the non-farm sectors in OECD countries (Torrini, 2005:663). However, in contrast with most OECD countries' trends, Germany's self-employment levels were relatively stable between the periods 1984 to 1998 with an average of just under 10 percent of the labour force (Georgellis & Wall, 2005:325). In Austria, there has been an increase of between 6.6 percent in 1991 to 8.3 percent in 2001 of self-employed people in the non-agricultural sectors (Leoni & Falk, 2010:170). In Australia, the government started a programme, known as new enterprise incentive scheme, with the aim of providing training and financial assistance to the unemployed who intend to be self-employed (Le, 1999:381). Although there are differences with regard to levels of self-employment in OECD countries, it is clear that it is practiced across the spectrum.

### **3.3.3 Africa and Latin America**

The interest in self-employment is witnessed in developing countries where it forms a major source of employment and economic growth (Thurik *et al.*, 2008:673; Fiess *et al.*, 2010:211). Some examples in this regard are that in 2003, about 3.2 million people in Kenya were employed by small and medium enterprises (Benzing & Chu, 2009:60). In Nigeria, 95 percent of formal manufacturing activity is in the hands of small, micro and medium enterprises (SMMEs) and 70 percent of the workforce in Ghana is employed by these enterprises. Reflecting on the afore-mentioned indicators it is evident that many countries in Africa view the promotion of self-employment as an important priority area (Fairlie & Holleran, 2012:366). This is encouraging because Africa's job creation will improve which will lead to economic growth and development.

In Latin America, there was a time when self-employment accounted for 25 to 50 percent of employment (Fiess *et al.*, 2010:211). Research indicates that some governments in Latin America assist their citizens in various ways to engage in self-employment. For example, in Argentina individuals are provided with financial support to jumpstart businesses and the aim is to reduce welfare payments dependency (Premand *et al.*, 2012:5).

Gindling and Newhouse (2014:325) conducted a study in 74 developing countries to investigate the heterogeneity of the self-employed. The findings revealed that as GDP per capita increases the structure of employment shifts quickly. As the authors put it, “there is a status evolution into wage and salaried work”. This confirmed the assertion that there is a negative relationship between per capita GDP levels and self-employment rates as more often than not the richest countries have comparatively lower occurrences of self-employment (Torrini, 2005:662). Reflecting on this, it is evident that self-employment is practiced in many countries in the developing world. However, more still needs to be done, as it is evident that as the economy grows, people abandon self-employment and opt for employment in the corporate world.

#### **3.3.4 Asia**

Since 1986, there has been much interest in self-employment in Japan, as it constituted 54 percent of the labour force then (Cheng, 1997:581). A plausible reason for this is that in Japan individuals who come from families that own businesses perceive self-employment as a way to preserve their class status across generations (Cheng, 1997:582). More importantly is that the success of self-employment happened in the midst of advanced industrial production in Japan. In Malaysia, about 88 percent of the small-scale industries comprise small medium enterprises while in Singapore small medium enterprises employed almost half of the working population (Eruh, 2012:1).

In China, there has been rapid increase in self-employment activity from the period 1981 to 2000, which was characterised by dramatic changes in the economy (Mohapatra *et al.*, 2007:178). More significantly, are the findings of Mohapatra *et al.* (2007:178) study in six villages in China, which revealed that self-employment was consistently growing in a way that promotes development and modernisation. For example, trade, transportation and enterprises formed the greater part of total self-employment while less capital-intensive activities such as handicrafts and custom labour services constituted a small fraction of self-employment and were disappearing gradually. Reflecting on these trends in Asia, it is evident that self-employment contributes to job creation and economic development. Therefore, a country such as South Africa can learn from the Asian counterparts and intensify the promotion of self-employment.

### 3.3.5 The United States and Canada

In North America, since the 1970s, there has been a considerable increase in workers who opted for self-employment (Schuetze, 2000:507). Attesting to this increasing trends in self-employment levels in North-America was the data released by the Bureau of Labour statistics in the United States which indicated that 14.4 million or 10.5 percent of the labour force were self-employed in 2002 (Karoly & Zissimopoulos, 2004:24). The steadily increase in self-employment in the United States is further supported by Lofstrom (2013:933) who discovered that the number of self-employed individuals increased from 9.9 million in 1980 to 17.3 million in 2007. The growth in self-employment appears to be sustained because in recent decades the United States has experienced a dramatic growth in the number of self-employed individuals (Ahn, 2010:434). The growing interest in self-employment could be attributed to the fact that self-employment is perceived as an integral component of the United States' economy (Michaelides & Benus (2012:695).

Therefore, it was not surprising to observe that during the last two decades the United States experienced a considerable attention on self-employment programmes from various government agencies particularly the department of labour (DOL) (Michaelides & Benus, 2012:696). For example, in the early 1990s the United States department of labour provided funds for two demonstration programmes, namely the Washington self-employment and enterprise development programme and the Massachusetts enterprise project. The purpose of these two programmes was to assess if training and financial assistance were effective in promoting self-employment among the unemployed workers. Michaelis and Benus (2012:703) examined the effectiveness of providing training to the unemployed and other individuals who show interest in self-employment by analysing data from the Growing America through entrepreneurship project (Gate). The analysis revealed that the project was effective in helping the unemployed to start their own businesses.

Similarly, in 2003 one in six Canadians was self-employed, constituting two and half million people (Hughes, 2003:434). The trend seem to be increasing persistently because despite the recent recession (2008-2010) there has been an increase of more than 100 000 self-employed individuals in Canada (Esuh, 2012:1). The afore-mentioned numbers indicate that self-employment forms an important component of economies of the developed world. Therefore, it could be in the best interest of developing countries such as South Africa to encourage the youth to choose self-employment as a career option.

### 3.4 SELF-EMPLOYMENT TRENDS IN SOUTH AFRICA

Similar to other countries self-employment is fundamentally important towards economic growth and socio-political stability in South Africa (Fatoki, 2010:87). However, research has consistently indicated that South Africa is lagging behind on this front (Luiz & Mariotti, 2011:49). One such observation indicates that entrepreneurship activity in South Africa is comparatively low to entrepreneurial activities of other countries (Farrington *et al.*, 2012a:17). The Global Entrepreneurship Monitor report (GEM) on South Africa revealed that in 2012 South Africa's rate of entrepreneurial intentions decreased from the 2010 and 2011 rates (Turton & Herrington, 2012:33). For the period 2009 to 2012, the rates of entrepreneurial intentions among South Africans were significantly low in comparison to other efficiency-driven economies, which averaged 27 percent as illustrated in Table 3.1. Among others, fear of failure was cited as a contributing factor because of the 36 percent who identified an opportunity, 31 percent feared failure and only 10 percent had an intention to start their own business.

**Table 3.1: Entrepreneurial intentions in South Africa (2009-2012)**

Year	Indicated entrepreneurial intentions
2009	11%
2010	17%
2011	18%
2012	14%

Source: Turton and Herrington (2012:33)

Self-employment in South Africa is dominated by necessity entrepreneurship and as a result prospects for growth and job creation are low (Urban & Barreira, (2007:571). This is not surprising because unemployment in South Africa has been persistently at high levels and this pushes people into self-employment for survival. In this way, the types of businesses that people engage in are likely to be for survival. Against this background, entrepreneurship activity in South Africa is described as very low and largely of poor quality (Viviers *et al.*, 2013:18) and reflects a picture of underperformance compared to countries at similar levels of development (Luiz & Mariotti, 2011:50).

Fatoki and Chindoga (2011:162) are of the view that low overall rate of entrepreneurial activity in South Africa is a consequence of low self-employment activity among young people. The

authors undertook a study among high school and university students to investigate the obstacles associated with entrepreneurial intentions. The findings revealed that there are many obstacles that inhibit self-employment intentions of young people in South Africa. For example, lack of financial resources, perceived lack of government support and weak market opportunities were mentioned as obstacles. This is a disturbing fact because young people constitute the highest percentage of those who are unemployed.

Similar findings were revealed by Cichello *et al.* (2011:27) study at Khayelitsha township in Cape Town, South Africa. The purpose of the study was to investigate factors that constrain individuals in the community of Khayelitsha from entering into self-employment. They found that crime is perceived as the greatest stumbling block, as many residents mentioned fear of being robbed should they operate their own businesses. In addition, lack of capital to start a business and high transport cost to reach main customers and suppliers were cited as hindrances to start a business. Reflecting on self-employment trends in South Africa, it could be concluded that there is a need to create a favourable environment for individuals who are interested in running their own businesses. Certainly, for various reasons self-employment is important. The next section deals with the importance thereof.

### **3.5 IMPORTANCE OF SELF-EMPLOYMENT**

For a long time, there has been growing awareness regarding the importance of self-employment and this is manifested by governments worldwide increasingly implementing policies aimed at promoting self-employment (Parker & Robson, 2004:287). Some examples of these policies among others include the small business administration's loan in the United States, the enterprise allowance scheme in the United Kingdom, the unemployed entrepreneurs programme in France and the *überbrückungsgeld* (bridging allowance) and AGF (labour promotion act) programmes in Germany (Georgellis & Wall, 2005:321). In line with this, the 2000 edition of the OECD employment outlook put emphasis on self-employment and affirmed it is an important source of employment (Cueto & Mato, 2006:23).

A shared view among designers of policy and scholars is that self-employment is an alternative to unemployment and a way out of poverty (Bogan & Darity, 2008:1999). Brown *et al.* (2011:425) draw attention to the fact that self-employment and entrepreneurship have been looked upon as the ways for creating employment for others and in so doing alleviate unemployment and poverty. For many in the labour force self-employment is viewed as an essential occupational option (Dawson *et al.*, 2009:4) while at the same time it is generally perceived as an engine of economic growth and a way to upward economic mobility (Lofstrom, 2013:933).

Some of the importance of self-employment is that it promotes invention and innovation and simultaneously it increases self-reliance and well-being (Blanchflower, 2000:472). In agreement with this, are Karoly and Zissimopoulos (2004:27) who are of the view that the levels of job satisfaction among the self-employed tend to be higher in comparison to the wage and salaried employees. Benz and Frey (2008:362) confirmed these views by using the German Socio-economic panel survey (GSOEP), the British Household Panel Survey (BHPS) and the Swiss Household Panel Survey (SHP) to analyse the effect of self-employment on job satisfaction. In their analysis, they found that regardless of the income or hours worked the self-employed derived higher satisfaction than those employed by others. They concluded that this was because the self-employed have a greater amount of self-determination and freedom as opposed to persons in dependent employment who have to obey orders from their bosses.

A different perspective is articulated by Jamal (2007:250), who remarked that self-employment more often than not go along with a number of serious sacrifices by the self-employed as the demands of work dominate their lives greatly. As a result, due to persistent uncertainty and possibility of failure of the business, high emotional and physical resources are required. This was confirmed by the findings of a study the author conducted among the self-employed and organisationally employed individuals in Canada and Pakistan. The findings revealed that although the self-employed displayed higher non-work satisfaction compared to the organisationally employed, generally they experienced higher burnout, emotional fatigue and lack of accomplishment. Nonetheless, researchers agree that the self-employed have common characteristics and the next section deals with some of them.

### **3.6 CHARACTERISTICS OF THE SELF-EMPLOYED**

Research on self-employment often point to a relationship between personality traits and self-employment behaviour (Rauch & Frese, 2007:353) and in support of this, there is extensive literature that connects specific personality characteristics and the self-employed (Beugelsdijk, 2007:189). These personality traits are important when describing self-employment (Caliendo *et al.*, 2014:787). Some of the personality characteristics that are mentioned in the literature include risk tolerance, innovativeness, entrepreneurial ability and autonomy (Fairlie & Holleran, 2012:370). Rauch and Frese (2007:358-359) single out need for achievement, innovativeness, need for autonomy, pro-active personality, generalised self-efficacy, stress tolerance and internal locus of control as the characteristics that distinguish the self-employed from the general population.

Beugelsdijk and Noorderhaven (2005:159) analysed the dataset of norms and values in 13 European countries (European Values Surveys) to investigate characteristics that distinguish

the self-employed from the general population and wage or salary workers. The analysis indicated that the self-employed are individually oriented compared to the general population because individual responsibility and effort were found to be distinguishing characteristics. Similarly, Gorgievski *et al.* (2010:94) used the Dutch self-employed and salaried workers from a wide range of companies and occupations as their sample to examine whether high levels of work engagement and workaholism were certainly the characteristics of the self-employed. Among others, they found that the self-employed are more passionate regarding their work, they work more excessively and report higher work commitment than their salaried counterparts. From this, it is evident that self-employment requires individuals with unique characteristics. Previous research has indicated that although some are born with these characteristics, there is equally compelling evidence that people can be taught to be self-employed. Therefore, there is justification to suggest that self-employment should be incorporated into the curriculum of higher education institutions. However, this should be done with consideration of other factors that determine self-employment. The next section deals with some of the determinants of self-employment.

### **3.7 DETERMINANTS OF SELF-EMPLOYMENT**

The decision to enter into self-employment is a consequence of many factors (Tervo, (2006:1055). Among others, this may include environmental conditions, which significantly influence the decision to enter into self-employment and they should be taken into account (Urban, 2007:326). Due to the rising levels of self-employment in many industrialised nations, there has been a notable debate regarding the factors that influence its growth (Hughes, 2003:434). In response to the increasing rates for self-employment policy makers and researchers alike shifted their attention towards the determinants of self-employment (Ahn, 2010:434; Van Es & Van Vuuren, 2010:7). It was not surprising to notice that there has been an increasing body of literature regarding the factors that determine self-employment and entrepreneurship (Noorderhaven *et al.*, 2004:449; Martínez *et al.*, 2007:100).

Due to the social and economic relevance of self-employment, it is imperative to understand how self-employment decisions are made and what factors influence individuals when making such decisions (Koellinger *et al.*, 2007:503). Hofstede *et al.* (2004:164) are of the view that the factors that determine self-employment can be examined at different levels. For example, at an individual level the motives that influence one to enter into self-employment can be examined. On the other hand, the influence of markets, regulatory and business environment can also be investigated to understand how they nurture self-employment. These views affirm that the

decision to enter into self-employment is a complex one hence other factors should be considered and not only the decision of an individual.

Some of the factors that have received attention include age, gender, work experience, professional background and educational and psychological profile (Martínez *et al.*, 2007:100). Further research indicates that in addition to social background and past work, self-employment determinants include motivation, individual attributes and the macro-economic environment (Cheng, 1997:583). Koellinger *et al.* (2007:504) are of the view that the decision to become self-employed is influenced by both objectively measurable variables and subjective preferences and perceptions. Objective variables may include age and gender which have been identified as playing a role in the decision to become self-employed. On the other hand, subjective preferences and perceptions include features such as self-confidence and the contention in respect of this is that individuals who show more self-confidence are most likely to be involved in self-employment.

Motivation for self-employment has been widely researched and much of the literature on self-employment identifies personal characteristics such as need for achievement or a high locus of control as some of the motivating factors (Walker & Webster, 2007:123-124). Conversely, negative experience such as perceived lack of opportunity for advancement, avoidance of low paid occupations and escaping supervision has the potential to drive people into self-employment.

In recent years, more attention has been paid to non-monetary factors such as job satisfaction and family life (Leoni & Falk, 2010:169). Some of the positive motivating reasons for individuals to choose to be self-employed are self-expression, status, independence and economic advantages (Dawson *et al.*, 2009:1). Sorensen (2004:3) contends, "entry into self-employment is a unique career transition that requires the ability to identify entrepreneurial opportunities, the mobilisation of resources and the willingness to pursue risky ventures." Similarly, Caliendo *et al.* (2014:789) emphasise that those who intend to be self-employed should be capable of identifying and exploiting opportunities. The next section discusses some of the selected determinants of self-employment.

### **3.7.1 Opportunity-driven versus necessity-driven self-employment**

Research differentiates between opportunity and necessity driven self-employment. Opportunity-driven entrepreneurs are pulled into self-employment because of perceived benefits while necessity-driven entrepreneurs are pushed into self-employment by negative external factors such as layoffs and lack of job opportunities (Dawson *et al.*, 2009:4). The pull view refers

to a situation in which self-employment is largely shaped by individual choice where individuals seek out greater independence and opportunity while in terms of the push view self-employment is perceived as a product of restructuring that have forced formerly secure employees out into minimal forms of employment (Hughes, 2003:435). The likelihood is that opportunity-driven entrepreneurs could have systematically prepared for their entry into self-employment and invested in human capital while in contrast necessity-driven entrepreneurs are likely to have started their businesses for monetary reasons (Block & Sander, 2009:119).

Individuals are more often attracted to self-employment with the belief that it will provide greater benefits and they are pushed into it because of dissatisfaction with their current state (Hofstede *et al.*, 2004:167). In support of this view, Noorderhaven *et al.* (2004:447) used several sources to collect data on self-employment rates in 15 European countries for the period 1978 to 2000. They found that dissatisfaction with life and the way democracy works significantly influence individuals to consider self-employment. Some of the push factors may include chronic unemployment, low wages and labour market conditions, which create difficulty for individuals to pursue wage and salary employment in the job market (Shinnar & Young, 2008:244). Consequently, they are forced to enter into self-employment as a route out of poverty.

Hughes (2003:449) used self-employed women in Canada as a sample to probe the factors that push or pull women into self-employment. The findings revealed that most women were pulled into self-employment because of the desire for challenge, meaningful work, independence and positive work environment. Additionally, the perceived higher earnings of self-employment and sense of independence are some of the pull factors that attract individuals into self-employment (Shinnar & Young, 2008:244).

### **3.7.2 Unemployment**

There are differing views regarding the relationship between self-employment and unemployment (Hofstede *et al.*, 2004:170). For example, there is the view that the decision to be self-employed is a response to either being unemployed or perceived bleak future employment prospects while in contrast another view is that self-employment by virtue of creating a new business, contributes to the reduction of unemployment. In comparison to wage or salary employees, the opportunity cost of the unemployed is relatively low and as a result, this favours their choice for self-employment (Noorderhaven *et al.*, 2004:453). Another perspective is that high unemployment is normally associated with an economic failure, which makes self-employment prospects less profitable. Clearly, there is little agreement among researchers regarding the relationship between self-employment and unemployment (Thurik *et al.*, 2008:673).

Nonetheless, evidence suggest that unemployment has a bearing on an individual's decision to become self-employed because when unemployment rises self-employment becomes an attractive option (Cueto & Mato, 2006:23; Leoni & Falk, 2010:169). Schuetze (2000:507) analysed the importance of macroeconomic conditions regarding the male trends in self-employment in Canada and the United States for the period 1983 to 1994. The findings revealed that higher unemployment rates are related to an increase in self-employment. This is not surprising because losing a job may force one to consider self-employment as a source of income (Walker & Webster, 2007:125).

### **3.7.3 Risk tolerance**

For a long time, there has been support for the notion that one's risk attitude is an important indicator in the decision whether to be self-employed or work for someone (Caliendo *et al.*, 2009:153). A plausible reason for this is the fact that normally the less risk-averse individuals tend to choose self-employment as opposed to wage employment (Ekelund *et al.*, 2005:651). This is not unexpected because naturally business ownership is risky and, therefore, requires individuals who are risk tolerant. (Fairlie & Holleran, 2012:370). Caliendo *et al.* (2009:161) analysed data from the German socio-economic panel of individuals observed between 2004 and 2005. The purpose of their analysis was to find out whether risk attitude have an impact on the individual's decision to become self-employed. They found that less risk-averse individuals were more likely to become self-employed. Interesting in the study was that the probability of becoming self-employed increased only if the person comes out of regular employment while for those coming out of unemployment the risk attitude had little influence on the decision to become self-employed.

Ahn (2010:441) used data from the United States 1979 National Longitudinal Survey of Youth (NLSY79) to investigate the effect of risk tolerance on the prospect of entering into self-employment. The analysis revealed that risk tolerance has an enormous, positive as well as statistically significant influence on an individual's chance of entering into self-employment. Brown *et al.* (2011:433) also used the United States' Panel Study of Income Dynamics (PSID) data to investigate the relationship between attitudes towards risk and self-employment. They found that risk is positively associated with the prospects of entering into self-employment.

### **3.7.4 Family background**

There is evidence suggesting that family background has a very strong influence on an individual's likelihood to become self-employed. Therefore, children whose parents are self-employed are comparatively more likely to participate in self-employment because of better

access through their parents' knowledge regarding entrepreneurial opportunities (Sorensen, 2004:3). Tervo (2006:1056) emphasised this point by highlighting that research indicates that individuals who are raised in families where parents are entrepreneurs are likely to view self-employment as a career. Some of the cited reasons are that these individuals could have observed their parents in their youth and may well have participated in the running of the business and in so doing gained business experience. Likewise, an individual who acquires family business from their parents may possibly perceive self-employment as an obvious and probably the best option to secure occupational success (Cheng, 1997:583).

Hundley (2006:377) outlined three ways in which family background may influence an individual's decision to become self-employed, namely entrepreneurial inheritance, vocational inheritance and economic inheritance. First, entrepreneurial inheritance refers to the skills, values and other attributes that an individual acquired due to exposure to the self-employed parents, which may increase their probability to be self-employed. Secondly, regarding vocational inheritance, the view is that an individual is more likely to be self-employed when the parent worked in an occupation that required tasks that are similar to those of an independent business. Thirdly, in terms of economic inheritance, the likelihood is that individuals from wealthier backgrounds may become self-employed because the higher family income may leverage self-employment whereas individuals from poorer backgrounds are likely to opt for secure employment.

### **3.7.5 Culture**

Hofstede (1991:5) defines culture as "the collective programming of the mind which distinguishes the members of one group or category of people from another." In line with this definition, Vinogradov and Kolvereid (2007:361) are of the view that cultural aspects play a significant part in explaining self-employment levels variations in different countries. There is strong evidence to suggest that a country or region specific factors have a significant role regarding the development of self-employment (Schuetze, 2000:508). Therefore, it is not surprising to note that a society's cultural orientation on entrepreneurship contributes significantly towards entrepreneurial activity (Beugelsdijk, 2007:190). This is manifested by lower self-employment rates in countries that are known for less materialistic values (Noorderhaven *et al.*, 2004:448).

In an attempt to investigate the relationship between entrepreneurial culture and economic growth in 54 European regions empirically, Beugelsdijk (2007:205) found that regions where economic growth was high had a culture that may well be characterised as entrepreneurial. Similarly, the findings of a study by Vinogradov and Kolvereid (2007:372) among immigrants in

Norway confirmed that to a great extent culture could influence the decision to become self-employed. The findings revealed that immigrants coming from countries where self-employment rates have a habit of being relatively high were more likely to become self-employed because they might have experienced self-employment before.

### **3.7.6 Demographic factors**

Individual characteristics such as marital status, age, gender and education are regarded as some of the factors that may pull or push individuals into self-employment. Kim (2007:398) analysed data from the population survey, which is a monthly household survey led by the Bureau of the Census for the Bureau of Labour statistics in the United States. The analysis revealed that as age increases, the probability of self-employment also increases. In addition, one finding was that females were less likely to be self-employed, compared to males. Another finding indicated that because of liquidity constraints, Blacks were less likely to be self-employed compared to their White counterparts. With regard to education levels, the finding was that the more educated people are, the more likely they will enter into self-employment at later years of their lives.

The influence of age on self-employment is affirmed by the fact that in 2002 although workers who were 45 years and older constituted 38 percent of the workforce in the United States, they accounted for 54 percent of the self-employed (Karoly & Zissimopoulos, 2004:24). In other words, members of the older generation were more enthusiastic to enter into self-employment compared to the young ones. A plausible reason for this could be that the elderly might have accumulated human and financial capital (Leoni & Falk, 2010:170). Bogan and Darity (2008:2000) outlined some of the reasons why African Americans do not enter into self-employment. They cited low levels of education, low asset levels, probabilities of not having self-employed parents and discrimination.

Falk and Leoni (2009:1070) analysed Austria's 2001 population census data and found that self-employment rates increased as the education levels increased. Furthermore, the analysis revealed that the likelihood is that as age increases people were more likely to get into self-employment while the propensity of men entering into self-employment was higher than that of women. They also found significant differences regarding the field of study. For example, individuals with educational studies degrees were less likely to become self-employed compared to those with other degrees. This finding supported Leoni and Falk's (2010:168) view when they suggested that the field of study greatly influences the decision to enter into self-employment.

Van Es and Van Vuuren (2010:25) analysed the Dutch labour force survey for the period 1992 to 2006 and found that the aging of members of society is an important indicator for the increase in self-employment because the elderly were more often self-employed in comparison to the youth. Similar to other studies, the medium and highly educated were found to be more likely to enter self-employment compared to their less educated counterparts. Mohapatra *et al.* (2007:165) further confirmed the influence of education on self-employment after analysing data on 20-year (1981-2000) labour market histories in China. Similar to other studies they found that educated persons are more likely to enter into self-employment. More interesting about this finding was that education attainment was more noticeable in high productivity self-employment and the conclusion drawn from this was that self-employment is developing into a more formal sector. The afore-mentioned findings confirm that demographic factors to a certain extent influence the decision to be self-employed. There is a view among researchers that self-employment is preceded by intentions (Urban & Barreira, 2007:571; Fatoki, 2010:89). Therefore, the following section addresses the self-employment intentions.

### **3.8 SELF-EMPLOYMENT INTENTIONS**

It will be prudent to first comprehend what self-employment intention entails. Bird (1988:442) describes the intention to start a business as a “state of mind that directs attention, experience and action toward a business concept, set the form and direction of organisations at their inception”. Another perspective is that self-employment intentions refer to one’s judgements regarding the prospects of owning a business (Crant, 1996:43). Fatoki (2010:89) describes self-employment as a process and, therefore, its intentions should be viewed as the first step in an evolving process. Urban and Barreira (2007:571) are of the view that intentions are “the single best predictor of any planned behaviour, including self-employment”. This is not surprising because there is ample evidence that points to a strong association between self-employment intention and actual entrepreneurial activity (Turton & Herrington, 2012:33).

However, the intention to start a business should not be confused with the mere desire or personal disposition because it is a conscious and planned resolve that drives the required actions to start a business (Thompson, 2009:671). This argument is based on the fact that many individuals may in theory have a desire to own a business and indeed the personality to be self-employed, yet they ended up not putting their ideas in practice. On the other hand, the intention to own a business or to be self-employed could be attained without undertaking any of the actions that entrepreneurs normally perform (Thompson, 2009:671). For example, people who want to own a business can simply buy an existing business or a franchise and appoint managers to run it on their behalf.

In light of this, many scholars and authors of entrepreneurship acknowledge that self-employment intentions are a consequence of many influential factors. Consequently, researchers continue to show interest in the factors that influence self-employment intentions. The next section deals with some of the factors that influence self-employment intentions.

### **3.8.1 Factors influencing self-employment intentions**

Investigating the factors that determine self-employment intentions has become a focal point in entrepreneurship research (Schwarz *et al.*, 2009:273). Therefore, it is imperative to better understand the factors that influence self-employment intentions (Liñán & Cheng, 2009:593) because they form an important component of studying the process of business creation (Lee *et al.*, 2011:125). Most importantly is that intentions offer a better understanding of how new businesses emerge (Malebana, 2014:3).

There is a view suggesting that individuals' personal background, entrepreneurial motive and exposure to entrepreneurship education influence their self-employment intentions (Viviers *et al.*, 2013:10). Similarly, non-cultural and contextual factors play a role in shaping a person's entrepreneurial behaviour and action (Morrison, 2000:60). According to Peterman and Kennedy (2003:131) perceived desirability, perceived feasibility and propensity to act are the factors that give effect to intentions to start one's own business.

Some of the factors that influence self-employment intentions include prior experience, need for achievement and need for control along with individual, social, political and economic variables (Bird, 1988:443). On the other hand, work environment and personal factors have the potential to influence a person's intention to start a business (Lee *et al.*, 2011:124). Naturally, low job satisfaction among employees who are confident about their skills may cause them to leave their companies and start their own businesses.

There is a wide-ranging consensus among scholars of entrepreneurship that culture plays an important role in shaping self-employment intentions. For example, Pruett *et al.* (2009:573) remarked that culture, exposure to entrepreneurial role models, family support and entrepreneurial disposition might influence self-employment intentions. This is not surprising because cultural and social norms are known to have significant influence on entrepreneurial intentions (Turton & Herrington, 2012:34). Morrison (2000:67) conducted a cross-cultural study that involved Australia, Slovenia, Mexico, North America, Finland, Scotland, South Africa and Kenya. The author found a significant relationship between culture and entrepreneurial actions. The findings revealed that societies that embrace strong communal and collective values do not support wealth creation through self-employment while those with strong individualistic valued

do. However, the author cautions that not all members of society will subscribe to cultural values.

Liñán and Cheng (2009:598) concur that a culture that is supportive of entrepreneurship would most likely lead to higher self-employment intentions among its population. Conversely, a culture that is not supportive to entrepreneurship would lead to lower self-employment intentions. This view was confirmed by the findings of a study they conducted among students in Spain and Taiwan. One of the findings was that the beliefs associated with entrepreneurship differed significantly between the two countries and they concluded that this was because of the cultural differences of the two nations.

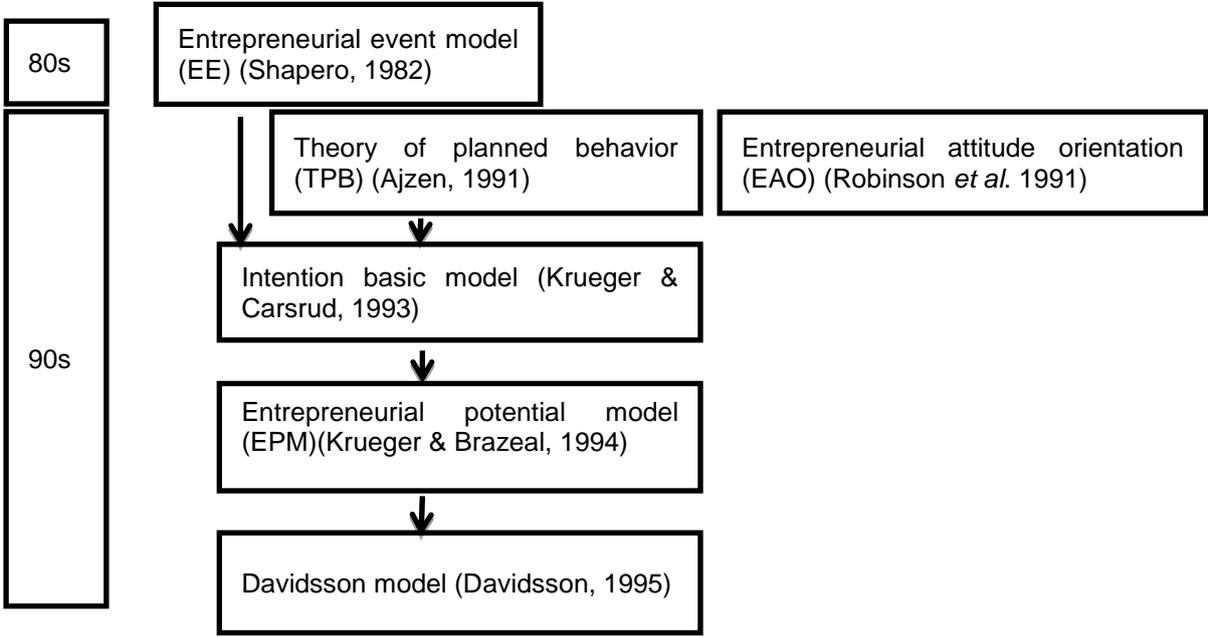
Farrington *et al.* (2012b:41) are of the view that demographic variables are commonly used to research self-employment intentions. Emphasising this are Farrington *et al.* (2012b:41) who are of the view that demographic variables such as birth, age, role models, family background, education level as well as work habits can be used to develop an individual's entrepreneurial profile. They investigated the influence of demographic variables on self-employment intentions among undergraduate business management students of three South African universities. Among others, the findings revealed that university attended, level of study and ethnicity significantly influence students' self-employment intentions.

The findings of a study by Schenkel *et al.* (2014:16-17) among two groups of students at a Mid-Western university in the United States revealed that entrepreneurial self-efficacy of students influences their intention to start their own businesses. The purpose of the study was to investigate how to prepare students with the mind-set to undertake entrepreneurial activities. These findings confirmed Kolvereid and Isaksen's (2006:882) view that entrepreneurial self-efficacy is related to entry into self-employment, especially in countries where unfavourable conditions prevail for would-be entrepreneurs. Entrepreneurial self-efficacy refers to the degree to which individuals have confidence in their capabilities to start their own businesses. In light of these views, there is an increase in the usage of intention models to explain self-employment intentions (Farrington *et al.*, 2012a:19). The next section deals with self-employment intention models.

### **3.8.2 Self-employment intention models**

Guerrero, Rialp and Urbano (2008:36) mentioned six main models that were developed in the 1980s and 1990s. These models among others include the theory of planned behaviour by Ajzen (1991), the entrepreneurial attitude orientation model by Robinson *et al.* (1991) and the

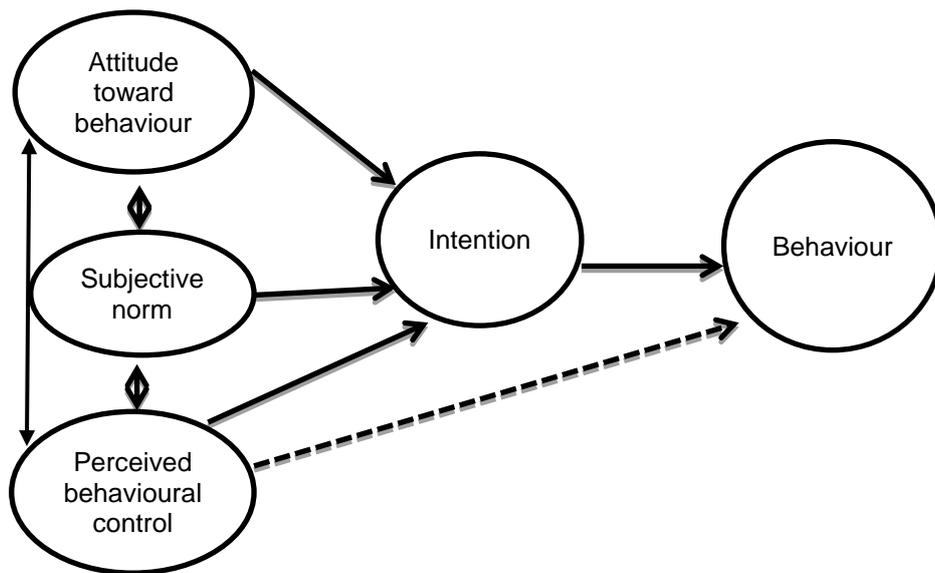
Davidsson model by Davidsson (1995). Figure 3.1 illustrates the evolution of entrepreneurial intention models during the 1980s and the 1990s.



**Figure 3.1: Evolution of entrepreneurial intention models**

Source: Guerrero *et al.* (2008:37)

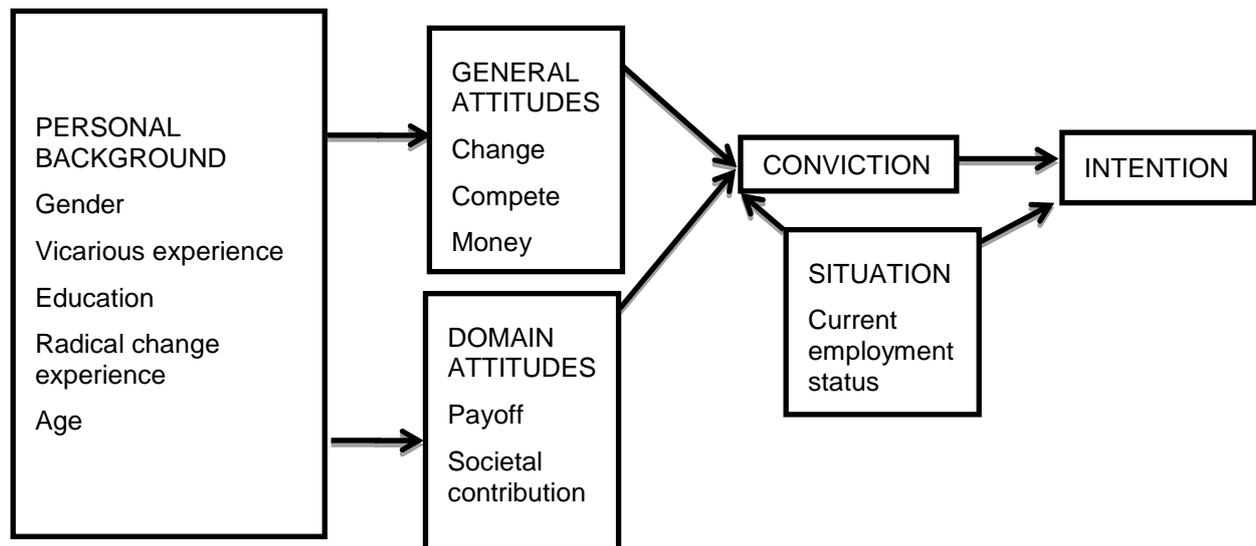
As illustrated in Figure 3.2 the theory of planned behaviour describes the formation of intentions through the person’s attitude toward the behaviour, the subjective norms such as the perceptions of other people’s views of the proposed behaviour and the person’s perception of behavioural control (Ajzen, 1991:179). According to this model, the intentions indicate how hard a person is willing to try and the stronger the intention to engage in certain behaviour, the more likely the performance.



**Figure 3.2: Theory of planned behaviour**

Source: Ajzen (1991:182)

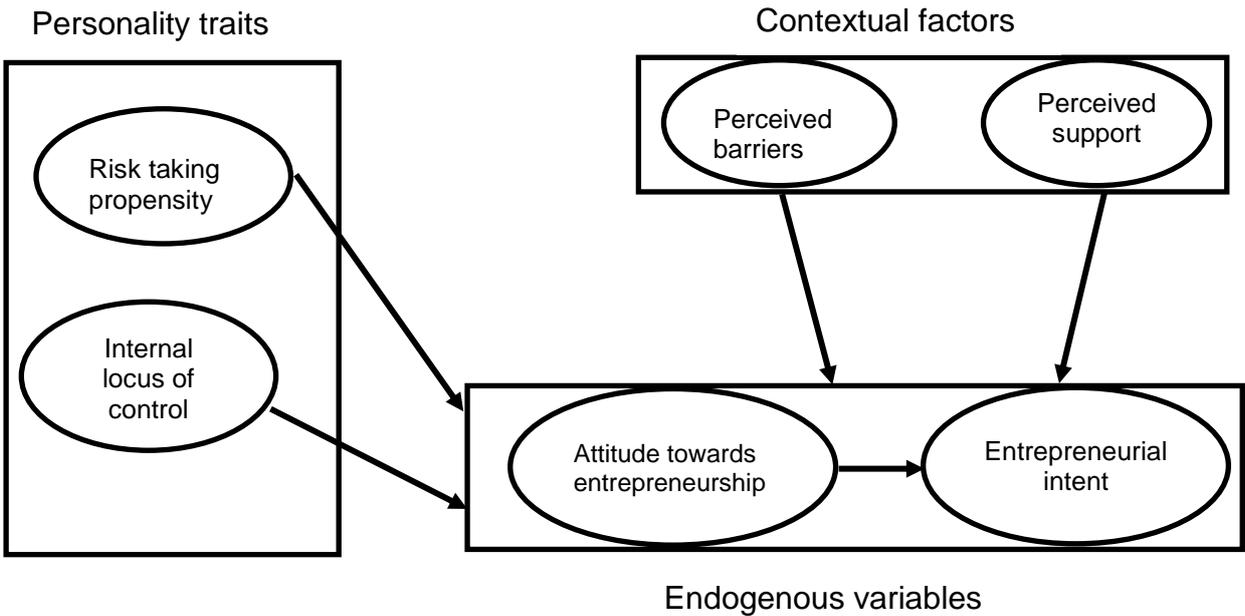
The entrepreneurial attitude orientation model views a person's attitude as a better predictor of intention than either personality or demographics (Robinson *et al.*, 1991:23). According to the economic-psychological model of Davidsson (1995:22), the conviction defined by general attitudes and the current situation can influence intentions as illustrated in Figure 3.3.



**Figure 3.3: An economic-psychological model of determinants of entrepreneurial intentions**

Source: Davidsson (1995:5)

Lüthje and Franke (2003:138) designed what is known as a covariance structure model as illustrated in Figure 3.4. According to this model, both individual traits and contextual factors are integrated. This model combined four constructs, namely the risk taking propensity, the locus of control, the environmental support and the contextual barriers. The researchers tested the model among 512 students at the Massachusetts Institute of Technology (MIT) school of engineering and the results indicated that the four constructs had an effect on self-employment intentions either positively or negatively. Among others, the results of the study confirmed that entrepreneurial attitude is strongly associated with the intention to start a business. This finding can be interpreted as suggesting that an individual who shows a positive attitude towards entrepreneurship is more likely to manifest self-employment intentions compared to the one who shows a negative attitude towards entrepreneurship. Furthermore, the results revealed that perceived contextual barriers and support factors might influence self-employment intentions. For example, the students who realised an antagonistic environment for business were less likely to become self-employed.



**Figure 3.4: Structural model of entrepreneurial intent**

Source: Lüthje and Franke (2003:139.)

**3.8.3 Self-employment intentions among students**

Farrington *et al.* (2012a:18) are of the view that if students identify themselves as having the attributes associated with successful entrepreneurs the likelihood is that they will perceive themselves as having the capabilities to engage in self-employment. In line with this, there are

numerous endeavours to strengthen, encourage and support self-employment as an attractive substitute to wage employment for students (Schwarz *et al.*, 2009:273). A plausible reason could be due to the realisation that in recent years there has been growing unemployment rates among graduates. Students should engage in self-employment activities as well-educated entrepreneurs are expected to build businesses that grow faster in comparison to their less-educated counterparts (Schwarz *et al.*, 2009:273).

It is encouraging that the idea of becoming self-employed is increasingly becoming attractive to students as many view it as a valuable way to participate in the labour market (Martínez *et al.*, 2007:100). For example, in the United Kingdom, there is growing number of graduates who participated in self-employment since 1999 and this is revealed by the examination of the UK's statistics from the Higher Education Statistics Agency (HESA) (Mclarty, 2005:223). This interest in self-employment among graduates in the UK has consistently increased over the years.

There is a view that if students are exposed to entrepreneurship training, the likelihood is that the exposure will have a positive effect on their intentions to start new businesses (Izquierdo & Buelens, 2008:8). Izquierdo and Buelens (2008:8) conducted a study among 236 university students who were exposed to an entrepreneurship course and the results revealed that after entrepreneurial interventions, the students' attitude towards entrepreneurship increased and this resulted in higher intentions to start new businesses. Similarly, Pittaway and Cope (2007:479) conducted a systematic literature review of entrepreneurship education and the findings confirmed that entrepreneurship education has an impact on students' propensity and intentionality.

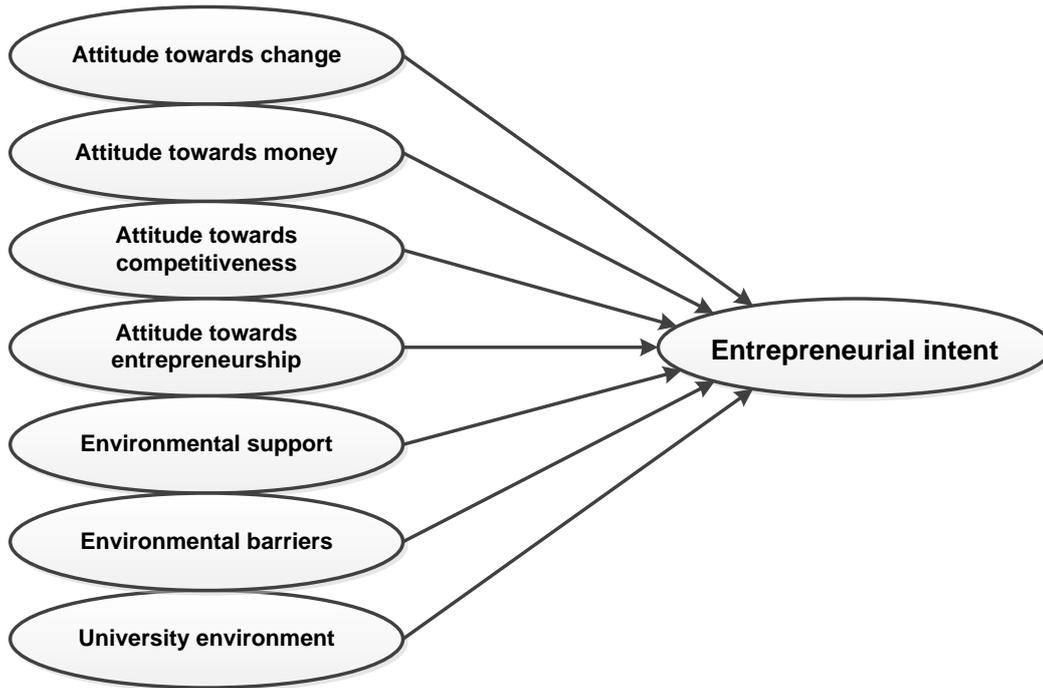
Mclarty (2005:223) conducted a study among graduate entrepreneurs in East Anglia, England. The purpose of the study was to investigate issues that may have an impact on graduates' business development. The findings revealed that although graduates received support from family, they were poorly prepared for business. Some of the reasons that were cited were that it looked as if universities did not teach entrepreneurship because the courses offered were not designed to develop self-employment drive and skill application. Pruett *et al.* (2009:590) conducted a study among university students in the United States, China and Spain. The findings indicated that a respondent's country, exposure to entrepreneurship and social norms have an influence on one's intention to start own business. One finding was that students whose family members were entrepreneurs were found to be more likely to start their own businesses. The afore-mentioned findings confirm that exposure to entrepreneurship influences intentions to be self-employed. However, it would be worth noting that the journey from being a

student to being an entrepreneur is a complex one and involves diverse processes (Nabi & Holden, 2008:549).

In a study among students from Midwestern University in the United States, Crant (1996:47) found that self-employment intentions were influenced, to a great extent, by variables such as gender, education and entrepreneurial parents. For example, males reported higher self-employment intentions compared to their females counterparts. This was not surprising given the findings of other studies that tend to show males to be more entrepreneurial compared to females (Herrington *et al.*, 2008:4). Similar to the findings of Pruett *et al.* (2009:590) the findings indicated that students whose parents happened to be self-employed were more likely to start their own businesses.

### **3.8.3.1 Intention models for students**

Schwarz *et al.* (2009:277) proposed an intention model for students that will focus on general attitudes, attitudes towards entrepreneurship and the perceptions on environment conditions and this is illustrated in Figure 3.5. In terms of general attitudes, the authors identified three factors, namely attitude towards change, attitude towards money and attitude towards competitiveness. Regarding the attitude towards change, the authors argue that because new business formation normally is faced with unpredictable challenges, students with positive attitude towards change are likely to view the creation of a business as an attractive alternative career. In terms of the attitude towards money, the view is that students who have a positive attitude towards money are likely to choose self-employment because high income is normally associated or viewed as a sign of achievement and a means to achieve autonomy. The attitude towards competitiveness implies that students with the willingness to compete and win are likely to start their own businesses. Furthermore, it is contended that students with a favourable attitude towards entrepreneurship are likely to choose self-employment. In terms of this model, it is argued further that when students perceive the environment as supportive, the likelihood is that they may choose self-employment as opposed to when they perceive the environment as hostile or restrictive.



**Figure 3.5: Model of entrepreneurial intent (students)**

Source: Schwarz *et al.* (2009:277)

### 3.8.4 Self-employment intentions among South African students

Despite the government of South Africa putting self-employment high on its agenda, self-employment intentions among students remain very low (Fatoki, 2010:92). Some of the cited obstacles regarding the low self-employment intentions among students are lack of access to capital, lack of competency, crime, lack of willingness to take risk and fear of failure to mention a few. In an attempt to encourage self-employment among the youth in 2008 government launched the National Youth Development Agency (NYDA) to improve entrepreneurship and reduce unemployment among the youth and graduates.

Muofhe and Du Toit (2011:2) attributed the lack of self-employment intentions among South African students to the inability of the higher education system to enhance entrepreneurial skills. The authors contend that the system is theory-based and do not respond adequately to the skills demands of the world of business and as a result entrepreneurial activity in South Africa lags behind.

A similar view is shared by Radipere (2012:11018) who remarked that instead of the current curriculum educating students to be entrepreneurs it focuses on educating them about entrepreneurship. As a result, universities produce entrepreneurship graduates and not

entrepreneurs. In support of these views, more in-depth research regarding entrepreneurship education indicates that both in terms of content and methods, entrepreneurship programmes in South Africa appear to be incapable of meeting the desired outcomes (Viviers *et al.*, 2013:8). Reflecting on the afore-mentioned views and findings, it is imperative that entrepreneurial intentions and behaviours of university students in South Africa should be well thought-out when developing entrepreneurship offerings.

Steenekamp *et al.* (2011:67) conducted a study among learners in 16 schools in the Sedibeng district of Gauteng province, South Africa. The purpose of the study was to examine the status of entrepreneurship education and its impact on the learners' attitude regarding entrepreneurship. The findings revealed that in spite of the majority of learners indicating that they identified business opportunities in South Africa and view entrepreneurship as a desirable career choice, only one in three learners had plans to start their own businesses immediately after finishing school.

Luiz and Mariotti (2011:61) examined the attitudes and perceptions of South African students about entrepreneurship. They found that generally students have a positive attitude towards entrepreneurship and more than half of them indicated that they intent to enter into self-employment as soon as possible. The third Global University Entrepreneurship Spirit Students Survey' (GUESSS) measured the entrepreneurial intentions and behaviours among university students in 26 nations including South Africa. The results were encouraging as South African students were more interested in starting their own businesses compared to their international counterparts (Viviers *et al.*, 2013:18).

Due to the seriousness of unemployment among South African graduates, the role of entrepreneurship educators should be to highlight the status of self-employment and emphasise the importance of obtaining the relevant knowledge (Farrington *et al.*, 2012a:28). Evidence suggests that when students are taught entrepreneurship they are likely to intent to start their own businesses. This notion is based on the fact that entrepreneurship education can stimulate business start-up at three levels, namely attitudinal, intentional and practical level (Steenekamp *et al.*, 2011:51). This could be interpreted as suggesting that entrepreneurship education has the potential to change attitudes of students towards entrepreneurship and improve their intentionality to start businesses.

Muofhe and Du Toit (2011:14) conducted a study among final year students in the faculty of management of a higher education institution in Johannesburg, South Africa. The first purpose of the study was to investigate entrepreneurial intention differences between entrepreneurship and non-entrepreneurship students. Secondly, the aim was to investigate the relationship

between entrepreneurship education and intentions and the relationship between role models and intentions. Among others, the findings revealed that compared to non-entrepreneurship students, entrepreneurship students showed a positive attitude towards becoming self-employed and simultaneously had higher entrepreneurial self-efficacy and intention. Furthermore, the findings showed an association between entrepreneurship education and entrepreneurial intention of students.

Malebana (2014:17) conducted a study among third year students in two rural provinces of South Africa to investigate whether entrepreneurial education influences perceptions regarding their entrepreneurial self-efficacy and whether there is a relationship between perceived self-efficacy and intention to start a business. The findings revealed that those who were exposed to entrepreneurial education perceived their entrepreneurial self-efficacy differently from those without entrepreneurial education exposure. Furthermore, it was found that the perceived self-efficacy was significantly related to the students' entrepreneurial intention.

The afore-mentioned findings indicate that some students have a positive attitude towards self-employment and intend to start their own businesses in the future. One could ask the question, If students are so positive about entrepreneurship, why are self-employment rates so low among them? A plausible reason could be that students expect to find work in the corporate world and give little attention to self-employment (Luiz & Mariotti, 2011:49). South Africa's poor performance regarding self-employment justifies the need to investigate self-employment continuously (Ligthelm, 2013:58). The present study investigated the relationship between perceived employability and intention for self-employment among university students.

### **3.9 CONCLUSION**

This chapter presented a discussion regarding self-employment from different perspectives. This was based on the fact that previous research indicated that self-employment should be understood from a contextual point of view. On account of this, there is an unprecedented interest towards self-employment around the world. Based on the literature it was evident that many governments provide assistance in many forms to encourage citizens to engage in self-employment. Many programmes that are earmarked to help the unemployed to enter into self-employment reflected this. Based on the findings from previous studies entrepreneurship and self-employment levels show a picture that is not good-looking because comparatively South Africa is lagging behind. Therefore, this provides more reason to research self-employment and entrepreneurship and in particular intentions among South African students.

Furthermore, despite differing views, there is a shared view among researchers that self-employment is important for both the individual and the economy of a country. More significant among many is that it creates job opportunities for the unemployed and in doing so contribute immensely towards economic growth and development of many countries.

Furthermore, there was a detailed discussion regarding the characteristics of the self-employed. However, some caution that there is no one well-defined profile that describe a self-employed individual given that there are many and differing reasons why individuals enter into self-employment. The chapter also provided a detail discussion regarding the determinants of self-employment and presented some of the factors that are believed to be influential in causing people to enter into self-employment.

In light of the ample body of research indicating that entrepreneurial behaviour is preceded by intention, the chapter discussed self-employment intentions. Furthermore, in support of the view that intentions are predictors of entrepreneurial activity, different models as provided by different researchers were also presented. Because the present study is about students, the chapter presented a discussion regarding the self-employment intentions among students around the world and South Africa. The next chapter presents the research methodology that was used in this study.

## **CHAPTER 4**

### **METHODOLOGY**

#### **4.1 INTRODUCTION**

The previous chapter reviewed the literature regarding self-employment. This chapter focuses on the research methodology used in the study, which includes the research design and methodology, the sampling strategy, the target population, sampling frame, sampling methods and sampling size. The chapter also discusses the data collection process, which outlines the procedure followed for the administration of the questionnaire. Furthermore, it discusses the reliability and validity of the questionnaire. The chapter further discusses factor analysis to establish the reliability of the data. This is followed by a discussion of ethical considerations relating to research. It concludes with a section on the analyses of the data.

#### **4.2 RESEARCH DESIGN**

A research design is a plan that the researcher will follow to achieve the research objectives of the study (Berndt & Petzer, 2011:31). It sets the stage for the foundation of the research project, and ensures that the research is conducted effectively and efficiently (Malhotra, 2010:102). Furthermore, the research design clarifies whether the research is exploratory, descriptive or causal. The purpose of exploratory research is to clarify and define the research problem and, provide insight and understanding regarding the problem (Zikmund, 2003:43-45). In contrast, descriptive research describes the characteristics of relevant groups or a phenomenon whereas causal research is conducted primarily to identify cause-and-effect relationships between two or more variables. Malhotra (2010:113) describes the purpose of causal research as to understand which variable is the cause and which variable is the effect of a phenomenon and to determine the nature of the relationship between two or more variables. For this study, descriptive as well as causal research was appropriate. The causal research enabled the researcher to address the primary objective of this study; to investigate the relationship between perceived employability and intention for self-employment among university students. In addition, the descriptive research described the perceptions of students regarding their employability skills, employability and intention for self-employment.

#### **4.3 RESEARCH METHODOLOGY**

There are two research approaches, namely qualitative and quantitative. Many factors influence the selection of the most appropriate method (Berndt & Petzer, 2011:41). For example, the nature of the data, which the researcher wants to obtain, may dictate the selection of an

appropriate method. Similarly, the size and nature of the sample, the response rate and quality, data analysis and reporting of results may influence the selection of an appropriate method (Malhotra, 2010:133). Table 4.1 illustrates the differences between qualitative and quantitative research methods.

**Table 4.1: Quantitative research versus qualitative research**

Quantitative Research	Qualitative Research
Researchers test hypotheses that are stated at the beginning.	Researchers capture and discover meaning once they become immersed in the data.
Concepts are in the form of distinct variables.	Concepts are in the form of themes, motifs, generalisation and taxonomies.
Measures are created systematically before data collection and are standardised.	Measures are created in an ad hoc manner and are often specific to the individual setting or researcher.
Data are in the form of numbers from precise measurement.	Data are in the form of words and images from documents, observations and transcripts.
Theory is largely causal and is deductive.	Theory can be causal or non-causal and is often inductive.
Procedures are standard, and replication is frequent.	Research procedures are particular and replication is very rare.
Analysis proceeds by using statistics, tables, or charts and discussing how what they show relates to hypotheses.	Analysis proceeds by extracting themes or generalisations from evidence and organising data to present a coherent, consistent picture.

Source: Neuman (2014:176)

Qualitative research emphasis is more on a subjective detailed examination of specific cases that arise, describe details of the relationship of variables, and follow a non-linear research path by means of an inductive approach. Qualitative research involves fewer participants and it aims to understand the background of the research problem (Berndt & Petzer, 2011:44). Data comprised words and images from documents, observations and transcripts. The analysis involves the extraction of themes to capture and discover meaning. The researcher may choose focus groups, in-depth interviews, observation techniques projective techniques and case studies to collect data.

In quantitative studies, the processes are more systematic and objective. Quantitative research is more structured and systematic. Data are in the form of numbers and statistical techniques are used to analyse it. Quantitative research emphasises the measurement of variables and test a hypotheses. Furthermore, quantitative studies seek to confirm or disprove a relationship or

hypothesis between the variables in the research. In line with the primary objective of this study, quantitative research was deemed appropriate. The primary objective of this study was to investigate the relationship between perceived employability and intention for self-employment among students. In addition, the students' perceptions were compared in terms of gender, field of study and year of study to determine if there were any similarities or differences. Furthermore, data were subjected to different statistical analytical techniques

#### **4.4 SAMPLING STRATEGY**

Sampling involves different ways of drawing samples that are random whose findings can be used to draw inferences about a population in general (Maree & Pietersen, 2011:172). The significance of sampling is that it cut costs, as it can be too expensive and time-consuming to obtain information from a large population. The researcher can choose either a probability or non-probability sampling method. The next section discusses the target population, followed by a discussion of the sampling frame, methods of sampling and the sample size.

##### **4.4.1 Target population**

Berndt and Petzer (2011:165) define population as the total collection of elements about which the researcher wants to make inferences. The target population must be defined accurately and the researcher must be clear regarding who should and should not form part of the participants in a study (Malhotra, 2010:372). The significance of defining the target population accurately is to avoid ineffective and misleading findings. An accurate definition of the target population is important as it simplifies accessibility and ensures the research project's success (Berndt & Petzer, 2011:171). By clearly defining the target population, the researcher can easily identify the correct sources from which data can be collected (Zikmund, 2003:292).

For this study, the target population is described as registered second-year, third-year and postgraduate students from four higher education institutes (North-West University, Vaal University of Technology, University of the Free State and Central University of the Free State) located across two provinces in South Africa. This includes male and female students of different designated groups (races) who were registered for the 2014 academic year in different fields of study. In the context of this study second, third and postgraduate students are assumed to have more knowledge, are more experienced and mature than first year students. Furthermore, they are in a better position than first year students are to make decisions regarding their future careers.

#### **4.4.2 Sampling frame**

A sample frame comprises a list of elements from which a sample may be drawn (Zikmund, 2003:293). It is essential that the sample should be accurate and suitable to represent the population as outlined in the research question (Berndt & Petzer, 2011:172). For this study, the population were university students in South Africa and, therefore, the sample frame comprised public universities across South Africa. The list consisted of traditional universities, universities of technology and comprehensive universities. According to the Council on Higher Education (2012:100), traditional universities refer to institutions that offer a broad range of general formative and professional programmes at both undergraduate and postgraduate levels. Comprehensive universities on the other hand are institutions that offer the full spectrum of programmes, including vocational, professional and general formative programmes at both undergraduate and postgraduate levels. Universities of technology (previously called Technikons) offer a range of programmes that are vocationally and/or professionally orientated, primarily at the undergraduate level. For the purpose of this study second-year, third-year and postgraduate students were drawn from selected universities in two provinces of South Africa.

#### **4.4.3 Method of sampling**

When selecting a sampling method the researcher should be mindful of the way the sample represents the population (Berndt & Petzer, 2011:173). The researcher can choose between two sampling methods, namely probability and non-probability sampling method. In probability sampling, each element of the population has a known, non-zero probability of being selected and the participants are selected randomly. There are four probability methods, which the researcher can select. Selecting the most appropriate method depends on the nature of the research problem, the costs and time involved to conduct the research, the availability of a suitable sample frame and the characteristics of the population (Maree & Pietersen, 2011:172). Probability sampling methods include simple random sampling, systematic sampling, stratified sampling and cluster sampling. Table 4.2 gives a description of the four probability sampling methods.

**Table 4.2: Probability sampling methods**

Method	Description
Simple random sampling	Each element in a population has an equal chance of being selected.
Stratified sampling	The population is divided into subgroups whose members have more or less the same characteristics.
Systematic sampling	The selection of an element begins with a random selection and then subsequent elements are selected on a sampling interval basis.
Cluster sampling	A large cluster of elements that are located in close proximity to one another are selected randomly and not the individual element in the population.

In a non-probability sampling method, the units of the sample are selected based on personal judgement or convenience. In this study, non-probability sampling method was used to select the four universities. The four universities were selected based on accessibility and cost-effectiveness. There are four identifiable techniques that can be used in non-probability sampling, namely convenience sampling, quota sampling, purposive sampling and snowball sampling. Convenience sampling was the appropriate sampling strategy as the students at four institutions were available and accessible. Table 4.3 gives a description of the non-probability sampling methods.

**Table 4.3: Non-probability sampling methods**

Method	Description
Convenience sampling	Here the researcher draws the population elements from a segment of the population that is easily and conveniently available to the researcher. It is normally quick and cost-effective.
Quota sampling	The researcher identifies groups of elements or people that need to form part of the sample and the required number.
Purposive sampling	The researcher chooses the sample based on a specific purpose in mind.
Snowball sampling	This method is selected where it is difficult to find the population.

#### 4.4.4 Sample size

When deciding on a sample size the researcher must consider several factors, as this is a complex process (Malhotra, 2010:374). Among others, this includes the nature of the research, the number of variables, sample sizes that were used in previous similar studies and the nature of the statistical analysis. Furthermore, determining the sample size is not easy as it depends on

factors such as the type of statistical analyses planned, accuracy of the results required and the characteristics of the population (Maree & Pietersen, 2011:178). For example, smaller samples may be adequate for homogeneous populations whereas larger samples may represent heterogeneous populations better.

Zikmund (2003:339) recommends sample sizes similar to previous studies as it provides the researcher with a comparison with other researchers' conclusions. Bonn *et al.* (2009:52) used a sample size of 701 students to investigate the entrepreneurial intentions of graduates, motivators and obstacles to entrepreneurial intention. Fatoki (2010:87) used a sample size of 985 students to investigate a set of job related traits, skills and abilities that are viewed as determining the employability of psychology students. Consistent with previous similar studies a sample of 800 students from four universities in two provinces of South Africa was selected to participate in this study. In each institution, second-year, third-year and postgraduate students were requested to participate in the study.

## **4.5 DATA COLLECTION**

There are different techniques that can be used to collect data and each technique has its own advantages and disadvantages (Maree & Pietersen, 2011:156). Data collection can take place via group administration of questionnaires, postal survey, telephone survey and face-to-face survey. Group administration of questionnaires entails the completion of questionnaires by a group of respondents while the researcher waits. On the other hand, in the case of postal surveys questionnaires are mailed to respondents who are expected to read instructions and respond to the questions. In the case of telephone surveys, the researcher phones the respondents and asks them questions about the research problem being investigated. Face-to-face surveys entail visits by a well-trained interviewer to ask respondents questions and record the answers. In this study, data were collected by means of a self-administered questionnaire among students at the four selected universities. This was in line with the quantitative approach that the study used.

### **4.5.1 Research questionnaire**

A questionnaire is described as a formalised set of questions for obtaining information from respondents (Malhotra, 2010:335). There are different types of questionnaires for different types of studies. A questionnaire is the most often used method for data collection because it can be completed in a short space of time, and it is cost-effective and easy to use (Maree & Pietersen, 2011:157). To minimise response error a questionnaire must translate the information required into specific questions that the participant can and will be able answer.

Questionnaire design forms an important part of research design because it is a process in which the researcher specifies the information needed and the type of method that will be followed (Malhotra, 2010:335). The content of the questions must be determined and the questions be designed in such a way that the inability and unwillingness of the respondents is overcome. The researcher must decide on the structure of the questions, the wording and arrange the questions in a proper order. This could be interpreted as suggesting that the researcher should give particular attention to the appearance of the questionnaire, the wording and response categories as well as the question sequence (Maree & Pietersen, 2011:158). A questionnaire must be reproduced to ensure that it looks professional in appearance. This process should be completed by pre-testing the questionnaire on a sample of participants to identify and remove possible problems.

A questionnaire should be viewed as an integrated whole because the survey questions should provide a valid and reliable measure (Neuman, 2014:321). Therefore, the questions should be clear, relevant and meaningful to the respondents. Furthermore, if a questionnaire is to accomplish the researcher's purpose, it must be relevant and accurate (Zikmund, 2003:250) and include simple direct questions and be as short as possible (Berndt & Petzer, 2011:186).

The questions should be clear and measure only a single idea so that even persons with relatively basic understanding of English will not be confused. In line with this, in this study, an attempt was made to use language, which was simple and easily understood. Three experienced academics tested the questionnaire for content and face validity. A cover letter, which explained the objectives and purpose of the study to participants, was attached to the questionnaire. In each section of the questionnaire, instructions were stated clearly.

When designing a questionnaire, the researcher can use open-ended or fixed (closed-ended) ended questions. Open-ended questions are suitable when the researcher wants to find the spontaneous opinion or attitude of the respondent. In other words, the respondent is expected to answer in his or her own words to a problem or question that is posed. In contrast, close questions allow limited options to the respondent and the respondent is to select the one that is closest to their point of view. One advantage of closed questions is that it simplifies scoring and ensures a high response rate. In this study, the demographic information of students was obtained by requesting students to mark the appropriate option in Section A of the questionnaire. In sections B, C and D using six-point Likert scales students were requested to indicate the degree to which they agree with the statements. This allowed the respondents to commit to either the positive or the negative views, and as a result avoid neutrality. Table 4.4 provides information regarding the design of the questionnaire.

**Table 4.4 Information on the design of the questionnaire**

Construct	Section	Source	Title of the study
Demographic information	A1-A5		
Problem solving and adaptability skills	B1.1 to B1.15	Singh & Singh (2008:26-27)	Malaysian graduates' employability skills
Human skills	B2.1 to B2.9	Singh & Singh (2008:26-27)	Malaysian graduates' employability skills
English language proficiency and literacy skills	B3.1 to B3.6	Singh & Singh (2008:26-27)	Malaysian graduates' employability skills
Information, communication and technology skills	B4.1 to B4.5	Singh & Singh (2008:26-27)	Malaysian graduates' employability skills
Personal organisation and time management skills	B5.1 to B5.7	Singh & Singh (2008:26-27)	Malaysian graduates' employability skills
Leadership skills	B6.1 to B6.5	Singh & Singh (2008:26-27)	Malaysian graduates' employability skills
Communication skills	B7.1 to B7.11	Singh & Singh (2008:26-27)	Malaysian graduates' employability skills
Perceived employability	C1 to C16	Rothwell & Arnold (2007:40)	Development of a self-report measure of perceived employability
Intention for self-employment	D1 to D7	Yusof <i>et al.</i> (2007:26-27)	Relationship between psychological characteristics and entrepreneurial inclination: A case of students at university TUN ABDUL RAZAK (UNITAR)
Intention for self-employment	D8 to D14	Keat <i>et al.</i> (2011:212)	Inclination towards entrepreneurship among university students: An empirical study of Malaysian university students.

#### 4.5.1.1 Questionnaire format

The researcher must identify the format and layout of the questionnaire because this has a significant effect on the findings (Malhotra, 2010:352). For example, failure to get valid responses from each respondent has the potential to weaken the survey and as a result, it will be difficult to generalise the findings. Furthermore, deciding on a good format for questions and responses is important because it makes the participants' responses clear and unambiguous (Neuman, 2014:340). Depending on what the researcher wants to measure, there are many

ways to design the response formats. In this study, the questionnaire was divided into four sections with clear instructions on each section.

There are four scales of measurement based on the mathematical comparisons they allow (Zikmund, 2003:229). These scales are nominal, ordinal, interval and ratio scales. According to the nominal scale, numbers or letters for identification or classification label the objects or participants. In the case of ordinal scales, objects or participants are arranged orderly according to their magnitude. The interval scales arrange objects or participants in terms of their magnitude and differentiate them in units of equal intervals. In terms of the ratio scale, the attribute that is measured is absent and the scale has absolute rather than relative quantities. In this study, nominal scales were used to obtain answers regarding the demographic information of students.

It is also common and useful in survey research to use rating scales to measure respondents' feelings or thoughts about something (Maree & Pietersen, 2011:167). The rating scales help the researcher to determine the strength of feeling or attitude. Among others, some of the scales that are mentioned include simple attitude scales, category scales and Likert scales. Regarding the simple attitude scales, the respondents are required to agree or disagree with statements to a single question. On the other hand, category scales consist of categories of responses in which the respondents are provided with alternatives to indicate positions on a scale. In a Likert scale, respondents are required to indicate the degree of agreement or disagreement with carefully constructed statements.

In this study, six-point Likert scales ranging from one (strongly disagree) to six (strongly agree) were used in sections B, C and D to obtain responses from students. Students were requested to indicate the degree to which they agree with the statements. Section B comprised statements regarding employability skills. Section C comprised statements regarding perceived employability and Section D comprised statements regarding intention for self-employment.

#### **4.5.1.2 Questionnaire layout**

The layout and physical attractiveness of the questionnaire are very important and the researcher should pay attention to these issues (Zikmund, 2003:264). According to Neuman (2014:340), the layout is important for both the researcher and the respondent and, therefore, the researcher must ensure that the questionnaire is clear, neat and easy to follow. For example, dividing the questionnaire into several parts and numbering each section makes the coding of responses easier (Malhotra, 2010:352). Therefore, in this study, the questionnaire

was divided into four sections and each item for each construct was identified by means of a numbering code.

Section A of the questionnaire comprised questions relating to the demographic make-up of students. Students were requested to provide information regarding their gender, age, designated group (race), year of study as well as the field of study. Section B comprised statements regarding seven identified employability skills that students perceived themselves as possessing. These were, problem solving skills (15 items), human skills (9 items), English language proficiency and literacy skills (6 items), information, communication and technology skills (5 items), personal organisation and time management skills (7 items), leadership skills (5 items) and communication skills (11 items). Section C of the questionnaire comprised statements regarding the students' perceived employability (16 items). Section D comprised statements relating to the students' intention for self-employment (14 items).

#### **4.6 ADMINISTRATION OF THE QUESTIONNAIRE**

A self-administered questionnaire was used to collect data. The survey was conducted during the months of September 2014 and October 2014 among second-year, third-year and postgraduate students at four higher education institutions (HEIs) from two provinces of South Africa.

After obtaining permission from the selected institutions to survey students, arrangements were made to consult with students at their respective campuses. In some campuses, students were approached in their classes before the contact session commenced. The researcher obtained permission from the respective school directors to survey students in their classes and arrangements were made with the lecturers. The researcher explained the purpose of the study and requested their consent to participate in the study. Subsequently, questionnaires were distributed among students who agreed to participate in the study to complete at their own time. Arrangements were made to collect the completed questionnaires. At some campuses, the researcher conducted the fieldwork himself. Students were approached at their respective campuses and requested to participate in the study. Those who agreed to participate were requested to complete the questionnaire in the presence of the researcher and hand it back immediately.

#### **4.7 ETHICAL CONSIDERATIONS**

Permission was obtained from these institutions and the necessary arrangements were made to administer the questionnaire. Ethical considerations were adhered to. The purpose of the study

was explained to would-be participants. Participants were informed that participation is voluntary and they may withdraw at any time without repercussions. Participants were informed that once they completed the questionnaire they cannot withdraw. Furthermore, participants were assured that they will remain anonymous at all times and, therefore, they did not have to provide their names and all information will be treated with the strictest confidence. The collected data will be stored in a safe place until disposed of as per the record management policy of the university. Only duly authorised persons will be entrusted to perform these tasks. The participants will be informed of the results through their respective institutions as these institutions will be provided with a copy of the results.

#### 4.8 DATA PREPARATION

Procedures suggested by Malhotra (2010:452) were followed in the preparation of the data. The process began with evaluating whether the questionnaires were completed correctly and that there were no missing values. The completed questionnaires were then subjected to editing. This involved the screening of the questionnaire to detect illegible, incomplete, inconsistent and ambiguous responses. It is better not to capture data from a questionnaire that contains too many missing values (Berndt & Petzer, 2011:218). Thus, all incomplete questionnaires were excluded from the final data capturing. After the questionnaires were edited for mistakes, the coding of data took place. This involved assigning a code to each possible answer to simplify data entry to ensure that the statistical analysis software package read the data correctly. In this study, statement items measuring a specific construct were grouped together as illustrated in Table 4.5. The data were transferred from the questionnaires into the SPSS spreadsheet.

**Table 4.5: Data coding information**

Type of data	Variable	Section number
Demographic data	A1 to A5	Section A
Problem solving skills	B1.1 to B1.15	Section B
Human skills	B2.1 to B2.9	Section B
English language proficiency and literacy skills	B3.1 to B3.6	Section B
Information, communication and technology skills	B4.1 to B4.5	Section B
Personal organisation and time management skills	B5.1 to B5.7	Section B
Leadership skills	B6.1 to B6.5	Section B
Communication skills	B7.1 to B7.11	Section B

Type of data	Variable	Section number
Perceived employability	C1 to C16	Section C
Intention for self-employment	D1 to D14	Section D

#### 4.9 FACTOR ANALYSIS

Factor analysis primarily refers to procedures that are used for data reduction and summarisation (Malhotra, 2010:636). Its main purpose is to establish which items belong together because they are answered in a similar way and, therefore, they tend to measure the same factor (Pietersen & Maree, 2011:219). There are two approaches for factor analysis namely; exploratory and confirmatory factor analysis (Pallant, 2013:188). The difference between the two approaches lies in the fact that exploratory factor analysis is used at the early stages of research to obtain information about interrelated variables (Pallant, 2013:188). On the other hand, confirmatory factor analysis is used at the later stages of research to test specific hypotheses regarding the structure underlying a set of variables. In this study, confirmatory factor analysis was used as the items that were used to develop the questionnaire were drawn from previous similar studies. Factor analysis was conducted in sections B, C and D of the questionnaire respectively.

The researcher can use a number of techniques to evaluate data and decide on the number of factors to retain (Pallant, 2013:191). They are Kaiser's criterion, the Bartlett's test of sphericity, the scree plot and parallel analysis. The Kaiser-Meyer-Olkin (KMO) index indicates that a value close to one points to close patterns of relationship and, therefore, data are appropriate for analysis. The Bartlett's test of sphericity indicates that a p-value less than 0.05 significant level points to an appropriate data for analysis. The scree plot refers to a line plot of eigenvalues in which the number of eigenvalues to the left of the turning point gives the number of factors to be retained. Parallel analysis compares the size of the eigenvalues with the ones obtained from a random selected data set and only the eigenvalues that exceed the matching values from the random data set are retained. In this study, Kaiser-Meyer-Olkin index and Bartlett's test of sphericity were used to decide on the number of factors to be retained. Principal component analysis was applied to measure how the items load on different factors. All factors with eigenvalues above one were retained for analysis.

#### 4.10 RELIABILITY

A scale is reliable if it produces consistent findings if repeated measurements are performed (Malhotra, 2010:318). This implies that if the association between scores obtained from different

administration of the scale are high, the scale is reliable. Reliability refers to the extent to which the scale of measure is free from mistakes and as a result yields consistent results (Zikmund, 2003:231). There are a number of reliability tests that researchers can use, namely equivalent form reliability, test-retest reliability, split-half reliability and internal reliability. Maree and Pietersen (2011:216) explain these types of reliability as follows:

**Test-retest reliability:** the instrument is administered to the same subjects on two or more occasions and the first scores are compared with the subsequent scores by calculating a correlation coefficient.

**Equivalent form reliability:** In this instance the instrument is administered, followed by the administration of an equivalent instrument to the same subjects, and then the two sets of scores are compared.

**Split-half reliability:** This refers to an instance where the items making up the instrument are divided into two separate instruments. This is done by randomly assigning even-numbered items and odd-numbered items to form two separate instruments.

**Internal reliability:** In this type of reliability there should be a high degree of similarity among items of a construct.

In this study, internal reliability was used. Cronbach's alpha coefficient was used to measure the internal reliability of all the constructs in the questionnaire. If the items are strongly correlated, the alpha coefficient should be close to one whereas if they are poorly formulated the alpha coefficient will be close to zero (Maree & Pietersen, 2011:216). A Cronbach's alpha coefficient value above 0.6 is recommended as it points to a satisfactory internal consistency (Malhotra, 2010:318). A pilot study was conducted during the months of March and April 2014 among 50 students at a traditional university to test the reliability of the questionnaire. It took participants an average of fifteen minutes to complete the questionnaire. No changes were made on the questionnaire before the main study. The results of the pilot study in comparison to previous studies from which the items were drawn are depicted in Table 4.6. The administration of the questionnaire for the main study took place during the months of September and October 2014. The reliability of the present study will be discussed in Chapter 5.

**Table 4.6: Cronbach's alpha reliability scores**

Factor	Pilot	Previous study (Actual)
Problem solving skills	0.86	0.86
Human skills	0.80	0.81
English language proficiency and literacy skills	0.75	0.84
Information, communication and technology skills	0.84	0.80
Personal organisation and time management skills	0.88	0.81
Leadership skills	0.82	0.81
Communication skills	0.81	0.84
Perceived employability	0.87	0.83
Intention for self-employment	0.87	0.896 (Yusof <i>et al.</i> ) 0.802 (Keat <i>et al.</i> )

#### 4.11 VALIDITY

Validity of the instrument refers to the extent to which it measures what it is supposed to measure (Malhotra, 2010:320). Furthermore, validity requires that there should be no mistakes regarding the measurement of the constructs. There are four measures or types of validity, namely face validity, content validity, criterion validity and construct validity.

##### 4.11.1 Face validity

In terms of face validity, the instrument should give the impression that it measures what it intends to measure. Therefore, the instrument should be scrutinised by experts in the field to ascertain a high degree of face validity. In this study, before the questionnaire was administered, it was circulated among three experienced researchers to check whether it is valid and identify possible mistakes.

##### 4.11.2 Content validity

Content validity is a systematic evaluation of the extent to which the instrument covers the complete content of the constructs to be measured (Malhotra, 2010:320). In other words, the scale items should be examined to ensure that they adequately cover the whole range of the construct. As previously stated, the scale items for the questionnaire in this study were drawn

from previous similar studies. Therefore, some were subjected to modification to bring them in line with the level of understanding of the South African student without changing the meaning. Subsequently, the three experienced researchers were requested to examine the questionnaire further to ascertain that the questionnaire covers the complete content of the constructs.

#### **4.11.3 Criterion validity**

Criterion validity refers to the extent to which the scale performs as expected relative to other variables. Malhotra (2010:320) mentions two forms of criterion validity, namely concurrent and predictive validity. In terms of concurrent validity, the scale data and criterion variables are collected simultaneously. The researcher can develop shorter forms of the instrument, administer both the shorter and the original instrument and compare the results. Regarding the predictive validity, the researcher collects data at one time and criterion variables at a future time. Therefore, the validity of the instrument will be determined by the correlation between the instrument and the criterion. For the purpose of this study, criterion validity was not conducted, as it was deemed not necessary.

#### **4.11.4 Construct validity**

The aim of construct validity is to establish what the construct is measuring (Malhotra, 2010:320). This is important for standardisation and deals with how well the construct(s) is/are measured by groups of related items. There are three types of construct validity, namely convergent validity, discriminant validity and nomological validity. In order to measure construct validity factor analysis and item analysis are used. In this study, factor analysis was used to determine the construct validity of all constructs. The KMO and the Bartlett's test of sphericity were used to establish the appropriateness of the data. The results thereof will be presented in Chapter 5.

### **4.12 DATA ANALYSIS**

In order to avoid unnecessary time on less important findings it is recommended that researchers should develop a data analysis plan, which will assist in keeping track of the purpose of the study (Berndt & Petzer, 2011:217). The purpose of data analysis is to produce information that will address the research problem (Malhotra, 2010:465). However, a research design may favour certain statistical analysis techniques. This is important because some techniques are appropriate to examine variable differences, some assess the magnitude of the relationship between two or more variables and others make predictions.

Statistical techniques can be categorised as univariate, bivariate or multivariate. The difference between these techniques is that with univariate techniques there is a single measurement of each component of a sample whereas with bivariate and multivariate techniques there are two or more measurements on each component of a sample respectively. In this study, a bivariate approach was adopted to analyse the relationship between two variables, namely students' perceptions regarding their employability and their intention for self-employment. A multivariate analysis was used to analyse the factors that make up perceived employability among each themselves. The Statistical Package for Social Science (IBM-SPSS version 22 for Windows) was used to analyse the captured data.

#### **4.12.1 Descriptive statistics**

The data analysis begins with the description of the responses or observations as this makes it easier to understand and interpret the findings (Zikmund, 2003:347). Among others, this includes measures of location, measures of variability and measures of shape. Measures of location include means, mode and median. Measures of variability include the range, interquartile range, variance and standard deviation. Measures of shape include skewness and kurtosis. In this study, frequency distributions were used to describe data relating to the participants demographics. Frequencies and percentages were used also to describe the number of responses to different questions.

##### **4.12.1.1 Frequency distributions**

The main purpose of frequency distributions is to establish the number of responses that are associated with different variable values (Malhotra, 2010:484). Frequency distributions are very useful to examine the diverse values for a variable (Hair *et al.*, 2013:268). Sometimes the amount of information can be too much and, therefore, the researcher needs to summarise and condense it in order to understand it better. One way of summarising information is to use tables, charts and graphs because they are easy to read. The results normally are expressed in percentages. In this study, a table was used to describe the frequency distribution in terms of students' biographical information. Similarly, a table was used to present the frequency of responses to different questions in sections B, C and D of the questionnaire. The results thereof will be presented in Chapter 5.

##### **4.12.1.2 Measures of location**

Measures of location are referred to as measures of central tendency and they describe the centre of the distribution (Malhotra, 2010:486). They are the mean, mode and median.

**Mean:** It is known also as the average and its value is calculated by adding all components in a set and dividing the total by the number of components. It is the widely used measure of location (Malhotra, 2010:486).

**Mode:** This value appears most frequently in the distribution. The mode is very useful when the data has been grouped into categories and it represents the peak of the distribution (Hair *et al.*, 2013:269).

**Median:** It is the middle value of the distribution when the data is arranged in ascending or descending order. It is very useful for ordinal data and for data that are skewed to either the left or the right (Hair *et al.*, 2013:269).

#### **4.12.2 Correlation analysis**

Beyond the descriptive stage, there are many different statistical techniques such as independent t-tests, analysis of variance (ANOVA), correlation analysis and regression analysis that the researcher can apply to draw some inferences about the sample or the population being researched.

##### **4.12.2.1 Independent t-tests**

An independent *t*-test is a univariate hypothesis test, which is used to compare the means of two independent samples or related samples and is used when the standard deviation is unknown and the size of the sample is small (Malhotra, 2010:504). In this study, independent *t*-tests were used to compare the means of males and females regarding employability skills, perceived employability and intention for self-employment. The results thereof will be presented in the next chapter.

##### **4.12.2.2 Analysis of variance (ANOVA)**

Analysis of variance (ANOVA) is a technique that is used to determine whether there are statistically significant differences in the means of three or more groups (Zikmund, 2003:382). In this study, ANOVA was used to determine differences in the means of groups in terms of designated groups (race), year of study and field of study. The results thereof will be presented in Chapter 5.

##### **4.12.2.3 Correlation**

Correlation refers to a statistical measure of the strength between two variables (Hair *et al.*, 2013:316). Depending on the direction of the relationship between the variables, correlation

coefficient can be positive or negative. It ranges between -1.00 and 1.00 where zero represents no association and -1.00 or 1.00 represents strong association between variables. There are two procedures that the researcher can use, namely Pearson product moment correlation coefficient ( $r$ ) and Spearman Rank Order Correlation coefficient ( $\rho$ ). Pearson product moment correlation is used for continuous variables and Spearman Rank Order correlation coefficient is used with ordinal data, or when data does not meet the criteria for Pearson correlation. Spearman's rank order correlation coefficient was used to establish the relationship between perceived employability and intention for self-employment. It was used also to investigate the relationship among the factors that make up perceived employability of students. The results thereof will be presented in Chapter 5.

#### **4.13 TEST OF SIGNIFICANCE**

Researchers generally have certain ideas or beliefs about the properties in the population and these ideas and beliefs must be tested for their credibility based on the data collected from the sample (Pietersen & Maree, 2011:203). According to Zikmund (2003:361) statistical techniques allow researchers to decide whether there is sufficient empirical evidence to support the theoretical hypothesis. There are two hypotheses, namely null hypothesis and alternative hypothesis. The null hypothesis is a statement that indicates that there is no difference or effect between two groups whereas alternative hypothesis indicates that there is a difference.

Notwithstanding, incorrect conclusions may be reached when drawing inferences about a population and, therefore, the level of significance must be established (Malhotra, 2010:491). Therefore, the significance level is used as a standard to determine whether to accept or reject the null hypothesis. Statistical tools such as analysis of variance (ANOVA) and correlation analysis may highlight significant differences, if any among groups. This is indicated by a probability value known as the  $p$ -value.

There are two groups of statistical tests of hypotheses; they are parametric methods and non-parametric methods (Pietersen & Maree, 2011:225). The choice of the method largely depends on the scale of measurement, the number of variables and the research question posed (Zikmund, 2003:367). In this study, the  $t$ -tests, one-way analysis of variance (ANOVA) and correlation were used to establish the differences among different groups and the relationship between variables. This includes gender, designated groups (races), level of study as well as field of study differences regarding perceived employability and intention for self-employment. In addition, correlation analysis was used to establish the relationship between perceived employability and intention for employment among students as well as the relationship between the factors of perceived employability. The results thereof are discussed in the next chapter.

#### **4.13.1 Statistical significance**

A statistical significance indicates the likelihood of finding a relationship or difference in the surveyed sample when there is none in the population (Neuman, 2014:422). Due to the fact that samples involve a random process, it is possible that the results of the sample may differ from the population. In addition, every time the null hypothesis is rejected, any difference between groups or correlation between variables is then considered statistically significant (Pietersen & Maree, 2011:209). One-way analysis of variance (ANOVA) is regarded as the most appropriate statistical instrument to measure the difference in the mean scores of more than two groups (Zikmund, 2003:383). Therefore, ANOVA was used to determine the differences in the mean scores of participants' perceptions in terms of designated groups, year of study and field of study with regard to employability skills, perceived employability and intention for self-employment. Correlation analysis was used to determine the relationship between perceived employability and intention for self-employment and the relationship among the factors of perceived employability. The statistical significance is expressed normally in terms of levels (Neuman, 2014:423). For example, a significant level of 0.05 implies that there is a 95 percent chance that the results reflect the population accurately.

#### **4.13.2 Practical significance**

In spite of the findings indicating a statistically significant difference or a significant correlation, it is important for the researcher to determine whether the findings are of any practical significance (Pietersen & Maree, 2011:210). The reason for this is that the size of the sample may have an influence because in small samples large differences may come out as statistically insignificant whereas in large samples, even small differences may turn out to be statistically significant. To overcome this, researchers calculate an effect size, which is a measure to determine the magnitude of the difference or correlation being tested. The effect size for mean differences is denoted by  $d$  and for the correlation between nominal variables by  $\omega$ . In this study, Cohen's  $d$ -value was used to measure the effect size of differences in means. The guidelines for the interpretation of the magnitude of  $d$  and  $\omega$  are depicted in Tables 4.7 and 4.8 respectively.

**Table 4.7: Guidelines for the interpretation of the magnitude of d**

<b>d</b>	<b>Meaning</b>
0,2	Small effect
0,5	Medium effect
0,8	Large effect

Source: Pietersen and Maree (2011:211)

**Table 4.8: Guidelines for the interpretation of the magnitude of  $\omega$**

<b><math>\omega</math></b>	<b>Meaning</b>
0,1	Small effect
0,3	Medium effect
0,5	Large effect

Source: Pietersen and Maree (2011:212)

#### **4.14 CONCLUSION**

This chapter provided a description of the research methodology followed in this study. Among others, the research design and approach were discussed in detail. Furthermore, the chapter dealt with the sampling procedure that was followed and this outlined the target population, sampling frame and method of sampling. Factor analysis was also discussed. Reliability and validity of the data was discussed. The chapter concluded with the data analysis techniques that were used to analyse the data. The following chapter reports on the findings.

## **CHAPTER 5**

### **ANALYSIS AND INTERPRETATION OF RESULTS**

#### **5.1 INTRODUCTION**

The previous chapter presented the research methodology used in this study. This chapter reports on the findings and provides an analysis and interpretation thereof. The analysis incorporated descriptive and inferential statistics. The chapter begins with a discussion of the demographic profile of participants. This information is presented in the form of frequencies and percentages. This is followed by a discussion of the reliability and validity of the data. Furthermore, the chapter reports on the results of the factor analysis. The chapter further discusses the results of the comparisons of students' perceptions regarding employability skills, perceived employability and intention for self-employment as well as the relationship among the different variables.

#### **5.2 DEMOGRAPHIC INFORMATION**

This section presents information regarding the demographic profile of participants. Section A of the questionnaire comprised items relating to the demographic information of students. Participants were requested to provide information regarding their gender, age, designated group (race), year of study and field of study. Information regarding the university they attended was also collected during the administration of the questionnaire.

In accordance with the sample size determined for the study, 800 questionnaires were distributed among second-year, third-year and postgraduate students at the four universities that were selected. Of the 800 questionnaires that were distributed, 524 were returned, giving a response rate of 65.5 percent. The returned questionnaires were subjected to screening and 39 were rejected because they were incomplete or illegible. Therefore, data from 485 questionnaires were used in the final analysis. Based on previous similar studies this number was deemed acceptable. For example, in a study where the aim was to investigate students' entrepreneurial inclinations and the relationship between their demographic and social characteristics with entrepreneurial inclination Yusof *et al.* (2008:1) used 234 students. Rothwell *et al.* (2008:4) used 400 students in three UK universities in which the purpose was to construct and validate a scale that measures self-perceived employability of students. Similarly, Tymon (2013:841) used 400 students to investigate their views regarding their employability. Table 5.1 provides information on the demographic profile of the sample.

**Table 5.1: Demographic profile of the sample**

		Items	Frequencies	Percentages
	University	- North-West University - Central University of Technology - Vaal University of Technology - University of the Free State	199 45 78 162	41 9 16 34
A1	Gender	Male Female	171 282	38 62
A2	Age	≤18 19-21 22-24 25	10 174 223 78	2 36 46 16
A3	Designated group	Black White Coloured Indian	390 68 18 6	81 14 4 1
A4	Year of study	2nd year 3rd year postgraduate	94 301 87	19 62 18
A5	Field of study	Commerce Education IT Law Engineering Health Other	173 72 68 23 10 8 131	36 15 14 5 2 1 27

### 5.2.1 University

The survey was conducted at four universities in two provinces of South Africa. Of the 485 participants, 41 percent (n=199) were from the North-West University and 9 percent (n=45) from Central University of the Free State. Furthermore, 16 percent (78) of the participants were students from the Vaal University of Technology and 34 percent (n=162) from the University of the Free State. The uneven distribution in terms of representation is attributed to the accessibility of students.

### **5.2.2 Gender**

In terms of gender 62 percent (n=282) of the participants indicated that they were female and 38 percent (n=171) indicated that they were male. This is not surprising given the fact that female students at South African universities have out-numbered their male counterparts for a while. For example, in 2010 they accounted for 57 percent of the total enrolment (Smith, 2013), and in 2011 they made up 54 percent of all students who enrolled in contact programmes with 63 percent of those registered for distance programmes (Department of Higher Education and Training, 2013:4).

### **5.2.3 Age**

The majority of participants were in the age category of 22-24 years, comprising 46 percent (n=223) followed by those who were aged between 19-21 years, comprising 36 percent (n=172). Furthermore, 16 percent (n=79) of participants was aged 25 years and above, while 2 percent (n=7) was 18 years or less.

### **5.2.4 Designated groups (race)**

Of the participants in this study, 81 percent (n=390) were Black while the number of White students who participated in the study was 14 percent (n=68). The remainder of the participants, constituting four percent (n=18) and 1 percent (n=6) were Coloured and Indian students respectively. This distribution reflects the South African population demographics. According to the 2014 population estimates, Blacks constitute 80.2 percent, Whites 8.4 percent, Coloureds 8.8 percent and Indians 2.5 percent of South Africa's total population (Statistics South Africa, 2014:4).

### **5.2.5 Year of study**

In terms of year of study 62 percent (n=301) of participants were in their third year of study. Those who were in their second year of study constituted 18 percent (n=87) of participants. The remainder, constituting 20 percent (n=97) of participants were postgraduate students.

### **5.2.6 Field of study**

In terms of field of study, commerce students accounted for the highest percentage of the participants. Of all the students who participated 36 percent (n=173) indicated that they were in the field of commerce. Furthermore, 15 percent (n=72) of students indicated that they were in the field of education while 14 percent (n=68) indicated that they were enrolled for IT degrees. A

further 5 percent (n=23) were law students, 2 percent (n=10) were engineering students and 1 percent (n=8) indicated that they were registered for health degrees. The remainder of the students, constituting 27 percent (n=131) was from other fields of study (e.g. agriculture, sociology, languages and journalism).

### 5.3 TABULATION

Tabulation is the starting point for analysis and entails the systematic arrangement of data in a table format or summary (Zikmund, 2003:347). The main purpose is to count the number of responses to different questions, thereby informing the researcher how frequently each response occurs. Tables 5.2, 5.3 and 5.4 provide the frequency of responses for each item in sections B, C and D of the questionnaire.

**Table 5.2: Frequency table of responses (Employability skills)**

Scale item	Strongly disagree	Disagree	Slightly disagree	Slightly agree	Agree	Strongly agree
	1	2	3	4	5	6
B1.1	3	6	16	90	276	94
B1.2	2	5	24	153	243	57
B1.3	1	7	18	129	242	87
B1.4	2	18	85	0	230	150
B1.5	6	20	41	168	180	70
B1.6	3	7	19	92	214	150
B1.7	4	2	18	102	209	146
B1.8	0	3	9	94	235	144
B1.9	1	1	18	76	236	151
B1.10	3	2	16	89	250	124
B1.11	2	2	22	104	238	116
B1.12	5	8	25	134	214	99
B1.13	17	21	65	153	164	64
B1.14	1	7	36	167	207	64
B1.15	0	4	12	94	247	128
B2.1	46	49	74	111	113	91
B2.2	15	29	60	132	158	89
B2.3	13	23	57	135	149	106
B2.4	4	9	26	94	173	177

Scale item	Strongly disagree	Disagree	Slightly disagree	Slightly agree	Agree	Strongly agree
	1	2	3	4	5	6
B2.5	4	2	16	102	221	140
B2.5	15	19	55	132	159	103
B2.7	4	2	14	90	234	140
B2.8	4	0	7	58	224	191
B2.9	3	1	9	61	226	185
B3.1	8	2	3	43	162	267
B3.2	4	8	10	58	165	240
B3.3	1	3	5	35	185	256
B3.4	1	2	7	41	195	238
B3.5	2	3	17	69	224	169
B3.6	4	4	28	78	188	183
B4.1	3	0	5	25	170	282
B4.2	1	1	5	25	170	282
B4.3	2	1	4	37	157	283
B4.4	4	10	25	107	164	175
B4.5	5	5	28	107	179	161
B5.1	6	10	42	151	177	99
B5.2	3	5	24	71	218	162
B5.3	4	5	32	117	209	117
B5.4	4	13	33	103	153	178
B5.5	1	5	18	99	234	127
B5.6	2	3	13	98	243	126
B5.7	4	4	23	115	200	139
B6.1	5	5	35	142	190	107
B6.2	5	5	31	91	214	138
B6.3	4	6	35	99	214	127
B6.4	2	3	18	83	243	135
B6.5	1	2	10	58	209	205
B7.1	2	3	23	111	205	140
B7.2	13	21	71	148	147	85
B7.3	3	5	23	93	229	132
B7.4	2	2	20	87	242	132

Scale item	Strongly disagree	Disagree	Slightly disagree	Slightly agree	Agree	Strongly agree
	1	2	3	4	5	6
B7.5	2	2	21	108	233	117
B7.6	3	3	6	99	240	133
B7.7	1	0	11	71	238	164
B7.8	1	4	19	98	226	136
B7.9	4	4	23	120	182	150
B7.10	11	25	66	155	153	74
B7.11	11	26	62	149	160	76

The frequency of responses for employability skills indicate that majority of students tend to agree that they possess the required employability skills. The statement '*I enjoy working in a group*' (item B2.1) had the highest number of responses that strongly disagreed with the statement. This may suggest that these students do not possess the required human skills. On the other hand, the statement '*I know how to use email very well*' (item B4.3) had the highest number of students who strongly agreed. This could suggest that many students know how to communicate with technology, especially email.

**Table 5.3: Frequency table of responses (Perceived employability)**

Scale item	Strongly disagree	Disagree	Slightly disagree	Slightly agree	Agree	Strongly agree
	1	2	3	4	5	6
C1	3	2	15	93	249	123
C2	3	2	29	122	208	121
C3	4	11	38	100	208	121
C4	3	13	35	114	199	120
C5	4	5	12	99	215	150
C6	0	3	26	103	237	116
C7	3	14	28	134	208	98
C8	1	19	46	134	202	83
C9	6	25	51	159	177	66
C10	8	16	52	141	191	74
C11	10	19	58	133	172	92
C12	6	13	62	147	170	86
C13	9	21	68	171	134	82

Scale item	Strongly disagree	Disagree	Slightly disagree	Slightly agree	Agree	Strongly agree
C14	1	3	54	146	193	85
C15	0	10	39	119	193	122
C16	3	2	33	108	202	135

The frequency of responses for perceived employability indicate that majority of students tend to agree that they perceive themselves as employable. The statement *'if I needed to, I could easily get a job'* (item C11) had the highest number of responses that strongly disagreed with the statement. This may suggest that these students are not confident in their ability to obtain employment. On the other hand, the statement *'the skills I have gained in my field of study are transferable to other occupations outside my field of study'* (item C5) had the highest number of students who strongly agreed. This may suggest that many students have strong confidence in the skills that they have acquired hence this influences their perceptions of employability.

**Table 5.4: Frequency table of responses (Intention for self-employment)**

Scale item	Strongly disagree	Disagree	Slightly disagree	Slightly agree	Agree	Strongly agree
	1	2	3	4	5	6
D1	37	35	59	106	113	135
D2	27	22	39	75	128	194
D3	29	19	36	75	118	207
D4	32	18	40	121	139	134
D5	28	16	38	76	138	189
D6	27	26	41	104	134	153
D7	29	30	48	112	155	111
D8	34	24	44	100	144	139
D9	132	70	58	78	87	59
D10	34	31	45	93	141	135
D11	185	83	59	56	55	46
D12	28	25	24	75	143	189
D13	21	26	33	104	168	133
D14	98	86	61	80	104	55

The frequency of responses for intention for self-employment indicate that majority of students tend to agree that they intend to be self-employed someday. The statement *'I will not start a*

*business because it is too risky and I am afraid of failing'* (item D11) had the highest number of responses that strongly disagreed with the statement. This may suggest that these students are confident that if they start businesses they will succeed. On the other hand, the statement '*I am interested in starting my own business'* (item D3) had the highest number of students who strongly agreed. This could suggest that many students intend to start businesses someday.

#### **5.4 RELIABILITY**

Cronbach's alpha was used to test the reliability of the scales. In order for data to be deemed reliable, it is recommended that a coefficient value should be above 0.6 (Malhotra, 2010:319). In this study, Cronbach alpha coefficients ranged between 0.64 and 0.93, thereby demonstrating satisfactory reliability. In order to establish whether the data set was suitable for factor analysis, the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and the Bartlett's test of sphericity was conducted. In line with this, it was decided to retain factors whose values were above the recommended value of 0.6 (Pallant, 2013:190). Only sections B, C and D of the questionnaire were tested for reliability. The next section presents the results of factor analysis. The analysis begins with factors in Section B then followed by sections C and D respectively.

#### **5.5 FACTOR ANALYSIS**

Factor analysis was conducted on the data obtained in sections B, C and D of the questionnaire. In the foregoing section, a discussion of factor analysis procedure, the Kaiser-Meyer Olkin (KMO) test of sampling adequacy and Bartlett's test of sphericity is provided. For factor analysis to be an appropriate procedure for use in data reduction, the variables must be correlated. The KMO measure of sampling adequacy and Bartlett's test of sphericity were used to assess the suitability of the respondent data for factor analysis prior to the extraction of the factors. A description of these tests follows. The KMO index ranges from zero to one, with 0.50 considered suitable for factor analysis (Williams *et al.*, 2010:5) and the Bartlett's test of sphericity should be less than 0.05 significant level for data to be acceptable for analysis (Pallant, 2013:190). The KMO levels of factorial simplicity are illustrated in Table 5.5.

**Table: 5.5: KMO levels of factorial simplicity**

<b>0.80 or above</b>	Meritorious
<b>0.70 or above</b>	Middling
<b>0.60 or above</b>	Mediocre
<b>0.50 or above</b>	Miserable
<b>Below 0.50</b>	Unacceptable

Source: Hair *et al.* (1998:99)

### 5.5.1 Problem solving and adaptability skills

As mentioned previously the KMO measure of sampling adequacy and Bartlett's test of sphericity were used to assess the suitability of the respondent data for factor analysis prior to the extraction of the factors. The KMO value of 0.88 indicated that the data were acceptable for analysis and the Bartlett's test of sphericity was significant at 0.000 supporting the factorability of the correlation matrix (Malhotra, 2010:638). Hence, factor analysis using principal component analysis was applied to the data. Using an eigenvalue of one and above three factors were extracted. Collectively the three factors labelled as adaptability skills, analytical and problem solving skills and creative thinking skills explained a total variance of 52.05 percent. Factor 1 comprised eight variables, Factor 2 comprised four variables and one item was deleted because it loaded very low on the factor. Factor 3 comprised three variables. The internal reliability of the factors was measured by Cronbach alpha and the reliability for each factor was as follows: adaptability skills (0.84), analytical and problem solving skills (0.64) and creative thinking skills (0.68). Table 5.6 provides the pattern matrix of the 15 items of problem solving and adaptability skills.

**Table 5.6: Pattern matrix of problem solving and adaptability skills**

	ITEMS	Factor 1	Factor 2	Factor 3
B1.9	I am able to adapt to changes.	0.858		
B1.7	I prefer taking up new challenges and responsibilities.	0.763		
B1.8	I am able to identify and suggest alternative ways to achieve goals and get the job done.	0.760		
B1.10	I am able to gather facts and information in finding the solutions for problems.	0.671		
B1.6	I accept challenging assignments.	0.662		

	ITEMS	Factor 1	Factor 2	Factor 3
B1.4	I am able to adapt to different situations.	0.563		
B1.11	I find effective ways of solving problems.	0.503		
B1.5	I am able to cope with uncertainty.	0.441		
B1.13	I solve problems without the assistance from others.		0.802	
B1.14	I provide unique solutions to problems.		0.697	
B1.12	I am successful in resolving conflicts with others.		0.675	
B1.2	I am able to monitor progress towards objectives in risky situations.			0.883
B1.1	I am able to recognise different ways in meeting my objectives			0.847
B1.3	I am able to identify potential negative outcomes when considering risky situations			0.556
Eigenvalues		5.325	1.289	1.193
% of variance		35.50	8.60	7.95
Cumulative %		35.50	44.10	52.05
Cronbach alpha		0.84	0.64	0.68
Mean		4.93	4.65	4.77
Standard deviation		0.60	0.67	0.65

There is support for the view that the possession of employability skills is important regarding employability of graduates (Jackson, 2013:271; Trevealen & Voola, 2008:160; Radcliffe, 2005:197). Section B of the questionnaire focused on employability skills. The 15 items of sub-section B1 of the questionnaire focused on problem solving and adaptability skills of students. Problem solving and adaptability skills have been identified as the skills that individuals should possess to improve their employability (Singh & Singh, 2008:18).

#### **Factor 1: Adaptability skills**

Adaptability skills refer to the skills, attitudes and understanding that enable a student to succeed in the world of work. Measured on a six-point Likert scale (anchored at 1= strongly disagree and 6 = strongly agree) the mean score ( $\bar{x} = 4.93$ ) for the factor indicates that students agree that they possess adaptability skills. The item '*I am able to adapt to changes*' had the highest mean score in this factor. This could be interpreted as suggesting that students view themselves as being able to adapt to the workplace. In the context of South Africa, this is encouraging, as graduates generally tend to find it difficult to adapt to the work place (Harvey,

2005:15). The importance of adaptability skills is reflected by its inclusion in the employability skills framework by the Australian Chamber of Commerce and Industry and the Business Council of Australia (Curtin, 2004:46). One plausible reason is that the changing market needs required employers to search for a workforce that is flexible and adaptable as they themselves need to transform their businesses to be flexible and adaptable (Singh & Singh, 2008:18). It has been stated previously that the world of work is changing and, therefore, would-be workers should adapt if they endeavour to maintain their employability.

### **Factor 2: Analytical and problem-solving skills**

In the context of this study, analytical and problem solving skills are described as the ability of a student to break down problems in order to understand them better and come up with workable solutions. Analytical and problem-solving skills are among those skills required by employers (Zaharim *et al.*, 2009:199). The mean score ( $\bar{x} = 4.65$ ) indicates that students agreed that they possess analytical and problem-solving skills. The item '*I solve problems without the assistance of others*' had the highest loading on this factor. A problem solver is someone who has the courage to explore the unobvious and takes different approaches to a problem (Radcliffe, 2005:196). It appears that students agree that analytical and problem-solving skills are important and, therefore, they view themselves as possessing these skills. This is significant because some employers prefer to recruit graduates with high levels of analytical and problem solving skills rather than technical skills (Zwane *et al.*, 2014:1; Gokuladas, 2010:131). The students who possess analytical and problem solving skills stand a better chance to obtain and sustain their employment.

### **Factor 3: Creative thinking skills**

Creative thinking skills are described as a students' ability to initiate and come up with new ideas to solve problems. Creative thinking skills involve being inquisitive, explorative and insightful (Radcliffe, 2005:196). In this study, it is evident that respondents perceive themselves as creative thinkers as the mean score ( $\bar{x} = 4.77$ ) indicates that students agreed that they possess creative thinking skills. The item '*I am able to monitor progress towards objectives in risky situations*' had the highest loading on this factor. Creative thinking skills are viewed as highly important among employers who are trying to create an empowered and performing workforce in order to improve competitiveness in the workplace (Robinson, 2000:1). In line with this, creativity has been found to be among the most sought after skills by employers (Wellman, 2010:908). It is, expected, therefore, that employers require of their employees to be creative. Evidently, creative thinking plays an important role in solving complex problems. With creative thinking skills, students will enhance their employability.

## 5.5.2 Human skills

The KMO measure of sampling adequacy and Bartlett's test of sphericity were used to assess the suitability of the respondent data for factor analysis prior to the extraction of the factors. A KMO value of 0.87 indicated that the data were suitable for analysis and the Bartlett's test of sphericity was significant at 0.000 supporting the factorability of the correlation matrix (Pallant, 2013:190). Principal component analysis revealed the presence of one factor with an eigenvalue exceeding one. The one factor labelled as human skills explained a total variance of 51.15. This factor comprised nine items that relate to human skills. The internal reliability of the factor was measured by Cronbach's alpha and the reliability was 0.87 exceeding the recommended value of 0.6 (Malhotra, 2010:319). Table 5.7 provides the pattern matrix of the nine items of human skills.

**Table 5.7: Pattern matrix of human skills**

	ITEMS	Factor 1
B2.5	I work cooperatively with others.	0.827
B2.7	I cooperate with fellow students.	0.791
B2.4	I get along easily with others.	0.736
B2.8	I am able to listen to other people's opinions.	0.728
B2.9	I communicate well with others.	0.726
B2.3	I enjoy working as part of a team	0.711
B2.2	I am willing to follow the norms and standards of the group.	0.677
B2.1	I enjoy working in a group.	0.644
B2.6	I place team goals ahead of my own goals.	0.561
Eigenvalue		4.603
% of variance		51.15
Cumulative %		51.15
Cronbach alpha		0.87
Mean		4.73
Standard deviation		0.76

In the context of this study, human skills are described as the ability of a student to interact with others to ensure that the task is successfully completed. The nine items of sub-section B2 of the questionnaire focused on human skills of students. There is consensus among researchers that human skills are essential for employability of students (Holmes, 2013:544; Cole et al., 2009:7).

The mean score ( $\bar{x} = 4.73$ ) for this factor suggest that students perceived themselves as possessing human skills. The item 'I work cooperatively with others' had the highest loading on this factor. This outcome is significant as new employees with human skills should have confidence in themselves and know how to deal with others, show respect for themselves, their colleagues and supervisors irrespective of diversity or differences (Robinson, 2000:3). Due to its diverse and multi-cultural composition, the South African workplace requires students who possess human skills to enable them to adapt easily.

### 5.5.3 English language proficiency and literacy skills

The KMO measure of sampling adequacy and Bartlett's test of sphericity were used to assess the suitability of the respondent data for factor analysis prior to the extraction of the factors. A KMO value of 0.82 indicated that the data were appropriate for analysis and the Bartlett's test of sphericity was significant at 0.000 supporting the factorability of the correlation matrix (Malhotra, 2010:638). Principal component analysis was applied to the data and revealed the presence of one factor with an eigenvalue exceeding one. The one factor labelled as English language proficiency and literacy skills explained a total variance of 56,14 percent. This factor comprised six items that relate to English language proficiency and literacy skills. The internal reliability of the factor was measured by Cronbach alpha and the reliability was 0.83 exceeding the recommended value of 0.6 (Malhotra, 2010:319). Table 5.8 provides the pattern matrix of the six items of English language proficiency and literacy skills.

**Table 5.8: Pattern matrix of English language proficiency and literacy skills**

	ITEMS	Factor 1
B3.3	I am able to communicate with fellow students in English.	0.849
B3.2	I do not shy away from using the English language when communicating.	0.810
B3.4	I speak and write clearly so that others understand.	0.772
B3.1	I have no problem speaking English to others.	0.747
B3.5	I listen and ask questions in order to understand instructions and views of others.	0.684
B3.6	I can create documents such as letters, directions, reports, graphs and flow charts.	0.609
Eigenvalue		3.369
% of variance		56.14
Cumulative %		56.14
Cronbach alpha		0.83

	ITEMS	Factor 1
Mean		5.25
Standard deviation		0.65

In the context of this study, English language proficiency and literacy skills refer to the ability of a student to communicate in English and demonstrate a good understanding of the language. English language proficiency and literacy skills appear to be one of the sought after skills by employers. A case in point is that poor English proficiency was blamed as one of the factors that hindered Malaysian graduates from securing better jobs and thus reduced their chances of brighter career prospects (Singh & Singh, 2008:18). The six items of sub-section B3 of the questionnaire focused on English language proficiency and literacy skills of students. The mean score for this factor ( $\bar{x} = 5.25$ ) suggests that students are confident with regard to their English language proficiency and literacy skills. The item '*I am able to communicate with fellow students in English*' had the highest loading on this factor. This may be interpreted as suggesting that students agreed that they use English language more often when they communicate with fellow students. Important about this is that in South Africa, English remains the language of the corporate world and, therefore, as prospective employees, students should demonstrate the ability to communicate confidently in English as this could open doors for their employment (Vakalisa, 2005:50).

#### **5.5.4 Information, communication and technology skills**

The KMO measure of sampling adequacy and Bartlett's test of sphericity were used to assess the suitability of the respondent data for factor analysis prior to the extraction of the factors. A KMO value of 0.80 indicated that the data were appropriate for analysis and the Bartlett's test of sphericity was significant at 0.000 supporting the factorability of the correlation matrix (Malhotra, 2010:638). Principal component analysis was applied to the data and revealed the presence of one factor with an eigenvalue exceeding one. The one factor labelled as information, communication and technology skills explained a total variance of 60.58 percent. This factor comprised five items that relate to information, communication and technology skills. The internal reliability of the factor was measured by Cronbach alpha and the reliability was 0.82 exceeding the recommended value of 0.6 (Malhotra, 2010:319). Table 5.9 provides the pattern matrix of the five items of Information, Communication and Technology skills.

**Table 5.9: Pattern matrix of information, communication and technology skills**

	ITEMS	Factor 1
B4.2	I know how to use word processing very well.	0.854
B4.1	I know how to use the internet very well.	0.803
B4.3	I know how to use email very well.	0.782
B4.4	I know how to use spread sheets very well.	0.726
B4.5	I know how to handle presentations very well.	0.719
Eigenvalue		3.029
% of variance		60.58
Cumulative %		60.58
Cronbach alpha		0.82
Mean		5.23
Standard deviation		0.69

In the context of this study, ICT skills refer to the ability of students to use technology (computer, Internet, email) to perform tasks. In modern times, there has been a growth in the usage of technology, which resulted in changes at work places. In line with this, there is an unprecedented need for individuals to improve their ICT skills, as new occupations require a workforce that is highly skilled to use technology (Bakar & Hanafi, 2007:202). The five items in sub-section B4 of the questionnaire focused on ICT skills of students. The mean score for this factor ( $\bar{x} = 5.23$ ) suggests that students have strong confidence in their ability to use technology to communicate. The item '*I know how to use word processing very well*' had the highest loading on this factor. It could be concluded that majority of students have confidence in their ability to draft documents using word processing. ICT skills are more relevant to professional functioning (Cassidy, 2006:508) hence in South Africa they are classified as scarce skills (Pauw, Bhorat, Goga *et al.*, 2006:34). Reflecting on this it would be appropriate to suggest that with good ICT skills students can take up any job that requires the use of technology.

### 5.5.5 Personal organisation and time management skills

The KMO measure of sampling adequacy and Bartlett's test of sphericity were used to assess the suitability of the respondent data for factor analysis prior to the extraction of the factors. A KMO value of 0.87 indicated that the data were appropriate for analysis and the Bartlett's test of sphericity was significant at 0.000 supporting the factorability of the correlation matrix (Malhotra, 2010:638). Principal component analysis was applied to the data and revealed the presence of

one factor with an eigenvalue exceeding one. The one factor labelled as personal organisation and time management skills explained a total variance of 56.74 percent. This factor comprised seven items that relate to personal organisation and time management skills. The internal reliability of the factor was measured by Cronbach alpha and the reliability was 0.87 exceeding the recommended value of 0.6 (Malhotra, 2010:319). Table 5.10 provides the pattern matrix of the seven items of personal organisation and time management skills.

**Table 5.10: Pattern matrix of personal organisation and time management skills**

	ITEMS	Factor 1
B5.3	I use time well to achieve my objectives.	0.832
B5.5	I complete academic work in a thorough manner.	0.827
B5.6	I am able to meet identified standards when performing my academic work.	0.802
B5.2	I am able to meet deadlines.	0.725
B5.1	I allocate time efficiently.	0.715
B5.7	I usually set priorities.	0.711
B5.4	I arrive on the campus on time.	0.640
Eigenvalue		3.972
% of variance		56.74
Cumulative %		56.74
Cronbach alpha		0.87
Mean		4.88
Standard deviation		0.71

Personal organisation and time management skills are described as the ability of students to plan activities and allocate time effectively to meet deadlines. It is required of employees to learn how to manage time and priorities, set timelines and coordinate tasks for themselves and with their colleagues (Curtin, 2004:47). Sub-section B5 of the questionnaire comprised seven items that relate to personal organisation and time management skills of students. Based on the mean score ( $\bar{x} = 4.88$ ) it is evident that students perceive themselves as possessing personal organisation and time management skills. The item '*I use time well to achieve my objectives*' had the highest loading on this factor. This is essential because previous research indicates that employers look for employees who possess personal organisation and time management skills (Singh & Singh, 2008:18). South Africa's youth should possess time management skills as this has the ability to assist them to adapt in the professional working environment (Pauw *et al.*,

2008:55). In line with this, accounting graduates in South Africa are expected to manage their time effectively to ensure their employability (De Villiers, 2010:11).

### 5.5.6 Leadership skills

The KMO measure of sampling adequacy and Bartlett's test of sphericity were used to assess the suitability of the respondent data for factor analysis prior to the extraction of the factors. A KMO value of 0.81 indicated that the data were appropriate for analysis and the Bartlett's test was significant at 0.000 supporting the factorability of the correlation matrix (Malhotra, 2010:638). Principal component analysis was applied to the data and revealed the presence of one factor with an eigenvalue exceeding one. The one factor labelled as Leadership skills explained a total variance of 60.70 percent. This factor comprised five items that relate to leadership skills. The internal reliability of the factor was measured by Cronbach alpha and the reliability was 0.84 exceeding the recommended value of 0.6 (Malhotra, 2010:319). Table 5.11 provides the pattern matrix of the five items of leadership skills.

**Table 5.11: Pattern matrix of leadership skills**

	ITEMS	Factor 1
B6.3	I am able to delegate work to peers.	0.850
B6.2	I have the ability to lead people.	0.847
B6.4	I am able to motivate others to work for a common goal.	0.824
B6.1	I always give direction and guidance to others.	0.713
B6.5	I am willing to take ownership and responsibility for work that is assigned to me.	0.638
Eigenvalue		3.035
% of variance		60.70
Cumulative %		60.70
Cronbach alpha		0.84
Mean		4.94
Standard deviation		0.72

In the context of this study leadership skills refer to the ability of a student to influence the behaviour of others and give direction and guidance. Many view leadership potential as an important component regarding employability of graduates. For example, the UK's qualification and Curriculum Authority (QCA) categorise leadership skills of graduates as an important component of employability skills (Markes, 2006:640). The five items in sub-section B6 of the

questionnaire focused on leadership skills of students. The mean score ( $\bar{x} = 4.94$ ) for this factor could be interpreted as suggesting that students view themselves as possessing leadership skills. The item '*I am able to delegate work to peers*' had the highest loading on this factor. Good leaders are the ones who has the ability to inspire, motivate and empower their followers because these are the most important qualities of leadership in the twenty-first century (De Villiers, 2010:6). Reflecting on this it could be concluded that students with leadership skills will improve their chances of obtaining and sustaining employment.

### 5.5.7 Communication skills

As mentioned previously the KMO measure of sampling adequacy and Bartlett's test of sphericity were used to assess the suitability of the respondent data for factor analysis prior to the extraction of the factors. A KMO value of 0.83 indicated that the data were acceptable for analysis and the Bartlett's test of sphericity was significant at 0.000 supporting the factorability of the correlation matrix (Malhotra, 2010:638). Hence, factor analysis using principal component analysis was applied to the data. Using an eigenvalue of one and above two factors were extracted. Collectively the two factors explained a total variance of 58.64 percent. Factor 1 comprised seven items and Factor 2 comprised four items. An examination of the factors revealed that factor 1 relates to oral communication skills and the factor was labelled as such. The items that clustered as factor 2 relate to written communication skills and the factor was labelled as such. The internal reliability of the factors was measured by Cronbach alpha and the reliability for each factor was as follows: oral communication skills (0.84) and written communication skills (0.84). Table 5.12 provides the pattern matrix of the eleven items of communication skills.

**Table 5.12: Pattern matrix of communication skills**

	ITEMS	Factor 1	Factor 2
B7.5	I am able to put up a good logical argument to persuade others.	0.840	
B7.4	I am able to communicate ideas to groups.	0.832	
B7.3	I am able to express ideas verbally, one to one.	0.832	
B7.6	I am able to respond to other's comments during a conversation.	0.796	
B7.1	I can make effective presentations.	0.591	
B7.2	I can make unplanned presentations.	0.445	
B7.7	I listen attentively to others.	0.389	

	ITEMS	Factor 1	Factor 2
B7.10	I can write external business communication.		0.953
B7.11	I can write internal business communication.		0.944
B7.9	I can write reports.		0.717
B7.8	I use proper grammar, spelling and punctuation.		0.489
Eigenvalue		4.835	1.616
% of variance		43.95	14.69
Cumulative %		43.95	58.64
Cronbach alpha		0.84	0.84
Mean		4.89	4.63
Standard deviation		0.65	0.87

Communication skills are some of the important skills that employers seek in graduates (Robinson, 2000:2). In modern times, it is expected of employees to listen and understand, speak clearly and directly, write clearly, show the ability to negotiate, read independently and possess the ability to emphasise and persuade (Curtin, 2004:48). Graduates should demonstrate well-developed communication skills and the ability to share information in writing or verbally (Coetzee & Beukes, 2010:440). The UK's 2003 National Council for Work Experience (NCWE) survey indicated that 67 percent of employers attached more importance to students' written and oral communication skills than other skills (Archer & Davison, 2008:8).

### **Factor 1: Oral communication skills**

In the context of this study, oral communication skills refer to the ability of students to express ideas and put a good logical argument. Oral communication skills are identified as essential skills regarding employability (Wickramasinghe & Perera, 2010:233; Curtin, 2004:28). As reflected by the mean score ( $\bar{x} = 4.89$ ) it is evident that students have confidence in their ability to communicate orally. The item '*I am able to put up a good logical argument to persuade others*' had the highest loading on this factor. This is a positive outcome because oral communication involves the ability to present ideas confidently and effectively to your audience (Zaharim *et al.*, 2009:196). In line with this, Pop and Barkhuizen (2010:79) found that both interns and mentors in a South African ICT company view *oral* communication as one of the most important skills regarding graduate employability. Reflecting on the finding in this study, it appears that as prospective employees, students will be able to communicate and put good logical arguments.

## **Factor 2: Written communication**

In the context of this study written communication skills refer to the ability of students to use proper grammar, spelling and punctuation. As reflected by the mean score ( $\bar{x} = 4.63$ ) it is evident that students agreed that they possess the ability to communicate in writing. The item '*can write external business communication*' had the highest loading on this factor. This is significant because the ability to write for varied purposes and audiences is an essential attribute that graduates should possess to enhance their employability (Wellman, 2010:910). Written communication skills are rated among the top ten skills that graduates should possess (De Villiers, 2010:9; Little, 2001:125) and together with oral communication, they are identified as forming part of the most useful skills to possess (Shah *et al.*, 2004:9). Upon reflection on this, it appears that students have confidence in their ability to use proper grammar, spelling and punctuation.

### **5.5.8 Perceived employability**

The KMO measure of sampling adequacy and Bartlett's test of sphericity were used to assess the suitability of the respondent data for factor analysis prior to the extraction of the factors. A KMO value of 0.90 indicated that the data were acceptable for analysis and the Bartlett's test of sphericity was significant at 0.000 supporting the factorability of the correlation matrix (Malhotra, 2010:638). Hence, factor analysis using principal component analysis was applied to the data. Using an eigenvalue of one and above four factors were extracted. Collectively the four factors explained a total variance of 61.81 percent. Factor 1 comprised six items, Factor 2 comprised five items, Factor 3 comprised three items and Factor 4 comprised two items. A thorough examination of the factors revealed that Factor 1 relates to the state of the labour market and the factor was labelled as such. The items that clustered as Factor 2 relate to the field of study and was labelled as such. The items that clustered as Factor 3 relate to knowledge and skills hence the factor was labelled knowledge and skills. Furthermore, the items that clustered as Factor 4 relate to self-confidence and the factor was labelled self-confidence. The internal reliability of the factors was measured by Cronbach alpha and the reliability for each factor was as follows: the state of the labour market (0.84), the field of study (0.77), knowledge and skills (0.8) and self-confidence (0.73). Table 5.13 provides the pattern matrix of the 16 items of perceived employability.

**Table 5.13: Pattern matrix of perceived employability**

	ITEMS	Factor 1	Factor 2	Factor 3	Factor 4
C8	I have a good knowledge of opportunities for me in the labour market even if they are quite different to what I am studying.	0.862			
C7	I can use my networks and business contacts to develop my career.	0.788			
C4	I am aware of the opportunities arising in the labour market even if they are different to what I am studying.	0.740			
C5	The skills that I have gained in my field of study are transferable to other occupations outside my field of study.	0.690			
C6	I could easily retrain and make myself employable elsewhere.	0.575			
C3	My personal networks will help me in my career.	0.537			
C9	Among the students who do the same course as me, I am well respected in this institution.		0.732		
C10	Students who study the same course as me are valued highly.		0.705		
C11	If I needed to, I could easily get a job.		0.694		
C12	Students who study the same course like mine are presently really in demand by organisation.		0.654		
C13	I could easily get a job in almost any organisation.		0.476		
C16	People with my kind of knowledge and skills are very highly valued.			-0.753	
C15	I could get any job, anywhere, so long as my skills and experience were reasonably relevant.			-0.733	
C14	Anyone with my level of skills and knowledge will be highly sought after by employers.			-0.711	
C1	I have good prospects of becoming employed because people value my personal contribution.				0.848
C2	Even if there could be downsizing (retrenchments) in the organisation that I will be working at, I am confident that I would be retained.				0.814
Eigenvalue		6.298	1.4981	1.083	1.010
% of variance		39.36	9.36	6.77	6.31

	ITEMS	Factor 1	Factor 2	Factor 3	Factor 4
Cumulative %		39.36	48.72	55.49	61.81
Cronbach alpha		0.84	0.77	0.8	0.73
Mean		4.79	4.43	4.76	4.90
Standard deviation		0.73	0.81	0.81	0.78

There are many factors that may predict perceived employability of persons in general and students in particular (Berntson *et al.*, 2006:236; Rothwell *et al.*, 2008:3). Section C of the questionnaire comprised 16 items that relate to perceived employability of students.

### **Factor 1: The state of the labour market**

The state of the labour market is described as the prevailing conditions regarding the demand and supply of labour. The mean score ( $\bar{x} = 4.79$ ) implies that students agreed that the prevailing conditions regarding the demand and supply of labour (the state of the labour market) is attractive hence they are confident regarding their employability. In other words, students have knowledge of what is happening in the labour market and, therefore, they are confident about their chance of obtaining employment. The item '*I have a good knowledge of opportunities for me in the labour market even if they are quite different to what I am studying*' had the highest loading on this factor. This confirms Hillage and Pollard's (1998:2) view that knowledge of the type of work opportunities that exist in the labour market and their entry requirements influence employability. The importance of this is that the ability of graduates to search for employment, the knowledge and expectations of their future workplace and the knowledge of the labour market improve their chance of being employed (Archer & Chetty, 2013:151). Based on this, it could be argued that the state of the labour market is one of the factors that influence students' perceptions regarding their employability. A favourable labour market therefore, will improve employability of graduates.

### **Factor 2: The field of study**

The field of study refers to any one of the many disciplines that a student chooses to follow as a career. The mean score for this factor ( $\bar{x} = 4.43$ ) implies that students have a moderate agreement that the field of study influences their perceptions of employability. The item '*among the students who do the same course as me, I am well respected in this institution*' had the highest loading on this factor. This may be interpreted as suggesting that the students believe that the course that they enrolled for makes them stand out among their peers. This confirms

the view that perceived status differences between fields of study influence the demand for graduates with degrees in particular fields (Rothwell *et al.*, 2008:2; Radcliffe, 2005:197).

### **Factor 3: Knowledge and skills**

In the context of this study, knowledge and skills refer to students' understanding of what they have learnt and the ability to execute tasks. The mean score ( $\bar{x} = 4.76$ ) indicates that students agree that the knowledge and skills that they possess influence their perceptions with regard to their employability. The item 'people with my kind of knowledge and skills are very highly valued' had the highest loading on this factor. This may imply that students are confident in their knowledge and skills and, therefore, they are convinced that they stand a better chance of obtaining and maintaining employment. To ensure employability of graduates it is essential that they achieve the required mix of knowledge and skills (Oliver *et al.*, 2010:90).

### **Factor 4: Self-confidence**

In the context of this study, *self-confidence* refers to students' belief in their abilities to perform duties and, therefore, stand a better chance to obtain employment. The mean score ( $\bar{x} = 4.90$ ) for this factor indicates that students are confident that they are employable. The item '*I have good prospects of becoming employed because people value my personal contribution*' had the highest loading on this factor. Generally, individuals with high self-confidence show overall self-esteem, which makes them to adapt easily to changing circumstance, look forward to work with new and different people, and willing to take risks (Potgieter, 2012:12). Therefore, it could be concluded that self-confidence is an important factor that influences the perceptions of students regarding their employability.

#### **5.5.9 Intention for self-employment**

The KMO measure of sampling adequacy and Bartlett's test of sphericity were used to assess the suitability of the respondent data for factor analysis prior to the extraction of the factors. A KMO value of 0.95 indicated that the data were appropriate for analysis and the Bartlett's test was significant at 0.000 supporting the factorability of the correlation matrix (Malhotra, 2010:638). Principal component analysis was applied to the data and revealed the presence of one factor with an eigenvalue exceeding one. The one factor labelled as intention for self-employment explained a total variance of 62.03 percent. This factor comprised fourteen items that relate to intention for self-employment and three items were deleted because they loaded very low on the factor. The internal reliability of the factor was measured by Cronbach alpha and

the reliability was 0.93 exceeding the recommended value of 0.6 (Malhotra, 2010:319). Table 5.14 provides the pattern matrix of the items of intention for self-employment.

**Table 5.14: Pattern matrix of intention for self-employment**

	ITEMS	Factor 1
D3	I am interested in starting my own business.	0.934
D5	I see myself becoming some type of entrepreneur one day.	0.923
D2	I have a strong desire to be the owner of my business.	0.912
D4	I am always inclined towards entrepreneurship.	0.894
D10	I plan to start a new business.	0.879
D12	I would like someday start my own business.	0.874
D6	I have strong plans to venture into business once I complete my studies.	0.869
D8	I seriously consider entrepreneurship as a highly desirable career option.	0.864
D7	Planning for some kind of business has been, is, or will be an important part of my university studies.	0.842
D13	I could easily pursue a career involving self-employment.	0.829
D1	I seriously intend starting my own business within the next three years after completion.	0.823
Eigenvalue		8.684
% of variance		62.03
Cumulative %		62.03
Cronbach alpha		0.93
Mean		4.42
Standard deviation		1.10

In the context of this study, intention for self-employment is described as a student's likelihood to own a business someday. There is a common view among researchers of entrepreneurship that the decision to start a business is preceded by intention (Fatoki, 2010:89; Crant, 1996:43; Bird, 1988:442). The mean score ( $\bar{x} = 4.42$ ) indicates that students agree moderately that they intend to be self-employed. The item '*I am interested in starting my own business*' had the highest loading on this factor. Based on the mean score this may imply that although majority of students intend to start their own businesses, equally so there is a substantial number of students who do not intend to engage in self-employment. This finding confirms Fatoki's (2010:92) finding that self-employment intentions among South African students remain very low. This is a disturbing fact since the level of entrepreneurship and self-employment in South

Africa is at low levels (Simrie *et al.*, 2011:4). Given the high unemployment levels among the youth in South Africa, self-employment may be a valuable way for graduates to participate in the labour market.

## 5.6 COMPARISON OF STUDENTS' PERCEPTIONS

The responses of participants are compared using independent t-tests, analysis of variance (ANOVA) and correlation analysis. A summary of means and standard deviation were calculated to reflect the central tendency and dispersion of the responses of participants. The responses were measured on a six-point Likert scale ranging from one (strongly disagree) to six (strongly agree). Cohen's d-value measured the effect size of differences in the means. The guidelines for the interpretation of the effect size are described as follows: 0.01= small effect, 0.06= medium effect and 0.14= large effect (Pallant, 2013:256).

### 5.6.1 Independent t-test

The responses of male participants were compared to the responses of female participants using independent t-tests. The higher mean score indicates a greater degree of agreement. Male and female participants were compared on employability skills, perceived employability and intention for self-employment respectively.

#### 5.6.1.1 Gender differences (Employability skills)

Independent t-tests were used to determine whether there are any significant differences between male and female participants regarding employability skills. Table 5.15 reports on the mean, standard deviation, p-value and effect size on employability skills of males and females.

**Table 5.15: Gender differences for employability skills**

Construct	Gender	N	Mean	Standard deviation	p-value	Effect size
Adaptability skills	Male	171	4.9586	.57730	0.398	0.08
	Female	282	4.9102	.61171		
Analytical and Problem solving skills	Male	171	4.6905	.64799	0.224	0.11
	Female	282	4.6123	.68614		
Creative thinking skills	Male	171	4.7388	.70895	0.561	0.05
	Female	282	4.7772	.63047		

Construct	Gender	N	Mean	Standard deviation	p-value	Effect size
Human skills	Male	171	4.7868	.73313	0.206	0.12
	Female	282	4.6944	.78524		
English language proficiency and literacy skills	Male	171	5.2602	.63813	0.795	0.02
	Female	282	5.2439	.67117		
Information, Communication and Technology skills	Male	171	5.2772	.65700	0.267	0.11
	Female	282	5.2053	.68216		
Personal organisation and time management skills	Male	171	4.8133	.73623	0.206	0.12
	Female	282	4.9022	.70529		
Leadership skills	Male	171	4.9386	.72032	0.907	0.01
	Female	282	4.9305	.71006		
Oral communication skills	Male	171	4.9309	.66789	0.275	0.10
	Female	282	4.8620	.62115		
Written skills	Male	171	4.6506	.88554	0.828	0.02
	Female	282	4.6321	.87016		

\*statistically significant at  $p < 0.05$

The two-tailed significance value for all employability skills as indicated in Table 5.13 shows that the p-value is above 0.05. This implies that there were no significant differences between employability skills in terms of gender. Reflecting on this and based on the mean scores it can be concluded that male and female students perceive themselves as possessing employability skills. Based on the mean scores English language proficiency and literacy skills (male,  $\bar{x} = 5.26$ ; female,  $\bar{x} = 5.24$ ) and ICT skills (male,  $\bar{x} = 5.28$ ; female,  $\bar{x} = 5.21$ ) had the highest scores while analytical and problem solving skills (male,  $\bar{x} = 4.69$ ; female,  $\bar{x} = 4.61$ ) and written communication skills (male,  $\bar{x} = 4.65$ ; female,  $\bar{x} = 4.63$ ) had the lowest scores. The fact that both male and female students share similar views with regard to employability skills is encouraging since in South Africa females are consistently more often unemployed compared to their male counterparts (Bhorat & Oosthuizen, 2007:393; Bhorat *et al.*, 2012:23). Employability skills are known to improve graduates' employability and, therefore, it is essential for graduates to develop a range of these skills above and beyond the specific abilities (Shah *et al.*, 2004:9).

### 5.6.1.2 Gender differences (Perceived employability)

Independent t-tests were used to determine whether there were any significant differences in terms of gender regarding perceived employability. Table 5.16 reports on the mean, standard deviation, p-value and effect size of male and female perceptions regarding their employability.

**Table 5.16: Gender differences for perceived employability**

Construct	Gender	N	Mean	Standard deviation	p-value	Effect size
The state of the labour market	Male	171	4.8088	.75349	0.610	0.05
	Female	282	4.7721	.72024		
The field of study	Male	171	4.4003	.84458	0.474	0.07
	Female	282	4.4580	.80858		
Knowledge and skills	Male	171	4.7934	.87757	0.732	0.03
	Female	282	4.7655	.76990		
Self-confidence	Male	171	4.8538	.83435	0.362	0.09
	Female	282	4.9255	.77077		

\*statistically significant at  $p < 0.05$

The two-tailed significance value for all factors that make up perceived employability as indicated in Table 5.14 shows that the p-value is above 0.05. This implies that there were no statistically significant differences between perceived employability and gender. The magnitude of the differences in the means was very small to moderate (Pallant, 2013:256). Reflecting on this it can be concluded that male and female students have similar perceptions regarding their employability. The finding of Rothwell *et al.* (2009:158) confirmed that there are no significant differences between male and female students regarding perceived employability. Based on the mean scores it is evident that male and female students are confident in their chances of obtaining and sustaining employment. In the context of South Africa, this is an encouraging finding given the unacceptable levels of unemployment among the youth. The mean scores for self-confidence (male,  $\bar{x} = 4.85$ ; female,  $\bar{x} = 4.93$ ) was the highest while the field of study (male,  $\bar{x} = 4.40$ ; female,  $\bar{x} = 4.46$ ) had the lowest mean score. This could be interpreted as suggesting that among the factors that influence students' perceptions regarding employability, the influence of self-confidence is much higher and the field of study has a lesser influence on students' perceptions.

### 5.6.1.3 Gender differences (Intention for self-employment)

Independent t-tests were used to determine whether there were any significant differences in terms of gender regarding intention for self-employment. Table 5.17 reports on the mean, standard deviation, p-value and effect size of male and female perceptions regarding intention for self-employment.

**Table 5.17: Gender differences for intention for self-employment**

Construct	Gender	N	Mean	Standard deviation	p-value	Effect size
Intention for self-employment	Male	171	4.4699	1.04289	0.420	0.07
	Female	282	4.3856	1.13339		

\*statistically significant at  $p < 0.05$

The two-tailed significance value for intention for self-employment as indicated in Table 5.15 shows that the p-value is above 0.05. This implies that there were no statistically significant differences between intention for self-employment and gender. The magnitude of the differences in the means was moderate (Pallant, 2013:256). Reflecting on this it can be concluded that male and female students have similar views on intention for self-employment. Based on the mean values (male,  $\bar{x} = 4.47$ ; female,  $\bar{x} = 4.39$ ) it appears that both male and female moderately agree that they intend to own businesses someday. This is significant given the reported low levels of entrepreneurial activity among the youth of South Africa.

## 5.6.2 ANOVA

ANOVA was conducted to investigate whether there were differences in terms of year of study (level of study), field of study and designated groups (races) regarding perceived employability and intention for self-employment of participants. The responses were measured on six-point Likert scales ranging from one (strongly disagree) to six (strongly agree). The higher mean score indicates a greater degree of agreement.

### 5.6.2.1 Year of study differences for perceived employability

ANOVA was conducted to compare the students' year of study with perceived employability. There were no statistically significant differences at the  $p < 0.05$  level in terms of year of study for all the components that make up perceived employability. Therefore, a *post hoc* test was not conducted. This could be interpreted as suggesting that second-year, third-year and postgraduate students share similar views regarding their employability. The mean scores ( $\bar{x} =$

4.90) also indicate that all students from different years of study perceive themselves as employable. However, this finding contradicts Tymon's (2013:851) finding in which significant differences were found between second-year and third-year students regarding perceptions of employability. One plausible reason mentioned was that at this stage of their education level, second-year students like first-year students do not have an informed understanding and awareness of employers' requirements. Table 5.18 provides mean scores for year of study in terms of perceived employability.

**Table 5.18: Year of study differences for perceived employability**

Construct	Field of study	N	Mean	Std. Deviation	Sig
The state of the labour market	Second year	94	4.7535	.68554	.757
	Third year	301	4.7819	.73208	
	Post graduate	87	4.8330	.75980	
	Total	482	4.7856	.72730	
Field of study	Second year	94	4.3287	.77479	.153
	Third year	301	4.4384	.81947	
	Post graduate	87	4.5586	.73291	
	Total	482	4.4387	.79744	
Knowledge and skills	Second year	94	4.7943	.73014	.930
	Third year	301	4.7586	.79910	
	Post graduate	85	4.7686	.86070	
	Total	480	4.7674	.79595	
Self-confidence	Second year	94	4.9362	.84317	.868
	Third year	301	4.8887	.77679	
	Post graduate	87	4.9138	.75177	
	Total	482	4.9025	.78435	

\*statistically significant at  $p < 0.05$

### 5.6.2.2 Year of study differences for intention for self-employment

ANOVA was conducted to compare students' year of study with regard to intention for self-employment. There were statistically significant differences at the  $p < 0.05$  level in terms of intention for self-employment for the different years of study. Table 5.19 provides mean scores, standard deviation and p-value for year of study in terms of intention for self-employment.

**Table 5.19: Year of study differences for intention for self-employment**

Construct	Field of study	N	Mean	Std. Deviation	Sig
Intention for self-employment	Second year	94	4.4769	1.10937	.042*
	Third year	301	4.4828	1.05079	
	Post graduate	87	4.1525	1.24231	
	Total	482	4.4221	1.10390	

\*statistically significant at  $p < 0.05$

*Post hoc* comparisons using Tukey HSD test indicated that with regard to intention for self-employment the mean score for postgraduate students ( $\bar{x} = 4.15$ ) was significantly different from the mean scores for second-year students ( $\bar{x} = 4.78$ ) and third-year students ( $\bar{x} = 4.48$ ). It appears that postgraduate students are less interested to own businesses compared to other groups. This finding confirms Wu and Wu's (2008:768) finding that postgraduates are less interested in starting businesses compared to students with diplomas or degrees. A plausible reason for this disparity was that diploma and undergraduate students are young and full of energy to start new businesses compared to postgraduates. Cohen's d-value measured the effect size of differences in means. The magnitudes of the differences between postgraduates and second years (0.26) and between postgraduates and third years (0.27) were large (Pallant, 2013:256). This tends to show a practical significance. Table 5.20 provides the effect size differences among different years of study in terms of intention for self-employment.

**Table 5.20: Magnitude of differences regarding year of study differences for intention for self-employment**

		Means			
		Second years	Third years	Post-graduate	Education
<b>Intention for self-employment</b>		4.78	4.48	4.15	
	Effect size: Postgraduate with	0.26*	0.27*		

\*effect size, small = 0.01, moderate = 0.06, large = 0.14

### 5.6.2.3 Field of study differences for perceived employability

ANOVA was conducted to compare the students' fields of study with perceived employability. There were no statistically significant differences at the  $p < 0.05$  level in terms of different fields of study for all the components that make up perceived employability. Therefore, *post hoc* test was

not conducted. This could be interpreted as suggesting that participants from different fields of study share similar views regarding their employability. Based on the mean values ( $\bar{x} = 4.90$ ) it is evident that students from different fields of study are confident about their chances of obtaining and sustaining employment. This finding is significant as during the period 2002 to 2005 the field of study used to be a factor regarding employability of graduates in South Africa (Bhorat & Oosthuizen, 2007:397). It is reported that graduates in education, business, commerce and management had increasingly accounted for the largest share of the unemployed graduates. Table 5.21 provides mean scores for field of study in terms of perceived employability.

**Table 5.21: Field of study differences for perceived employability**

Construct	Field of study	N	Mean	Standard deviation	Sig
The state of the labour market	Commerce	173	4.8154	.68821	.645
	Health	8	4.7500	.59094	
	Law	23	4.8768	.72512	
	Education	72	4.6778	.82213	
	Engineering	10	5.1000	.37019	
	IT	68	4.7569	.69966	
	Other	128	4.7943	.76347	
	Total	482	4.7887	.72635	
Field of study	Commerce	173	4.3621	.77435	.077
	Health	8	4.3000	.65027	
	Law	23	4.4696	.70995	
	Education	72	4.6806	.75878	
	Engineering	10	4.3400	1.28253	
	IT	68	4.5522	.78955	
	Other	128	4.3473	.85613	
	Total	482	4.4362	.80946	
Knowledge and skills	Commerce	173	4.7206	.79382	.585
	Health	8	4.7083	.45207	
	Law	23	5.0725	.71036	
	Education	72	4.7476	.84449	
	Engineering	10	4.8000	1.36264	
	IT	68	4.8333	.73415	

Construct	Field of study	N	Mean	Standard deviation	Sig
	Other	128	4.7292	.81623	
	Total	482	4.7611	.80526	
Self-confidence	Commerce	173	4.9017	.74056	.508
	Health	8	4.8125	.75297	
	Law	23	4.5652	1.18996	
	Education	72	4.9167	.67135	
	Engineering	10	5.0000	.70711	
	IT	68	4.9853	.66338	
	Other	128	4.8984	.87250	
	Total	482	4.8994	.78363	

\*statistically significant at  $p < 0.05$

#### 5.6.2.4 Field of study differences for intention for self-employment

ANOVA was conducted to compare the students' fields of study with intention for self-employment. There were statistically significant differences at the  $p < 0.05$  level in terms of intention for self-employment for the different fields of study. Table 5.22 provides the mean scores, standard deviation and p value for different fields of study regarding intention for self-employment.

**Table 5.22: Differences among field of study regarding intention for self-employment**

Construct	Field of study	N	Mean	Standard Deviation	Sig
Intention for self-employment	Commerce	173	4.7742	.87740	0.000*
	Health	8	4.1848	1.78077	
	Law	23	4.4255	.98304	
	Education	72	3.7360	1.19873	
	Engineering	10	4.7857	.79539	
	IT	68	4.0356	1.14850	
	Other	128	4.5309	1.06521	
	Total	482	4.4241	1.10269	

\*statistically significant at  $p < 0.05$

Post hoc comparisons using Tukey HSD test indicated that with regard to intention for self-employment the mean score for students who enrolled for education ( $\bar{x} = 3.74$ ) was significantly different from the mean score of commerce ( $\bar{x} = 4.77$ ) and engineering ( $\bar{x} = 4.79$ ) students. It is evident that students who enrolled for education qualifications are less likely to start their own businesses compared to other groups. This finding confirms Falk and Leoni's (2009:1070) finding that students who enrolled for education degrees were less likely to become self-employment. Furthermore, with the highest mean score ( $\bar{x} = 4.79$ ) engineering students are more likely to start their own businesses compared to others. This finding confirms Wu and Wu's (2008:768) finding among Chinese students from Tongji University in Shanghai in which they found that engineering students were more inclined to start businesses compared to other groups. Cohen's d-value measured the effect size of differences in means. The magnitudes of the differences between education and commerce (1.00) and between education and engineering (1.01) were large (Pallant, 2013:256). This tends to show a practical significance. Table 5.23 provides the effect size differences among different fields of study in terms of intention for self-employment.

**Table 5.23: Magnitude of differences regarding field of study differences for intention for self-employment**

		Means							
		Commerce	Health	Law	Education	Engineering	IT	Other	Total
<b>Intention for self-employment</b>		4.77	4.18	4.42	3.74	4.79	4.03	4.53	4.42
	Effect size: Education with	1.00*				1.01*			

\*effect size, small = 0.01, moderate = 0.06, large = 0.14

**5.6.2.5 Designated groups (race) differences for perceived employability**

ANOVA was conducted to compare designated groups (races) regarding perceived employability. Due to the small number of Indian participants, this group was excluded from the analysis. There were no statistically significant differences at the  $p < 0.05$  level among the different designated groups (races) in terms of perceived employability except for knowledge and skills (.004). In other words, all designated groups agree that the state of the labour market, field of study and self-confidence influence their perceptions regarding employability. Table 5.24

provides the mean scores, standard deviation and  $p$  value for different designated groups regarding perceived employability.

**Table 5.24: Differences among designated groups regarding perceived employability**

Construct	Designated group	N	Mean	Standard Deviation	Sig
The state of the labour market	Black	390	4.8216	.71716	.212
	White	68	4.6716	.79643	
	Coloured	18	4.6611	.59070	
	Total	476	4.7941	.72567	
Field of study	Black	390	4.4454	.82291	.553
	White	68	4.3566	.81602	
	Coloured	18	4.2944	.55859	
	Total	476	4.4270	.81321	
Knowledge and skills	Black	389	4.8072	.78591	.004*
	White	68	4.4559	.96180	
	Coloured	17	4.7255	.51687	
	Total	474	4.7539	.81355	
Self-confidence	Black	390	4.9154	.81235	.776
	White	68	4.8456	.64794	
	Coloured	18	4.8611	.72367	
	Total	476	4.9034	.78681	

\* Statistically significant at  $p < 0.05$

Post hoc comparisons using Tukey HSD test indicated that with regard to knowledge and skills the mean score for Blacks ( $\bar{x} = 4.81$ ) was significantly different to the mean score for whites ( $\bar{x} = 4.46$ ). Cohen's  $d$  value was used to measure the effect size of the differences. The magnitude of the differences in the means was large (0.37) which tends to show a practical significance (Pallant, 2013:256). This could be interpreted as suggesting that Blacks perceive their knowledge and skills as contributing to their perceptions regarding employability more than Whites do. Table 5.25 provides the effect sizes among designated groups (races) in terms of perceived employability.

**Table 5.25: Magnitude of differences among designated groups regarding perceived employability**

		Means			
		Black	White	Coloured	Total
The state of the labour market		4.82	4.67	4.66	4.79
Field of study		4.45	4.36	4.29	4.43
Knowledge and skills		4.81	4.46	4.71	4.75
	Effect size: Blacks with		0.37*		
Self-confidence		4.92	4.85	4.86	4.90

\*effect size, small = 0.01, moderate = 0.06, large = 0.14

#### 5.6.2.6 Designated groups (race) differences for intention for self-employment

ANOVA was conducted to compare designated groups (races) regarding intention for self-employment. Due to the small number of Indian participants, this group was excluded from the analysis. There were statistically significant differences at the  $p < 0.05$  level among designated groups (races) in terms of intention for self-employment. Table 5.26 provides the mean scores, standard deviation and p value for different designated groups regarding intention for self-employment.

**Table 5.26: Differences among designated groups regarding intention for self-employment**

Construct	Designated group	N	Mean	Std. Deviation	Sig
Intention for self-employment	Black	390	4.5409	1.03971	0.000*
	White	68	3.8076	1.23584	
	Coloured	18	4.3007	1.25930	
	Total	476	4.4271	1.10619	

\* Statistically significant at  $p < 0.05$

Post hoc comparisons using Tukey HSD test indicated that with regard to intention for self-employment the mean score for Blacks ( $\bar{x} = 4.54$ ) was significantly different to the mean score for Whites ( $\bar{x} = 3.80$ ) and Coloureds ( $\bar{x} = 4.30$ ). Furthermore, the mean score for Whites ( $\bar{x} = 3.81$ ) was significantly different from the mean score of Coloureds ( $\bar{x} = 4.30$ ). Cohen's d value was used to measure the effect size of the differences. The magnitude of the differences in the

means was large between both Blacks and Whites (0.59) and between Blacks and Coloureds (0.19) which tends to show a practical significance (Pallant, 2013:256). This could be interpreted as suggesting that compared to Whites and Coloureds, Blacks are likely to intend to own businesses. This finding contradicts Kim’s (2007:398) finding in which it was found that Blacks were less likely to be self-employed compared to their White counterparts. The magnitude of the differences in the mean score between Whites and Coloureds was also large (0.39) which tends to indicate a practical significance (Pallant, 2013:256). This could be interpreted as suggesting that compared to Coloureds, Whites are less likely to intend to own businesses. This finding is inconsistent with the finding of Herrington *et al.* (2008:4) that Whites were more likely to start a business compared to their Coloured counterparts. Table 5.27 provides the effect sizes among designated groups (races) in terms of intention for self-employment.

**Table 5.27: Magnitude of differences among designated groups regarding intention for self-employment**

		Means			
		Black	White	Coloured	Total
<b>Intention for self-employment</b>		4.54	3.81	4.30	4.43
	Effect size: Blacks with		0.59*	0.19*	
	Effect size: Whites with			0.39*	

\*effect size, small = 0.01, moderate = 0.06, large = 0.14

**5.6.3 CORRELATION ANALYSIS**

Spearman’s rank order correlation coefficient was used to investigate the relationship among the four components of perceived employability. It was also used to investigate the relationship between perceived employability and intention for self-employment. Table 5.28 provides the correlation matrix.

**Table 5.28: Correlation matrix**

		The state of the labour market	Field of study	Knowledge and skills	Self-confidence	Intention for self-employment
The state of the labour market	Correlation coefficient	1				
	Sig. (2-tailed)					
Field of study	Correlation coefficient	.554**	1			
	Sig. (2-tailed)	0.000				
Knowledge and skills	Correlation coefficient	.530**	.566**	1		
	Sig. (2-tailed)	.000	.000			
Self-confidence	Correlation coefficient	.545**	.443**	.435**	1	
	Sig. (2-tailed)	.000	.000	.000		
Intention for self-employment	Correlation coefficient	.228**	.047	.193**	.112*	1
	Sig. (2-tailed)	.000	.302	.000	.014	

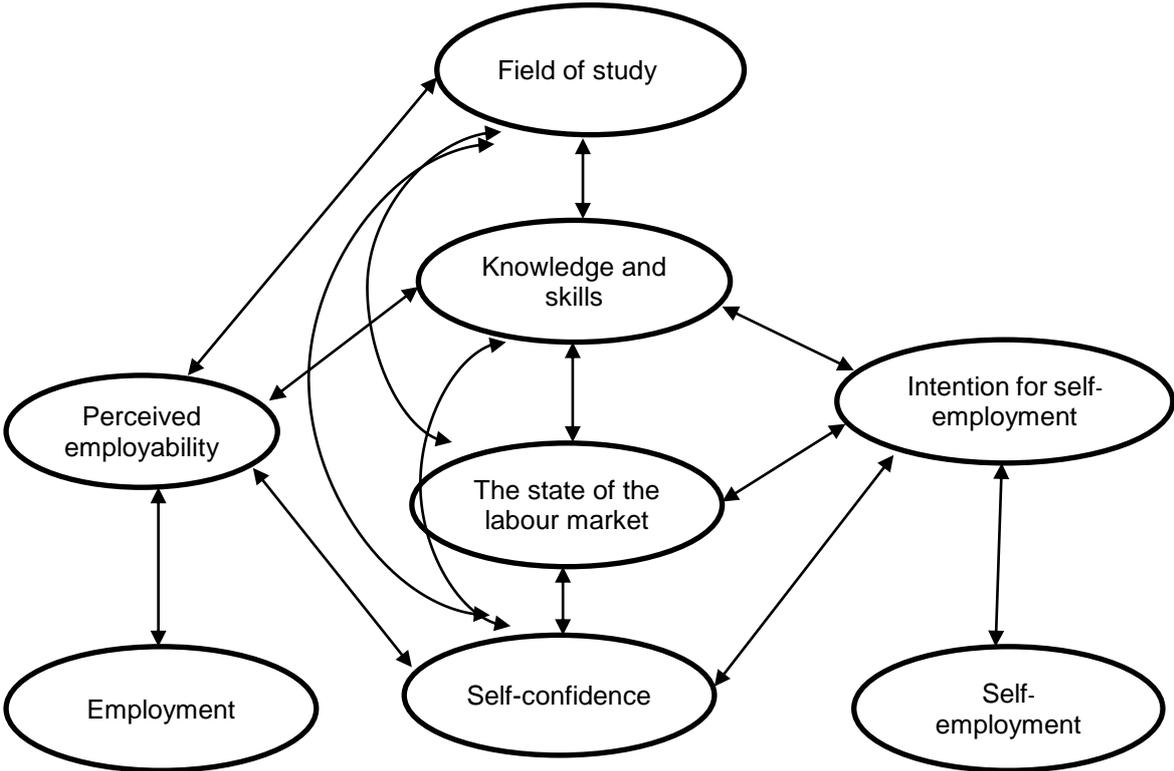
\*. Correlation is significant at the 0.05 level (2-tailed).

\*\*. Correlation is significant at the 0.01 level (2-tailed).

There was a statistically significant positive correlation among the factors that explain perceived employability at  $p < 0.01$  level. This finding confirms Rothwell *et al.*'s (2008:3) finding that the state of the labour market, the field of study and self-confidence (self-belief), the university attended and ambition make up perceived employability of students. In this study another factor, knowledge and skills of students seem to predict the perceptions of students regarding their employability as it relates significantly with the other three factors, namely the state of the labour market, the field of study and self-confidence. This could be interpreted as suggesting that the four factors collectively describe perceived employability of students. Therefore, this finding suggests that perceived employability of students is a four-factor structure. From this, one could argue that students with appropriate knowledge and skills acquired from respective fields of study tend to be confident in their abilities and are likely to influence the conditions regarding the supply and demand of labour positively (the state of the labour market). Therefore, these types of students are likely to be attractive to employers.

The primary objective of this study was to investigate the relationship between perceived employability and intention for self-employment among university students. In accordance with the primary objective of this study correlation analysis revealed a statistically significant positive correlation between the three factors of perceived employability, namely the state of the labour

market, knowledge and skills ( $p < 0.01$ ) and self-confidence ( $p < 0.05$ ) with intention for self-employment. The other factor, namely the field of study did not show a significant relationship with intention for self-employment. Therefore, it can be concluded that perceived employability is positively related to intention for self-employment in so far as the state of the labour market is favourable, the knowledge and skills of students are appropriate and students' self-confidence is high. The positive correlation between the three factors and intention for self-employment suggest that there is a relationship between perceived employability and intention for self-employment among university students. This finding contradicts Luiz and Mariotti's (2011:49) assertion that in South Africa school leavers tend to prefer work in the corporate world and give little attention to self-employment. It is evident that as much as students prefer to work in the corporate world, they equally intend to be self-employed. Reflecting on this, intention for self-employment among university students to a certain extent depends on the knowledge and skills of students, the state of the labour market and self-confidence of students. This relationship is illustrated in Figure 5.1.



**Figure 5.1: Model for perceived employability and intention for self-employment for university students**

## **5.7 CONCLUSION**

This chapter presented the empirical findings of the study. In order to achieve the objectives of the study different statistical techniques were applied to analyse the data. From the analysis it was evident that majority of university students perceive themselves as possessing employability skills. Importantly is that there were no statistically significant differences between male and female participants. Similarly, the perceptions of males regarding perceived employability and intention for self-employment did not differ from those of females. Students' perceptions regarding perceived employability and intention for self-employment were also compared in terms of year of study, field of study and designated groups (race). In terms of perceived employability, no significant differences were found except on knowledge and skills between Blacks and Whites. Significant differences were found in terms of intention for self-employment in all the afore-mentioned variables. In accordance with the primary objective of the study, correlation analysis was used. The analysis revealed that there is a positive correlation between perceived employability and intention for self-employment among university students. The next chapter presents conclusions, contribution of the study, recommendations, limitations and directions for future research.

## **CHAPTER 6**

### **CONTRIBUTIONS, RECOMMENDATIONS, DIRECTIONS FOR FUTURE RESEARCH AND CONCLUSIONS**

#### **6.1 INTRODUCTION**

The previous chapter presented a comprehensive analysis and interpretation of the findings. This chapter begins with an overview of the study. In addition, this chapter also presents the attainment of the theoretical and empirical objectives. A discussion regarding the contributions that the study has made then follows. The chapter also presents the recommendations in relation to the findings of the study. Additionally the chapter outlines the limitations of the study and directions for future research. It ends with concluding remarks.

#### **6.2 OVERVIEW OF THE STUDY**

The primary objective of this study was to investigate the relationship between perceived employability and intention for self-employment among university students. Chapter 1 provided a theoretical framework for the study. The introduction, the problem statement and the importance of the study were outlined. The chapter also provided information regarding the research design and approach used in the study. Additionally, Chapter 1 stated the theoretical and empirical objectives of the study. The ethical considerations relating to research were outlined.

Chapter 2 provided a comprehensive review of the literature on employability. The first theoretical objective was to conduct a literature review on employability. The foregoing discussion describes how the first theoretical objective was achieved. From the review of the literature, it was evident that the phenomenon of employability developed over the decades (sub-section 2.3.1). In the beginning the focus was on ensuring that the physically and mentally disabled persons were considered in terms of their employment needs (De Grip *et al.*, 2004:213) and in recent years the focus shifted towards securing employment rather than looking for employment (De Cuyper *et al.*, 2008:489). Employability is a multi-dimensional phenomenon; hence, it was prudent to approach it from a contextual point of view (Section 2.4). These developments may be interpreted as suggesting that employability should be viewed from different angles, as it is a dynamic phenomenon.

Notwithstanding, the view among researchers is that employability is important for the business and for the individual (Section 2.5). For the business, it ensures a sustainable competitive advantage and for the individuals it improves their likelihood of obtaining and retaining

employment (Fugate *et al.*, 2004:16). In line with this, employees should be intelligent, flexible, and adaptable and learn at a faster rate than before to ensure that they are effective in a changing world (Harvey, 2005:16). It is imperative that all stakeholders work together to ensure that individuals' employability is developed.

Due to the importance of employability in the workplace (subsection 2.3.2), there is an unprecedented need to equip individuals with up-to-date knowledge, skills and competencies to survive in the workplace (Thijssen *et al.*, 2008:166). Therefore, it was not surprising to notice an increasing interest in graduate employability (subsection 2.3.3). In line with this, institutions of higher learning are required to produce well-rounded graduates who are up-to-date with the developments in the world of work (Cumming, 2010:407). Consequently, many governments around the world adopted policies that are aimed at enhancing employability of citizens (subsection 2.3.4). It was evident that the development of employability is beneficial for both employees and employers (Section 2.6).

The second theoretical objective was to conduct a literature review on employability skills that may influence perceptions regarding employability. The attainment of this objective is outlined in Section 2.7. The literature revealed that employability skills are essential in enhancing employability of individuals (sub-section 2.7.2). Employability skills are regarded as generic in nature and cut across all industries (Cassidy, 2006:508). Importantly is that employability skills have the potential to enhance employment prospects of individuals hence much attention is shown towards the acquisition of these skills, especially for students. It is not surprising to notice that employers are looking for graduates who possess employability skills other than the job specific technical skills. However, reflecting on graduate employability in the world, employers lament the lack of employability skills among graduates (Section 2.8). Similarly, there has been a debate in South Africa regarding employability skills of graduates (Section 2.9).

Chapter 3 provided a comprehensive literature review in respect of self-employment. The third theoretical objective was to conduct a literature review on self-employment. The foregoing discussion describes how the third theoretical objective was attained. The review of the literature indicates that self-employment takes different meaning in different contexts (Section 3.2). As a result, researchers find it difficult to come up with a common definition of self-employment. Notwithstanding, the contribution of self-employment towards economic development does not go unnoticed. It is against this background that many are engaging in self-employment activities around the world (Section 3.3). However, in the case of South Africa research indicates that self-employment is comparatively low, especially among young people (Section 3.4). This is despite self-employment being viewed as important in many countries

around the world (Section 3.5). Based on this, the present study was conducted to investigate the self-employment intentions of university students.

The fourth empirical objective was to conduct a literature review on factors determining self-employment intentions. In accordance with the fourth theoretical objective, the literature supports the views that intentions precede entrepreneurial activity (Section 3.8). Hence, there is much focus on the factors that influence self-employment intentions (subsection 3.8.1). In the case of South Africa despite numerous efforts to encourage self-employment among the youth, self-employment intentions among students remain disappointingly low (Fatoki, 2010:92).

Chapter 4 presented the research methodology that was used to achieve the objectives of the study. Among others, this included the research design and approach. The sampling strategy used in the study was outlined (Section 4.4). The discussion included the description of the population, sampling frame, sampling method and sampling size. The data collection procedure was explained in Section 4.5 and followed by a discussion of data preparation (Section 4.8). Section 4.9 provided a discussion on factor analysis. The reliability of the instrument and the validity of data were discussed in sections 4.10 and 4.11 respectively. The statistical techniques used to analyse the data were presented in Section 4.12.

In accordance with the objectives of this study, Chapter 5 presented the empirical findings and the analysis and interpretation thereof.

### **6.3 MAIN FINDINGS OF THE STUDY**

In the context of this study, the empirical objectives were outlined as follows:

- To identify university students' perceptions of their employability.
- To identify university students' intentions for self-employment.
- To investigate whether there are differences in terms of gender in terms of employability and self-employment intentions.
- To investigate whether there are differences in terms of year of study (level of study) in terms of employability and intention for self-employment.
- To investigate whether there are differences in terms of field of study in terms of employability and intention for self-employment.
- To investigate whether there are differences in terms of designated group (race) in terms of employability perceptions and intention for self-employment.

- To investigate the relationship between the perceptions of employability and intention for self-employment.

### **6.3.1 University students' perceptions of their employability**

The first empirical objective was achieved by conducting factor analysis. Factor analysis identified ten factors that describe employability skills of students (Section 5.5). Similarly, it was used to extract four factors that made up perceived employability of students. From this, it was evident that university students perceived themselves as possessing employability skills (sub-sections 5.5.1 – 5.5.7). This finding is significant given the fact that the possession of employability skills improves the likelihood of an individual to obtain and sustain employment. The fact that students perceived themselves as possessing employability skills had a positive effect on their perceptions regarding employability (sub-section 5.5.8).

### **6.3.2 University students' intentions for self-employment**

The second empirical objective was achieved by conducting factor analysis. Factor analysis identified one factor that explains the intention for self-employment among university students. Majority of students indicated that they intend to be self-employed someday (sub-section 5.5.9). This is a positive outcome given the low levels of self-employment in South Africa, especially among the youth. It is encouraging to note that university students intend to be job creators instead of job seekers. However, based on the mean score ( $\bar{x} = 4.42$ ) on this factor there is a substantial number of students who do not view self-employment as a career.

### **6.3.3 Gender perceptions in terms of employability and self-employment intentions**

The third empirical objective was achieved by using independent t-tests. Independent t-tests were used to compare the perceptions of males and females regarding employability and intention for self-employment. There were no statistically significant differences between male and female students in terms of perceived employability and intention for self-employment (sub-section 5.6.1). This is an encouraging finding given the fact that female have more often lagged behind their male counterparts both in terms of employment (Bhorat & Oosthuizen, 2007:393; Bhorat *et al.*, 2012:23) and self-employment (Crant, 1996:47; Kim, 2007:398; Herrington *et al.*, 2008:4).

#### **6.3.4 Year of study (level of study) perceptions in terms of employability and intention for self-employment**

The fourth empirical objective was achieved by using ANOVA to ascertain whether there were any significant differences regarding year of study with regard to perceived employability and intention for self-employment. There were no statistically significant differences in terms of year of study (level of study) and perceived employability (sub-sections 5.6.2.1). It is evident that second-year, third-year and postgraduate students are equally confident regarding their employability. Important about this finding is that second-year students manifest an informed understanding and awareness of employers' requirements similar to their third year and postgraduate counterparts. However, there were statistically significant differences in terms of year of study and intention for self-employment (sub-section 5.6.2.2). From this, it is evident that postgraduate students' likelihood to own businesses is much less than that of second-year and third-year students. One could conclude that because of their higher qualifications they perceive themselves as standing a better chance of obtaining employment than their junior counterparts do.

#### **6.3.5 Field of study perceptions in terms of employability and intention for self-employment**

The fifth empirical objective was achieved by using ANOVA to ascertain whether there were any significant differences regarding field of study with regard to perceived employability and intention for self-employment. There were no statistically significant differences in terms of field of study and perceived employability (subsection 5.6.2.3). From this, it is evident that students from different fields of study share similar views in terms of their employability. This finding is significant given the fact that in the past students from other fields of study accounted for a higher percentage of unemployed graduates in South Africa (Bhorat & Oosthuizen, 2007:397). Significant differences were found among different fields of study in terms of intention for self-employment (sub-section 5.6.2.4). Consistent with other studies, in comparison to other groups, students who enrolled for education degrees were less likely to intend to start businesses (Fatoki & Leoni, 2009:170) whereas those who enrolled for engineering degrees were more likely to intend to start businesses (Wu & Wu, 2008:768) compared to other groups.

#### **6.3.6 Designated group (race) perceptions in terms of employability and intention for self-employment**

The sixth empirical objective was achieved by using ANOVA to ascertain whether there were any significant differences regarding designated groups (races) on perceived employability and

intention for self-employment. Except for knowledge and skills, there were no statistically significant differences among different designated groups (races) in terms of perceptions on employability (sub-section 5.6.2.5). The conclusion, therefore, is that different designated groups (races) perceived themselves as employable. However, significant differences were found among different designated groups (races) in terms of intention for self-employment (sub-section 5.6.2.6). It was found that Blacks differ significantly from Whites and Coloureds in terms of intention for self-employment. On the other hand, Whites also differ significantly from Coloureds in terms of intention for self-employment.

### **6.3.7 The relationship between the perceptions of employability and intention for self-employment**

The seventh empirical objective was achieved by using Spearman's rank order correlation coefficient to ascertain whether there is any relationship between perceived employability and intention for self-employment among university students. A statistically significant positive relationship between perceived employability and intention for self-employment among university students was found (sub-section 5.6.3). The findings indicated that as long as students are confident in their knowledge and skills, and the state of the labour market is favourable, they might intend to be self-employed someday.

## **6.4 CONTRIBUTIONS OF THE STUDY**

The primary objective of this study was to investigate the relationship between perceived employability and intention for self-employment among university students. South Africa is experiencing unacceptably high unemployment levels among young people, even among those with degrees (Anonymous, 2012:1; Kraal, 2010:81; Borat, 2004:957). Therefore, knowledge of university students' employability is important. Similarly, self-employment among young people in South Africa is comparatively low compared to countries at similar levels of development. Therefore, knowledge of university students' intentions with regard to self-employment is important, as self-employment is known to create job opportunities for the owner and for others. Reflecting on this it was important to investigate the relationship between students' perceptions of employability in the corporate world and the intention for self-employment.

This study contributed to the body of knowledge in the following ways: First, employability skills that university students perceived themselves as possessing were identified. This is significant because employers are in search of graduates who possess employability skills that will enable them to contribute meaningfully in their organisations. Encouraging is that university students in South Africa perceived themselves as possessing employability skills. From this, it was evident

that English language proficiency and literacy skills and Information, communication and technology skills are the skills that university students in South Africa perceived themselves as possessing more than other skills. Universities can, therefore, prioritise the development of other skills among their students.

Secondly, it was found that knowledge and skills of students is an important factor that influences the perceptions of students regarding their employability in the same way as the state of the labour market, field of study and self-confidence do. This conclusion is arrived at because correlation analysis revealed a significant positive relationship between knowledge and skills and the other three factors. Therefore, in the context of this study perceived employability is a four-factor structure (subsection 5.6.3). The conclusion drawn from this finding is that students with the appropriate knowledge and skills acquired from different fields of study tend to have higher self-confidence and, therefore, they may influence the state of the labour market. This study proposed a model that explains this relationship and interested parties can use it to understand the students' employability better.

Thirdly, in accordance with the primary objective of this study, correlation analysis revealed a statistically significant positive relationship between perceived employability and intention for self-employment among university students. Contrary to the view that students prefer to work in the corporate world as opposed to being self-employed (Luiz & Mariotti, 2011:49), a model that explains a different view is proposed (Figure 5.1). According to this model, intention for self-employment among students can be enhanced as long as students possess the appropriate knowledge and skills, their self-confidence is high and the state of the labour market is favourable. Collectively these factors explain perceived employability of students. This confirms a relationship between perceived employability and intention for self-employment among university students. Universities can use this model to understand students' decisions regarding self-employment.

## **6.5 RECOMMENDATIONS**

As previously stated, South Africa is faced with high unemployment rates among the youth and the rate of self-employment is comparatively low among this cohort. The results of this study indicate that university students perceived themselves as employable and the majority of students intend to be self-employed in the future. However, the results also indicate that equally so, a substantial number of students who do not consider self-employment as a career. Based on these results, it is evident that there are underlying causes for the high unemployment and low levels of self-employment among the youth. Therefore, the following recommendations are presented:

### **6.5.1 Development of employability skills of students**

The results of this study indicates that as much as students perceived themselves as possessing employability skills, there are some skills that still need to be developed (Table 5.13). Therefore, employability skills should be integrated into the curriculum. In line with this, Pegg *et al.* (2012:6) are of the view that incorporating employability into the primary business of universities should be the main concern of universities. In agreement with the views of Christy *et al.* (2007:7), it is further recommended that universities should modify their traditional methods of delivery to the one that is work-based. This line of contention is based on the fact that the needs of the business world are changing and require graduates who will adapt easily and contribute immediately to the business success. Therefore, one way of ensuring that the employability skills of students are developed is for universities to establish simulation rooms where students learn how the world of work operates.

### **6.5.2 Stakeholder involvement**

The employability of students should be a collective responsibility of different stakeholders such as prospective employers, government and non-governmental organisations. Employers should form part of curricula design to ensure that what is taught at universities is relevant to the needs of industry. Universities should form partnerships with employer organisations in which students are referred to do practical work to improve their employability skills. As previously stated, a favourable state of labour market is good for the employability of students. Therefore, government should create a favourable environment in terms of the regulatory laws to enhance employability of graduates. For example, government can provide employers with incentives in the form of subsidies or tax concessions to encourage employment of graduates. Similarly, non-governmental organisations such as the South African Graduate Development Association (SAGDA) should intensify their programmes as they play a pivotal role in preparing graduates for the world of work. More of this NGOs should be established.

### **6.5.3 Incorporate self-employment in the curriculum**

Given the fact that a substantial number of students do not consider self-employment as a career, universities should promote it as an alternative to employment in the corporate world. This can be done through partnerships with the business community to encourage students to choose self-employment as a career. In collaboration with the business community universities can establish business incubators where students are guided and mentored on business principles. While it is acknowledged that not all students should be self-employed, universities can introduce entrepreneurship as a compulsory module across different fields of study. A

plausible reason for this is that previous research has indicated that exposure to entrepreneurship and entrepreneurship education enhances intentions for self-employment.

Significant differences were found in terms of field of study and year of study with regard to intention for self-employment. Therefore, students in the fields of study in which less interest in self-employment is manifested should be encouraged to consider it as an option. Similarly, students at postgraduate level should be encouraged to engage in self-employment. Consistent with the results of previous studies, the results of this study confirmed that postgraduate students tend to show less interest in self-employment. A plausible reason could be that with their higher qualifications postgraduate students tend to be more confident in their chances to obtain employment in the corporate world than their junior counterparts do. Therefore, it would be wise to introduce the idea of self-employment at an early stage of students' university life without discouraging them to pursue their studies further.

## **6.6 LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH**

A common feature of most studies is limitations. This study is no exception. Two important limitations were identified in this study. First, convenience sampling was used to collect data, as the institutions were selected based on convenience and accessibility. Hence, the generalisation of the results to the greater population of students should be approached with caution. Therefore, future research could broaden the scope and include other institutions. In addition, future research could include comparing the perceptions of students with regard to employability and self-employment intentions in terms of institutions or countries. A similar study could also be conducted among students of Technical, Vocational Education and Training colleges (TVET) formerly known as Further Education and Training colleges (FET). The further education and training sector is very important with regard to training and job-creation.

While the sample size was consistent with similar studies, the views expressed by students in this study do not necessarily represent those of the total student population in the country. Therefore, future research could consider larger sample sizes or different research approaches which could lead to different results. Secondly, the instrument used was self-administered. Therefore, the student's perceptions are a self-report measure and might lack objectivity to a certain extent. In future, the views of other interested stakeholders should be investigated.

Due to its multi-dimensional nature, employability is influenced by variety of factors. Therefore, other factors that were not included in this study may influence the perceptions of students and that may lead to different results. Similarly, self-employment is influenced by many factors that

are beyond students' control. In light of this, in future it will be prudent to investigate some of these factors in terms of both perceived employability and intention for self-employment.

## **6.7 CONCLUDING REMARKS**

The world of work is changing continuously and requires students who possess employability skills that will benefit both the students as future employees and employers alike. The results of this study indicate that the majority of students perceived themselves as possessing employability skills. Therefore, this had a positive influence on their perceptions regarding employability. While it is encouraging that the majority of students indicated that they intend to be self-employed someday, a substantial number do not consider self-employment as a career. Self-employment of young people is important as future entrepreneurs will come from this cohort.

In order to reduce the high levels of unemployment in South Africa, it is important that university students should be employable and some of them to engage in self-employment activities as this will create job opportunities. Therefore, there is a need to investigate the employability of students continuously. Similarly, self-employment is known to create job opportunities and knowledge of students' self-employment intentions is of paramount importance.

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## ADDENDUM A QUESTIONNAIRE



NORTH-WEST UNIVERSITY  
YUNIBESITI YA BOKONE-BOPHIRIMA  
NOORDWES-UNIVERSITEIT  
VAAL TRIANGLE CAMPUS

### THE RELATIONSHIP BETWEEN PERCEIVED EMPLOYABILITY AND INTENTION FOR SELF-EMPLOYMENT AMONG UNIVERSITY STUDENTS

Dear student

My name is **Habofanwe Andreas Koloba**, a PHD student at the North-West University Vaal Triangle campus. I am researching in the field of entrepreneurship. The purpose of my study is to investigate the relationship between perceived employability and intention for self-employment among university students. I therefore request your assistance in providing the data for my study. In this regard I would appreciate it if you could kindly complete this questionnaire as honestly and accurately as possible.

This research is strictly for academic purposes and therefore your anonymity is guaranteed as you do not have to provide your name. All information provided will be treated in strictest confidence.

Thank you

Habofanwe Andreas Koloba

Email: [habofanwe.koloba@nwu.ac.za](mailto:habofanwe.koloba@nwu.ac.za)

Tel: 016 910 3349

## SECTION A: DEMOGRAPHIC

Please answer the following questions by marking the appropriate option:

<b>A1.</b>	<b>Gender</b>	Male		Female					
<b>A2.</b>	<b>Age</b>	≤18	19	20	21	22	23	24	>25
<b>A3.</b>	<b>Designated group</b>	Black/African		White		Coloured		Indian	
		Other (Specify)							
<b>A4.</b>	<b>Year of study</b>	Second Year			Third Year			Postgraduate	
<b>A5.</b>	<b>Field of study</b>	Commerce	Health	Law	Education	Engineering	IT	Other (Specify)	

## SECTION B: EMPLOYABILITY SKILLS

Please indicate the degree to which you agree or disagree with the following statements by circling the appropriate number:

### B1: Problem solving and adaptability skills

		Strongly disagree	Disagree	Slightly disagree	Slightly agree	Agree	Strongly agree
<b>B1.1</b>	I am able to recognise different ways in meeting my objectives.	1	2	3	4	5	6
<b>B1.2</b>	I am able to monitor progress towards objectives in risky situations.	1	2	3	4	5	6
<b>B1.3</b>	I am able to identify potential negative outcomes when considering risky situations.	1	2	3	4	5	6
<b>B1.4</b>	I am able to adapt to different situations.	1	2	3	4	5	6
<b>B1.5</b>	I am able to cope with uncertainty.	1	2	3	4	5	6
<b>B1.6</b>	I accept challenging assignments.	1	2	3	4	5	6
<b>B1.7</b>	I prefer taking up new challenges and responsibilities.	1	2	3	4	5	6
<b>B1.8</b>	I am able to identify and suggest alternative ways to achieve goals and get the job done.	1	2	3	4	5	6
<b>B1.9</b>	I am able to adapt to changes.	1	2	3	4	5	6
<b>B1.10</b>	I am able to gather facts and information in finding the solution for problems.	1	2	3	4	5	6
<b>B1.11</b>	I find effective ways of solving problems.	1	2	3	4	5	6
<b>B1.12</b>	I am successful in resolving conflicts with others.	1	2	3	4	5	6
<b>B1.13</b>	I solve problems without the assistance from others.	1	2	3	4	5	6

		Strongly disagree	Disagree	Slightly disagree	Slightly agree	Agree	Strongly agree
<b>B1.14</b>	I provide unique solutions to problems.	1	2	3	4	5	6
<b>B1.15</b>	I am able to identify problems.	1	2	3	4	5	6

## B2: Human skills

		Strongly disagree	Disagree	Slightly disagree	Slightly agree	Agree	Strongly agree
<b>B2.1</b>	I enjoy working in a group.	1	2	3	4	5	6
<b>B2.2</b>	I am willing to follow the norms and standards of the group.	1	2	3	4	5	6
<b>B2.3</b>	I enjoy working as part of a team.	1	2	3	4	5	6
<b>B1.4</b>	I am able to adapt to different situations.	1	2	3	4	5	6
<b>B2.5</b>	I work cooperatively with others.	1	2	3	4	5	6
<b>B2.6</b>	I place team goals ahead of my own goals.	1	2	3	4	5	6
<b>B2.7</b>	I cooperate with fellow students.	1	2	3	4	5	6
<b>B2.8</b>	I am able to listen to other people's opinions.	1	2	3	4	5	6
<b>B2.9</b>	I communicate well with others.	1	2	3	4	5	6

## B3: English language proficiency and literacy skills

		Strongly disagree	disagree	Slightly disagree	Slightly agree	Agree	Strongly agree
<b>B3.1</b>	I have no problem speaking English to others.	1	2	3	4	5	6
<b>B3.2</b>	I do not shy away from using the English language when communicating.	1	2	3	4	5	6
<b>B3.3</b>	I am able to communicate with fellow students in English.	1	2	3	4	5	6
<b>B3.4</b>	I speak and write clearly so that others understand.	1	2	3	4	5	6
<b>B3.5</b>	I listen and ask questions in order to understand instructions and views of others.	1	2	3	4	5	6
<b>B3.6</b>	I can create documents such as letters, directions, reports, graphs and flow charts.	1	2	3	4	5	6

#### B4: Information, communication and technology skills

		Strongly disagree	disagree	Slightly disagree	Slightly agree	Agree	Strongly agree
<b>B4.1</b>	I know how to use the internet very well.	1	2	3	4	5	6
<b>B4.2</b>	I know how to use word processing very well.	1	2	3	4	5	6
<b>B4.3</b>	I know how to use email very well.	1	2	3	4	5	6
<b>B4.4</b>	I know how to use spread sheets very well.	1	2	3	4	5	6
<b>B4.5</b>	I know how to handle presentations very well.	1	2	3	4	5	6

#### B5: Personal organisation and time management skills

		Strongly disagree	disagree	Slightly disagree	Slightly agree	Agree	Strongly agree
<b>B5.1</b>	I allocate time efficiently.	1	2	3	4	5	6
<b>B5.2</b>	I am able to meet deadlines.	1	2	3	4	5	6
<b>B5.3</b>	I use time well to achieve my objectives.	1	2	3	4	5	6
<b>B5.4</b>	I arrive at the campus on time.	1	2	3	4	5	6
<b>B5.5</b>	I complete academic work in a thorough manner.	1	2	3	4	5	6
<b>B5.6</b>	I am able to meet identified standards when performing my academic work.	1	2	3	4	5	6
<b>B5.7</b>	I usually set priorities.	1	2	3	4	5	6

#### B6: Leadership skills

		Strongly disagree	disagree	Slightly disagree	Slightly agree	Agree	Strongly agree
<b>B6.1</b>	I always give direction and guidance to others.	1	2	3	4	5	6
<b>B6.2</b>	I have the ability to lead people.	1	2	3	4	5	6
<b>B6.3</b>	I am able to delegate work to peers.	1	2	3	4	5	6
<b>B6.4</b>	I am able to motivate others to work for a common goal.	1	2	3	4	5	6
<b>B6.5</b>	I am willing to take ownership and responsibility for work that is assigned to me.	1	2	3	4	5	6

## B7: Communication skills

		Strongly disagree	disagree	Slightly disagree	Slightly agree	Agree	Strongly agree
<b>B7.1</b>	I can make effective presentations.	1	2	3	4	5	6
<b>B7.2</b>	I can make unplanned presentations.	1	2	3	4	5	6
<b>B7.3</b>	I am able to express ideas verbally, one to one.	1	2	3	4	5	6
<b>B7.4</b>	I am able to communicate ideas to groups.	1	2	3	4	5	6
<b>B7.5</b>	I am able to put up a good logical argument to persuade others.	1	2	3	4	5	6
<b>B7.6</b>	I am able to respond to other's comments during a conversation.	1	2	3	4	5	6
<b>B7.7</b>	I listen attentively to others.	1	2	3	4	5	6
<b>B7.8</b>	I use proper grammar, spelling and punctuation.	1	2	3	4	5	6
<b>B7.9</b>	I can write reports.	1	2	3	4	5	6
<b>B7.10</b>	I can write external business communication.	1	2	3	4	5	6
<b>B7.11</b>	I can write internal business communication.	1	2	3	4	5	6

## Section C: SELF-PERCEIVED EMPLOYABILITY

		Strongly disagree	Disagree	Slightly disagree	Slightly agree	Agree	Strongly agree
<b>C1</b>	I have good prospects of becoming employed because people value my personal contributions.	1	2	3	4	5	6
<b>C2</b>	Even if there could be downsizing (retrenchments) in the organisation that I will be working at, I am confident that I would be retained.	1	2	3	4	5	6
<b>C3</b>	My personal networks will help me in my career.	1	2	3	4	5	6
<b>C4</b>	I am aware of the opportunities arising in the labour market even if they are different to what I am studying.	1	2	3	4	5	6
<b>C5</b>	The skills I have gained in my field of study are transferable to other occupations outside my field of study.	1	2	3	4	5	6
<b>C6</b>	I could easily retrain to make myself employable elsewhere.	1	2	3	4	5	6
<b>C7</b>	I can use my networks and business contacts to develop my career.	1	2	3	4	5	6
<b>C8</b>	I have a good knowledge of opportunities for me in the labour market even if they are quite different to what I am studying.	1	2	3	4	5	6
<b>C9</b>	Among the students who do the study the same course as me, I am well respected in this institution.	1	2	3	4	5	6
<b>C10</b>	Students who study the same course as me in this institution are valued highly.	1	2	3	4	5	6
<b>C11</b>	If I needed to, I could easily get a job.	1	2	3	4	5	6

<b>C12</b>	Students who study the same course like mine are presently really in demand by organisations.	1	2	3	4	5	6
<b>C13</b>	I could easily get a job in almost any organisation.	1	2	3	4	5	6
<b>C14</b>	Anyone with my level of skills and knowledge will be highly sought after by employers.	1	2	3	4	5	6
<b>C15</b>	I could get any job, anywhere, so long as my skills and experience were reasonably relevant.	1	2	3	4	5	6
<b>C16</b>	People with my kind of knowledge and skills are very highly valued.	1	2	3	4	5	6

#### SECTION D: INTENTION FOR SELF-EMPLOYMENT

		Strongly disagree	disagree	Slightly disagree	Slightly agree	Agree	Strongly agree
<b>D1</b>	I seriously intend starting my own business within the next three years after completion.	1	2	3	4	5	6
<b>D2</b>	I have a strong desire to be the owner of my business.	1	2	3	4	5	6
<b>D3</b>	I am interested in starting my own business.	1	2	3	4	5	6
<b>D4</b>	I am always inclined towards entrepreneurship.	1	2	3	4	5	6
<b>D5</b>	I see myself becoming some type of entrepreneur one day.	1	2	3	4	5	6
<b>D6</b>	I have strong plans to venture into business once I complete my studies.	1	2	3	4	5	6
<b>D7</b>	Planning for some kind of business has been, is, or will be an important part of my university studies.	1	2	3	4	5	6
<b>D8</b>	I seriously consider entrepreneurship as a highly desirable career option.	1	2	3	4	5	6
<b>D9</b>	I never thought of entrepreneurship as a career.	1	2	3	4	5	6
<b>D10</b>	I plan to start a new business.	1	2	3	4	5	6
<b>D11</b>	I will not start a business because it is too risky and I am afraid of failing.	1	2	3	4	5	6
<b>D12</b>	I would like to someday start my own business.	1	2	3	4	5	6
<b>D13</b>	If could easily pursue a career involving self-employment.	1	2	3	4	5	6
<b>D14</b>	If I pursue a career involving self-employment, the chances of failure would be very high.	1	2	3	4	5	6

**THANK YOU FOR COMPLETING THIS QUESTIONNAIRE**

## ADDENDUM B

### PERMISSION LETTERS TO CONDUCT SURVEY



1

05 September 2014

Faculty of Economic Sciences and Information Technology  
North West University

Dear Mr. Koloba

#### CSA Research Committee: Study approval and registration

With reference to your application for approval by registration with the College of Student Affairs (CSA) Research Committee of your study, *The relationship between perceived employability and intention for self-employment among university students*, submitted on 01 September 2014. I am pleased to report that committee approval has been granted for your study to engage the student population for purposes of the research.

Your study is registered with the CSA Research Desk for its full duration, which desk is appointed to offer you support in further detailing access to and data collection among students. Also, please note that Ms. Belinda Viljoen is appointed to serve as your principal contact and you are requested to please contact her for further arrangements.

Kindly also note upon completion of the study to schedule the submission of the required report of findings to the Research Desk.

Please do not hesitate to contact Mr Vhugala Nthakheni, CSA Secretary, with further queries or requests for support.

Yours sincerely,

**B Rudi Buys VDM,**  
Dean of Student Affairs

cc: Mr. C May  
Dr. L Lange  
Ms. B Viljoen  
Mr. V Nthakheni

OFFICE OF THE DEAN: STUDENT AFFAIRS  
T: +27(0) 51 401 2852  
F: +27(0) 51 444 6718  
E: sewsankera@ufs.ac.za

STUDENT LIFE CENTER  
Thakaneng Bridge  
1<sup>st</sup> floor, Internal Box 4  
Bloemfontein 9301  
South Africa/Suid-Afrika

205 Nelson Mandela Drive/Ryalaan, Park West/Parkwes  
Bloemfontein 9301, South Africa/Suid-Afrika  
PO Box/Posbus 339  
Bloemfontein 9300  
South Africa/Suid-Afrika  
[www.ufs.ac.za](http://www.ufs.ac.za)



9 October 2014

Mr H.A. Koloba  
School of Economic Sciences  
North-West University (Vaal Triangle Campus)

**Ethical Clearance Application: The relationship between perceived employability and intention for self-employment among university students**

Dear Mr Koloba

With reference to your application for ethical clearance with the Faculty of the Humanities, I am pleased to inform you on behalf of the Ethics Board of the faculty that you have been granted ethical clearance for your research.

Your ethical clearance number, to be used in all correspondence, is:

**UFS-HUM-2014-61**

This ethical clearance number is valid for research conducted for one year from issuance. Should you require more time to complete this research, please apply for an extension in writing.

We request that any changes that may take place during the course of your research project be submitted in writing to the ethics office to ensure we are kept up to date with your progress and any ethical implications that may arise.

Thank you for submitting this proposal for ethical clearance and we wish you every success with your research.

Yours sincerely,

Katinka de Wet  
Ethics Committee (Faculty of the Humanities)

Copy: Charné Vercueil (Research Co-ordinator: Faculty of the Humanities)





Central University of  
Technology, Free State

■ ACADEMIC PLANNING

**Mr Habofanwe Koloba**

**Student Number: 22999612**

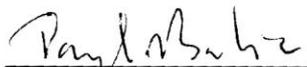
**PERMISSION FOR RESEARCH/STUDY AND ACCESS TO DATA: "THE RELATIONSHIP BETWEEN PERCEIVED EMPLOYABILITY AND INTENTION FOR SELF-EMPLOYMENT AMONG UNIVERSITY STUDENTS"**

Dear Mr HA Koloba

This is to confirm that you have been granted permission for research/study and access to data at the CUT in connection with your registered study programme.

The conditions of the permission are:

- The survey will not interrupt any of the official activities at the CUT;
- You will supply us with the copy of your report;
- The cost of all related activities will be covered by yourself;
- Recruitment of participants is the sole responsibility of yourself;
- Voluntary nature of the potential participant's decision to consent to participate should be strictly observed;
- You should not disclose a potential participant's decision to participate or otherwise to any other party;
- Permission does not compel, in any sense, participation of staff members or students in your survey.

  
**DIRECTOR: ACADEMIC PLANNING**

**DR DM BALIA**

**26 AUGUST 2014**