GENERATION Y FEMALE STUDENTS’ MOTIVATION TOWARDS ENTREPRENEURSHIP

Luzaan Hamilton
North-West University (Vaal Triangle Campus), South Africa
E-mail: Luzaan.Hamilton@nwu.ac.za

Natasha de Klerk
North-West University (Vaal Triangle Campus), South Africa
E-mail: Natasha.deklerk@nwu.ac.za

—Abstract—

Entrepreneurship is a vital driving force for stimulating economic growth and for creating employment opportunities. Consequently, the creation of new ventures and the growth of existing entrepreneurial businesses are vital contributing factors to a robust economy. The critical shortage of employment opportunities in South Africa is a reality for students or graduates. Ultimately, economic development may be facilitated through more individuals considering self-employment as a career choice as opposed to seeking employment. Female entrepreneurship, is viewed as a driving force in the economy because it has a significant effect on employment growth, hence the business environment. More specifically, female entrepreneurs are perceived as important agents of social and economic change, significantly contributing to economic development in terms of employment generation, innovation and wealth. Understanding female Generation Y students’ motivation towards entrepreneurship makes an important contribution towards motivation of future generations in becoming active participants in economic development. As such, the purpose of this paper is to report on a study undertaken to determine undergraduate female Generation Y students’ motivation towards entrepreneurship in order to facilitate the creation of a strong entrepreneurial climate amongst South African female Generation Y students. A descriptive research design approach was followed. A self-administered questionnaire was used to collect the data from a convenience sample of 400 female students across two South African public higher education institutions situated in the Gauteng Province. The collected data were analysed using descriptive statistics, and a one-sample t-test. The highest mean was recorded on independence motives. In such, the findings of this study suggest that independence motives, extrinsic motives and intrinsic motives have a significant influence on South African female Generation Y students’ entrepreneurial motivation and are positive drivers of
entrepreneurship. The findings of this study provide important insights for academics, industry professionals and government seeking to promote or market the concept of entrepreneurship to female students.

**Key Words:** Females, Generation Y, South Africa

**JEL Classification:** M, M2, M29
1. INTRODUCTION

Worldwide, entrepreneurship is recognised as the mind-set and the process needed to create and develop economic activity through merging risk-taking, creativity and innovation with sound management (Gallant et al., 2010). As a powerful force that drives innovation, productivity, job creation and economic growth, entrepreneurship is critical to all sectors of the economy (Davey et al., 2011). Job creation is essential for a country’s long-term economic wealth. Consequently, entrepreneurs creating new ventures and growing existing entrepreneurial businesses are vital contributing factors to a robust economy (Zerihun, 2014). Furthermore, small-, micro- and medium-sized enterprises (SMMEs) are considered the backbone of any economy in that they contribute to employment and social and political stability and, therefore, are viewed as the basis for economic innovation and competitive power (Sandhu et al., 2011).

Evidence suggests that in order to build a robust economy, it is essential to motivate future generations in becoming active participants in economic development (Davey et al., 2011). In generational studies, the youth are characterised as Generation Y (individuals born between 1986 and 2005) (Markert, 2004), also known as millennials, echo-boomers or the next generation (Comeau & Tung, 2013) and are the largest generation to date (Fry, 2015). The South African Generation Y cohort accounts for 37 percent of the total South African population, which totalled around 55 908 865 in 2016 (Stats SA, 2016). Given this size of the South Africa’s Generation Y cohort (Mzinyathi, 2012), makes them salient to industry professionals, including HEIs and those involved in entrepreneurial development. In addition, those Generation Y members pursuing a tertiary qualification are of particular importance to the future of the country (Kinley et al., 2010) given that graduates have a higher future earning potential (Bevan-Dye et al., 2009) and typically higher social standing within society (Schiffman & Kanuk, 2010). Worryingly though, individuals from this cohort face high levels of unemployment when entering the business world (Lowrey, 2013). Therefore, the promotion of entrepreneurship amongst members of this cohort, is important, as the awareness of entrepreneurship will help to insure a decrease in the unemployment rate amongst Generation Y students (Nkechi et al., 2012).

South Africa, as an emerging economy (Petzer & De Meyer, 2013), faces significant socio-economic problems, including high levels of unemployment and poverty (Luiz & Mariotti, 2011). For this reason, entrepreneurship has an
important role and function to fulfil in the country’s economic survival and growth by creating employment opportunities (Deakins & Freel, 2003). Specifically, female unemployment, which stands at 29.3 percent, has been consistently higher than that of males during the period 2001 to 2016 (Stats SA, 2016). For this reason, the South African government has implemented various strategies to motivate entrepreneurs and encourage small business development in the country, which is evident by the number of supporting mechanisms and policies that exist for entrepreneurs, including business advisory services programmes, funding and physical infrastructure (Nelson, 2007). In the White Paper on the Development of Small Business in South Africa in 1995, support initiatives for entrepreneurs, with specific reference to female entrepreneurs are manifested, including the Small Enterprise Development Agency (SEDA), South African Micro Apex Fund (SAMAF), the National Empowerment Fund (NEF), the Khula Enterprise Fund and the Industrial Development Corporation (Department of Trade and Industry, 2015).

Female entrepreneurs, in particular, are viewed as a key contributor to economic growth with entrepreneurship becoming an increasingly important source of employment for females across all nations (Allen et al., 2008). Characterised by innovation, job creation and economic growth in the developing world (Niethammer, 2013), female entrepreneurship represents a key component of the business sector worldwide (Estrin & Mickiewicz, 2011). Whilst the rate of women pursuing entrepreneurship has increased globally with 7 percent between 2012 - 2014 (GEM, 2014), evidence in the literature indicates that female entrepreneurs in developed countries are further ahead than their counterparts are in emerging economies (Ramaswamy, 2013). Conversely, there is a slow growth in the number of female entrepreneurs in many emerging and underdeveloped countries (Osman et al., 2011). Various possible reasons for this are highlighted in the literature, such as a lack of entrepreneurial competencies (Singh & Belwal, 2008), education and training (Agholor et al., 2015), access to capital and technology (Ramaswamy, 2013) and lack of motivation (Ascher, 2012). Of these, various authors (Farhangmehr et al., 2016; Kuratko, 2013; Remeikiene et al., 2013) opine that entrepreneurial motivation play an important role in an individual’s decision to become an entrepreneur and are therefore essential.

According to Dyck and Neubert (2009), motivation relates to an individual’s willingness to apply high levels of effort to achieve desired goals. Originating from the Latin word movere, the word motivation means to move and pertains to an integral feeling that produces goal-driven behaviour (Ramaswamy, 2013). The
Greek philosopher, Aristotle (384-322BC) defined motivation to be a movement that starts at visualising the real or the good in humans, therefore encouraging to move towards the positive and avoid the negative (Botha et al., 2013). According to Sanchez and Sahuquillo (2012), entrepreneurial motivation is the innate drive that induces entrepreneurial behaviour and is of significant value to understand why individuals become entrepreneurs. Shane and Venkataraman (2000) points out that individuals differ in their motivation to pursue opportunities to be an entrepreneur. While prior theoretical and empirical research has identified several factors that influence entrepreneurial motivation, independence (Kirkwood, 2009; Wagner & Ziltener, 2008; Venesaar, 2006), extrinsic rewards (Malebane, 2014; Sivarajah & Achchuthan, 2013; Fatoki, 2010) and intrinsic rewards (Jordaan, 2014; Malebane, 2014; Sivarajah & Achchuthan, 2013) have been considered strong determinants of entrepreneurial motivation.

Independence is the most cited determinant for entrepreneurial motivation in the literature and relates to the freedom offered by being an entrepreneur (Kirkwood, 2009; Wagner & Ziltener, 2008). According to Nieman and Nieuwenhuizen (2014), an individual’s motivation for being entrepreneurial originates from a need of independence and the desire to be self-employed. Kalkan and Kaygusuz (2012) opine that independence is the individuals’ freedom to make their own decisions but also take responsibility for their actions. Extrinsic motivation pertains to an individual being motivated by external factors such as financial rewards, power and status to act entrepreneurially (Casrud & Brannback, 2011). Acar (2014) opine that external motivation or rewards are the main motivator for performing an activity rather than the enjoyment of an activity. However, Kirkwood (2009) found that while financial reward is not the primary motive to become an entrepreneur, it is perceived as a significant motive for prospective entrepreneurs to start a business. According to Benzing et al., (2009), extrinsic rewards denote the financial reasons individuals become entrepreneurs. In contrast, intrinsic motivation is the innate drive to achieve success for known personal fulfilment associated with being an entrepreneur (La Pira, 2010). Intrinsic motivation or rewards starts when an individual feels self-confident and competent in their work (Quigley & Walter, 2006) and are personally interested to take part in entrepreneurial activities (Casrud & Brannback, 2011).

While several studies have been concerned with female’s entrepreneurial motivation (Farhangmehr et al., 2016; Solesvik, 2013; Aramand, 2011), a perusal of four large online academic databases (Google Scholar, EbscoHost, Sabinet Reference and Emerald) revealed a dearth of such studies in the South African
context and none that focused specifically on the country’s significantly sized Generation Y cohort. Therefore, understanding female Generation Y students’ motivation towards entrepreneurship amongst university students from an emerging economy makes an important contribution in that it will aid HEIs and industry professionals in gauging effective ways to market the concept of entrepreneurship to Generation Y female students and help better tailor marketing strategies designed to motivate the idea of entrepreneurship to this target market. This is likely to benefit the nation as a whole. In addition, the findings from this study, reported on in this paper, will assist in the design of entrepreneurial education programmes better geared at converting female students’ motivation into action. As such, the purpose of this paper is to report on a study undertaken to determine South African female Generation Y university students’ motivation towards entrepreneurship.

2. RESEARCH METHODOLOGY

2.1 Sampling method

The target population for this study was defined as 18 to 24 year old female undergraduate students, enrolled full-time at South African public higher education institutions (HEIs). The sampling frame comprised the 26-registered South African public HEIs, as listed by Higher Education South Africa, of which there are 11 traditional universities, 6 comprehensive universities and 9 universities of technology (Universities South Africa, 2015). Using a judgement sample method, this sampling frame was narrowed down to two HEI campuses located in the Gauteng province, one being a traditional university and the other a university of technology. From these two campuses, a non-probability convenience sample of 400 female undergraduate Generation Y students (200 per campus) was used to conduct the main study.

2.2 Research instrument and data collection procedures

In order to measure South African female Generation Y students’ motivation towards entrepreneurship, this study used a structured, self-administered questionnaire. The first section requested demographic information and included screening questions to ensure that participants were part of the target population. The second section determined female Generation Y students’ entrepreneurial motivation, comprising 9 items that were adapted from a scale developed and validated by Karhunen and Ledyaeva (2010). These researchers adapted the scale
from Tkachev and Kolvereid (1999). The scale comprised three constructs, namely independence motives (3 items), extrinsic motives (3 items) and intrinsic motives (3 items). The students’ motivations were measured on a five-point Likert scale ranging from disagree (1) to agree (5), based on the participants agreement or disagreement to the statements pertaining to the motivations towards becoming entrepreneurs. In addition, a cover letter outlining the purpose of the study as well as providing relevant contact details and an assurance of confidentiality concerning the participants’ information was included.

In order to establish reliability, the research instrument was piloted on a convenience sample of 49 students on a South African HEI campus that did not form part of the main sample. The results of this pilot test were considered in finalising the questionnaire. A Cronbach alpha value of 0.794 was computed for the entire scale, which is above the recommended level of 0.70 (Pallant, 2010). After permission to conduct the study was solicited from the Ethical Committee of the North-West University (Vaal campus) by means of an Ethical Clearance Certificate (Econit-Econ-2014-018), lecturers at each of the two HEIs were contacted to request permission for the distribution of the questionnaire. After permission was granted, the questionnaire was then distributed to their students during class or after class (200 per HEI campus). The participating lecturers were requested to inform their students that participation in the study was strictly voluntary. The collected data was analysed using descriptive statistical analysis and a one-sample t-test. The captured data were analysed using the Statistical Package for Social Sciences (IBM SPSS), Version 23.

3. RESULTS

3.1 Sample characteristics

From the sample of 400 questionnaires distributed, 328 completed and usable questionnaires were returned, which indicates an 82 percent response rate. The sample included a greater number of participants from a traditional university than participants from a university of technology. The majority of the participants indicated being 19 years of age, followed by those who indicated being 18 years of age and 20 years of age. Concerning the participants current year of study the largest portion of the sample were students in the first year of study, followed by students in their second year of study and those in their third year and fourth year of study. Table 1 provides a description of the sample.
Table 1: Sample description

<table>
<thead>
<tr>
<th>Institution</th>
<th>(%)</th>
<th>Age (%)</th>
<th>Year of study (%)</th>
<th>Mother tongue language (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional university</td>
<td>58.5</td>
<td>18</td>
<td>1&lt;sup&gt;st&lt;/sup&gt;</td>
<td>Afrikaans 18.9</td>
</tr>
<tr>
<td>University of Technology</td>
<td>41.5</td>
<td>19</td>
<td>2&lt;sup&gt;nd&lt;/sup&gt;</td>
<td>English 3.4</td>
</tr>
<tr>
<td></td>
<td>20</td>
<td>21</td>
<td>3&lt;sup&gt;rd&lt;/sup&gt;</td>
<td>French 0.6</td>
</tr>
<tr>
<td></td>
<td>21</td>
<td>14.4</td>
<td>4&lt;sup&gt;th&lt;/sup&gt;</td>
<td>IsiNdebele 0.9</td>
</tr>
<tr>
<td></td>
<td>22</td>
<td>6.1</td>
<td></td>
<td>Sepedi 10.1</td>
</tr>
<tr>
<td></td>
<td>23</td>
<td>3.0</td>
<td></td>
<td>Polish 0.3</td>
</tr>
<tr>
<td></td>
<td>24</td>
<td>4.0</td>
<td></td>
<td>Portuguese 0.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Shona 0.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Sesotho 26.9</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>SiSwati 4.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Tsonga 7.6</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Setswana 7.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Venda 2.7</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>IsiXhosa 6.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>IsiZulu 10.7</td>
</tr>
</tbody>
</table>

3.2 Reliability and validity

A Cronbach alpha value of 0.755 was computed for the determinants of motivation towards entrepreneurship in the main survey, which exceeds the acceptable value of 0.70, thereby providing evidence of internal-consistency reliability (Brace et al., 2012). In addition, the average inter-item correlation were also computed and were 0.266, which was within the recommended range of 0.15 to 0.50 (Clark & Watson, 1995), thus providing further proof of reliability, as well as suggesting convergent and discriminant validity of the scale.

3.3 Descriptive statistics

Once the reliability and validity of the scale had been ascertained, the descriptive statistics were computed. Table 2 outlines the means and standard deviations pertaining to Generation Y female students’ motivation towards entrepreneurship.

Table 2: Descriptive statistics

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Mean</th>
<th>Standard deviation</th>
<th>Skewness</th>
<th>Kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construct 1: Independence motives</td>
<td>4.446</td>
<td>0.679</td>
<td>-1.358</td>
<td>1.563</td>
</tr>
<tr>
<td>The freedom of being my own boss.</td>
<td>4.613</td>
<td>0.708</td>
<td>-1.680</td>
<td>1.717</td>
</tr>
<tr>
<td>The freedom to choose my own tasks and</td>
<td>4.482</td>
<td>0.809</td>
<td>-1.685</td>
<td>3.036</td>
</tr>
</tbody>
</table>
As presented in Table 2, means above 4 were calculated for all three constructs in the Entrepreneurial Motivation Scale. The highest mean was recorded on independence motives (mean=4.4461), followed by extrinsic motives (mean=4.3008). The lowest mean were recorded for intrinsic motives (mean=4.1199). This suggests that South African female Generation Y students like the freedom afforded by being an entrepreneur, see entrepreneurship as financially rewarding and view it as suiting their personalities and skills.

### 3.4 One-sample t-test

In order to determine whether independence-, extrinsic- and intrinsic motives, as suggested motivational factors was statistically significant, a one-sample t-test was computed. The expected mean was set at 3 (that is, in the agreement area of the scale) and the significance level at the conventional 0.05 level. As is evident from Table 3, significant p-values (p=0.000 < 0.05) were computed for all three of the constructs of entrepreneurial motivations, indicating statistical significance. This suggests that female Generation Y students’ exhibit positive independence-, extrinsic- and intrinsic motives towards becoming entrepreneurs. Table 3 reports on the calculated means, standard deviations, standard error, t-values and p-values.

**Table 3: Female Generation Y students’ entrepreneurial motivations**

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Mean</th>
<th>Standard deviation</th>
<th>Standard error</th>
<th>t-values</th>
<th>P-values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independence motives</td>
<td>4.446</td>
<td>0.679</td>
<td>0.037</td>
<td>38.592</td>
<td>0.000*</td>
</tr>
<tr>
<td>Extrinsic motives</td>
<td>4.301</td>
<td>0.722</td>
<td>0.039</td>
<td>32.643</td>
<td>0.000*</td>
</tr>
</tbody>
</table>

58
4. DISCUSSION

This study investigated South African Generation Y female students’ motivation towards entrepreneurship. The results of this study provide valuable insights into the overall entrepreneurial motivation of female students. Means in the agreement area of the five-point Likert-scale were recorded on all items. The highest mean was recorded on independence motives, which is in line with previous studies (Malebane, 2014) who found that independence is the main reason why individuals feel motivated to act entrepreneurial. The second highest mean was recorded for extrinsic motives. This suggests that female Generation Y students recognise the benefits of entrepreneurship and see it as rewarding, which is consistent with findings of Benzing et al. (2009). The lowest mean was recorded for intrinsic motives, suggesting that Generation Y female students also perceive their own personalities and skills as motivation to be an entrepreneur, which is consistent with a study done by Casrud and Brannback (2011).

As such, the findings of this study suggest that independence, extrinsic motives and intrinsic motives have a significant influence on female generation Y cohort members’ entrepreneurial motivation. This is in line with previous studies (Benzing et al., 2009; Venesaar et al., 2006) who found that these factors are positive drivers of entrepreneurship.

5. CONCLUSION

Entrepreneurship is a powerful source that drives innovation, productivity, job creation in all sectors of the economy. In particular, female entrepreneurs are acknowledge as significant contributors to the economy in terms of job creation. The findings of this study indicate that female Generation Y students in South Africa, even though evidence from the literature suggests that compared to their male counterparts the growth of female entrepreneurs are slow, are motivated to be entrepreneurial. Possible reasons identified from the literature for slow growth include education, overcoming barriers and funding. South Africa is showing high levels of unemployment and poverty. Therefore, entrepreneurship is essential for economic survival and growth of the country. Moreover, the Generation Y cohort in South Africa pursuing a tertiary qualification are important given that graduates have a higher future earning potential within society. Understanding Generation Y female students’ motivation towards entrepreneurship from an emerging economy
makes an important contribution that will help academics, industry professionals and government seeking to promote or market the concept of entrepreneurship to female students. Through better understanding the determinants of female university students’ entrepreneurial motivation in South Africa, the results of this study can assist in creating awareness of certain shortfalls in female South African Generation Y students’ motivation towards entrepreneurship. This study recommends that professionals in the South African economy need to focus on informing and educating young individuals not only about the importance of entrepreneurial businesses but also equip them with the necessary tools to succeed. Therefore, it is important for universities to provide an entrepreneurial-friendly environment. Universities need to provide the required networking opportunities and workshops for entrepreneurs, universities can help generate ideas to start-up businesses. The government can go a step further than the programmes they are currently offering and identify female student entrepreneurs with characteristics described in this paper and provide them with the requisite help to get them started on the entrepreneurship route. Female inspiration, encouragement and motivation should be an ongoing attempt.

BIBLIOGRAPHY


